

**UNIFIED SCHOOL DISTRICT NUMBER 408  
MARION, KANSAS**

**SPECIAL FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2012**

**Unified School District Number 408  
Marion, Kansas**

**Fiscal Year Ended June 30, 2012**

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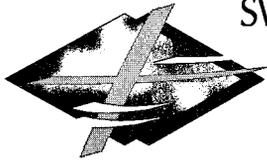
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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Unified School District Number 408  
Marion, Kansas 66861

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District Number 408 Marion, Kansas, as of and for the year ended June 30, 2012. This financial statement is the responsibility of the School District's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared this financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with cash basis and budget laws of the State of Kansas which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above, does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2012, or the changes in its financial position for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2012, and the aggregate cash receipts and expenditures for the year then ended on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the June 30, 2012 financial statement as a whole. The summary of expenditures—actual and budget, individual fund schedules of cash receipts and expenditures, agency funds—schedule of cash receipts and cash disbursements, and district activity funds—schedule of cash receipts and cash disbursements (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the June 30, 2012 financial statement. Such information is the responsibility of management and the June 30, 2012 supplementary information was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2012 financial statement. The June 30, 2012 information has been subjected to the auditing procedures applied in the audit of the June 30, 2012 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the June 30, 2012 financial statement or to the

June 30, 2012 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the June 30, 2012 financial statement as a whole.

The June 30, 2011 Actual column presented in the individual fund schedules of cash receipts and expenditure (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the June 30, 2011 financial statement upon which we rendered an unqualified opinion dated September 20, 2011. The June 30, 2011 financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link: <http://da.ks.gov/ar/muniserv/>. Such June 30, 2011 comparative information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the June 30, 2011 financial statement. The June 30, 2011 comparative information was subjected to the auditing procedures applied in the audit of June 30, 2011 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the June 30, 2011 financial statement or to the June 30, 2011 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the June 30, 2011 comparative information is fairly stated in all material respects in relation to the June 30, 2011 financial statement as a whole.



Certified Public Accountants

October 2, 2012

Unified School District Number 408  
Marion, Kansas

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**  
For the Year Ended June 30, 2012

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>GOVERNMENTAL FUND TYPES:</b>						
<b>GENERAL FUNDS</b>						
General	\$ 1	\$ 4,308,821	\$ 4,308,822	\$ -	\$ 71,485	\$ 71,485
Supplemental General	76	957,034	950,000	7,110	35,829	42,939
<b>SPECIAL REVENUE FUNDS</b>						
At Risk (K-12)	-	375,000	375,000	-	-	-
Capital Outlay	633,255	15,224	5,526	642,953	-	642,953
Driver Training	12,528	6,194	6,535	12,187	-	12,187
Food Service	30,623	376,055	376,683	29,995	-	29,995
Parent Education	-	6,625	6,625	-	-	-
Professional Development	5,281	12,000	5,031	12,250	-	12,250
Special Education	341,029	1,021,980	1,079,635	283,374	-	283,374
Kansas Middle School After School Activity Grant	-	11,539	11,539	-	-	-
Vocational Education	94,434	224,402	205,716	113,120	9,215	122,335
KPERS Special Retirement Contribution	-	324,725	324,725	-	-	-
Contingency Reserve	148,705	-	-	148,705	-	148,705
Textbook and Student Materials Revolving	9,660	28,058	27,035	10,683	1,063	11,746
Title I	-	86,124	86,124	-	-	-
Title II Ed Tech	-	-	-	-	-	-
Title II-A Teacher Quality	-	22,592	22,592	-	-	-
Grants	1,330	31,320	32,650	-	-	-
Memorial	-	-	-	-	-	-
Gate Receipts	5,165	44,307	44,197	5,275	-	5,275
<b>DEBT SERVICE FUND</b>						
Bond and Interest	691,846	613,182	631,809	673,219	-	673,219
<b>PERMANENT FUNDS</b>						
Pippin Scholarship	21,631	397	500	21,528	-	21,528
Darrow Scholarship	10,473	115	250	10,338	-	10,338
Hett Scholarship	17,711	132	100	17,743	-	17,743
MHS Alumni Scholarship	7,650	50	300	7,400	-	7,400
Fruechting Memorial Scholarship	62,895	871	2,000	61,766	-	61,766
<b>FIDUCIARY FUND TYPES:</b>						
<b>PRIVATE PURPOSE TRUST FUNDS</b>						
MHS Coaches Scholarship	16,839	144	2,089	14,894	-	14,894
Stephen Bowers Scholarship	74	1	-	75	-	75
Total (Excluding Agency Funds)	<u>\$ 2,111,206</u>	<u>\$ 8,466,892</u>	<u>\$ 8,505,483</u>	<u>\$ 2,072,615</u>	<u>\$ 117,592</u>	<u>\$ 2,190,207</u>

**COMPOSITION OF CASH**

Marion National Bank - NOW account	\$ 160,331
Central National Bank - Scholarship Certificate of Deposit	133,742
Central National Bank - Performance Checking	1,912,676
Central National Bank - High School Activity Fund	25,465
Tampa State Bank - NOW account	29,417
Tampa State Bank - Middle School Activity Fund	5,362
Total Cash	2,266,993
Agency Funds per Schedule 4	(76,786)
Total (Excluding Agency Funds)	<u>\$ 2,190,207</u>

**UNIFIED SCHOOL DISTRICT NUMBER 408**  
**MARION, KANSAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***(a) Reporting Entity***

Unified School District Number 408 is a municipal corporation governed by an elected seven-member board. These financial statements present Unified School District Number 408, the primary government. There were no component units in the year ended June 30, 2012.

***(b) Reimbursed Expenses***

The District records reimbursable expenditures (or expense) in the fund that makes the disbursement. For purposes of budgetary comparisons, the expenditures, (or expenses) are properly offset by the reimbursements.

***(c) Basis of Presentation - Fund Accounting***

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for separately. Funds are classified into two categories: governmental and fiduciary. Within each of these two categories there are one or more fund types. The District uses the following fund types:

**GOVERNMENTAL FUND TYPES**

**General Fund** - The general fund is used to account for all activities of the general government not accounted for in some other fund.

**Special Revenue Funds** - Special revenue funds are used to account for the collection and disbursement of monies earmarked for a special purpose.

**Debt Service Funds** - Debt Service Funds are used to account for the servicing of general long-term debt such as general obligation bonds.

**Capital Project Funds** - Capital Project Funds are used to account for the source of funds and the use of those funds to be expended on the particular capital project.

**Permanent Fund** - This fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs, that is, for the benefit of the District or its citizenry.

**FIDUCIARY FUND TYPES**

This fund type accounts for assets held by the District as a trustee or agent for others and therefore cannot be used to support the District's own programs.

**Private Purpose Trust Funds** - These funds are used to report all trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

# 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

## ***(d) Statutory Basis of Accounting***

The statutory basis of accounting, as used in the preparation of this statutory basis financial statement, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The District has approved a resolution that is in compliance with K.S.A.75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

## ***(e) Departure from Accounting Principles Generally Accepted in the United States of America***

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balances and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings and equipment owned by the municipality are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes and compensated absences are not presented in the financial statements.

## ***(f) Budget and Tax Cycle***

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), Debt Service Funds and Enterprise Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of budget for the succeeding calendar year on or before August 1.
2. Publication in local newspaper on or before August 5 of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

### *(f) Budget and Tax Cycle (cont.)*

All legal annual operating budgets are prepared using the statutory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, fiduciary and permanent funds and the following special revenue funds: Kansas Middle School After School Activity Grant, Contingency Reserve, Textbook and Student Materials Revolving, Title I, Title II Ed Tech, Title II-A Teacher Quality, Grants, Memorial and Gate Receipts.

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes or by the use of internal spending limits established by the governing body.

## 2. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. The rating of the District's investments is noted below, if applicable.

*Concentration of credit risk.* State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk.* Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2012.

At year end, the carrying amount of the District's deposits was \$2,266,933 and the bank balance was \$2,097,558. The bank balance was held by three banks resulting in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$458,179 was covered by federal depository insurance and \$1,639,379 was covered by pledged securities held under joint custody receipts issued by a third-party bank in the District's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the District, the pledging bank, and the independent third-party bank holding the pledged securities.

### *(b) Investments*

Kansas statutes authorize the District to invest in U.S. Treasury bills and notes, repurchase agreements, and the State Municipal Investment Pool. The District held no investments at year end.

### 3. LONG-TERM DEBT

Changes in long-term liabilities for the District for the year ended June 30, 2012, were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/Payments	Balance End of Year	Interest Paid
General Obligation Bonds	3.95% to								
Series 2006	4.35%	5-1-06	8,000,000	9-1-24	\$ 7,200,000	\$ -	\$ 340,000	\$ 6,860,000	\$ 291,809
Total Bonded Indebtedness					7,200,000	-	340,000	6,860,000	291,809
Compensated Absences	N/A	N/A	N/A	N/A	29,969		638	29,331	-
Total Long-Term Debt					\$ 7,229,969	\$ -	\$ 340,638	\$ 6,889,331	\$ 291,809

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Year							Total
	2013	2014	2015	2016	2017	2018-2022	2023-2025	
Principal:								
General obligation bonds								
Series 2006	\$ 365,000	\$ 400,000	\$ 430,000	\$ 460,000	\$ 490,000	\$ 2,965,000	\$ 1,750,000	\$ 6,860,000
Total principal	365,000	400,000	430,000	460,000	490,000	2,965,000	1,750,000	6,860,000
Interest:								
General obligation bonds								
Series 2006	276,387	259,653	241,496	222,028	201,246	672,308	90,750	1,963,868
Total interest	276,387	259,653	241,496	222,028	201,246	672,308	90,750	1,963,868
Total principal and interest	\$ 641,387	\$ 659,653	\$ 671,496	\$ 682,028	\$ 691,246	\$ 3,637,308	\$ 1,840,750	\$ 8,823,868

### 4. INTERFUND TRANSACTIONS

Operating transfers were as follows:

From	To	Authority	Amount
General Fund	At Risk (K-12)	K.S.A. 72-6428	\$ 375,000
General Fund	Food Service	K.S.A. 72-6428	35,000
General Fund	Professional Development	K.S.A. 72-6428	12,000
General Fund	Parent Education	K.S.A. 72-6428	6,625
General Fund	Special Education	K.S.A. 72-6428	781,762
General Fund	Vocational Education	K.S.A. 72-6428	220,000
Supplemental General	Food Service	K.S.A. 72-6433	15,000
Supplemental General	Special Education	K.S.A. 72-6433	221,706

## 5. PENSION COSTS AND EMPLOYEE BENEFITS

### ***Defined Benefit Pension Plan***

**Plan Description.** The District contributes to Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

**Funding Policy.** K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERs according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. For fiscal year 2012, the State of Kansas contributed 9.77% of covered payroll. These contribution requirements are established by KPERs and are periodically revised. Kansas' contributions to KPERs for all Kansas public school employees for the years ending June 30, 2012, 2011, and 2010 were \$298,635,383 received as of June 30, 2012, \$188,864,352 received as of June 30, 2011, (with the remaining balance due from the state of \$64,969,692, received by July 12, 2011), and \$140,318,394 received as of June 30, 2010, (with the remaining balance due from the state of \$108,149,792, received by July 9, 2010), respectively, equal to the statutory required contributions for each year.

## 6. LEAVE POLICIES

Vacation, sick leave and other compensated absences are recorded as expenditures in governmental funds when they are paid.

Employees earn 10 days sick leave each year with a maximum accumulation of 75 days. Any accumulation of sick leave over 75 days is paid to the employee at the rate of \$25.00 per day. Upon retirement after 15 years of employment the employee shall be paid \$25.00 for each day of unused sick leave.

## 7. CLAIMS AND JUDGMENTS

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of October 2, 2012, grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the individual governmental funds or the overall financial position of the District.

During the ordinary course of its operations the District is a party to various claims, legal actions and complaints. It is the opinion of the District's management and legal counsel that these matters are not anticipated to have a material impact on the District.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries; and natural disasters. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2011 to 2012, and there were no settlements that exceeded insurance coverage in the past three years.

## 8. SCHOLARSHIP FUNDS

During the year ended June 30, 1994, the District was named trustee of the H. Dean Pippin Memorial Scholarship Fund. Under the terms of the trust agreement, all contributions to the fund must be maintained as principal. A scholarship(s) of at least 90% of earnings shall be granted at least annually from the income derived from the trust principal during the previous trust year to one or more high school seniors graduating from Marion High School who intend to continue their education with post-high school studies. No contributions were made during the year ended June 30, 2012 and the corpus balance remains \$21,000. The trust has been classified as a permanent fund on Statement 1 with the cash restricted as described above.

During the year ended June 30, 1997, the District was named trustee of the Corey Darrow Memorial Scholarship Fund. Under the terms of the trust agreement, all contributions to the fund must be maintained as principal. A scholarship(s) of at least 90% of earnings shall be granted at least annually from the income derived from the trust principal during the previous trust year to one or more high school seniors graduating from Marion High School who intend to continue their education with post-high school studies. No contributions were made during the year ended June 30, 2012 and the corpus balance remains \$10,000. The trust has been classified as a permanent fund on Statement 1 with the cash restricted as described above.

During the year ended June 30, 1998, the District was named trustee of the Calvin Ray Hett Memorial Scholarship Fund. Under the terms of the trust agreement, all contributions to the fund must be maintained as principal. A scholarship(s) of at least 90% of the net trust income acquired during the previous trust year can be given to a high school senior graduating from Marion High School who intends to continue their education with post-high school studies in agriculture or an agriculture related field. No contributions were made during the year ended June 30, 2012 and the corpus balance remains \$17,600. The trust has been classified as a permanent fund on Statement 1 with the cash restricted as described above.

During the year ended June 30, 1998, the District was named trustee of the Marion High School Alumni Endowed Scholarship Fund. Under the terms of the trust agreement, all funds and property will be held in trust with only the interest used for scholarship aid. The trust shall be perpetual. There shall be a scholarship granted at least annually from the income derived from the trust principal to one or more recipients, as deemed appropriate and advisable by the District. Preference is given to high school seniors who choose to enroll in an accredited school of higher education. No contributions were made during the year ended June 30, 2012 and the corpus balance remains \$6,500. The trust has been classified as a permanent fund on Statement 1 with the cash restricted as described above.

During the year ended June 30, 2003, the District was named trustee of the MHS Coaches' Scholarship Fund. Under the terms, the fund is intended to be perpetual. The scholarship is to be awarded to college bound graduating seniors in honor of former Marion High School coaches who have been nominated and met the MHSCSP qualifying criteria. One student/athlete will be nominated by the coaching staff of each individual sport offered at Marion High School. In addition, the Marion High School Athletic Director will nominate one at-large student/athlete that has not been nominated by an individual sport. These individual scholarships shall be in the amount of \$250 per year until all funds are depleted, in addition there will be one \$500 scholarship awarded. Income may also be expended for scholarship recipient plaques according to an addendum approved July 1, 2009. Contributions of \$40 were made during the year ended June 30, 2012. This fund shall be classified as a private purpose trust fund on Statement 1 with the cash restricted as described above.

During the year ended June 30, 2003, the District was named trustee of the John Leslie and Ada Estelle Fruechting Memorial Scholarship Fund. Under the terms of the trust agreement, all funds will be held in the trust with only the interest used for scholarship aid. The trust shall be perpetual. There shall be a scholarship granted at least annually from the income derived from the trust principal to one or more recipients, as deemed appropriate and advisable by the District. Preference is to be given to high school seniors intending to pursue post-high school studies at a four-year college or university that have shown leadership qualities either in the classroom or school activities. No contributions were made during the year ended June 30, 2012 and the corpus balance remains \$45,000. The trust has been classified as a permanent fund on Statement 1 with the cash restricted as described above.

## **8. SCHOLARSHIP FUNDS (cont.)**

During the year ended June 30, 2006, the District was named trustee of the Stephen Bowers Memorial Scholarship Fund. Under the terms of the trust agreement, the fund is intended to have a limited life of 5 years, but may extend longer than that if additional funds are received. If the balance in the fund exceeds \$3,000, the committee may award any amount that exceeds \$3,000 in one year. Funds from the memorial shall be granted to Marion High School seniors intending to pursue post-high school studies in agriculture or any trade school. There shall be \$1,000 awarded, but no one applicant may receive more than \$500. No scholarship need be awarded if an acceptable or eligible application is not received. The first scholarship was available for the class of 2006, or a member of the classes of 2003, 2004 or 2005 who had completed study and the funds may be used to pay student loans from those courses. No contributions were made during the year ended June 30, 2012. The trust has been classified as a private purpose trust fund on Statement 1 with the cash restricted as described above.

## **9. OTHER POST EMPLOYMENT BENEFITS**

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

## **10. INTERLOCAL AGREEMENT**

The City of Marion approved the proposal from U.S.D. #408 for the City to utilize the school districts' indoor swimming pool facility for public and City recreation use, with the City agreeing to pay \$100,000 annually to the U.S.D. #408 for the life of the bonds and also split net expenses each year equally with the school district, to be revaluated in three years.

U.S.D #408, along with the City of Marion entered into an interlocal agreement on October 23, 2006, regarding the cooperative use of facilities, equipment, and personnel. The purpose of the agreement states the parties agree to execute one or more letter agreements that shall become a part of this agreement. The letters of understanding shall address issues relating to sharing facilities and resources controlled or owned by the parties, and may include use of facilities, equipment personnel; access to facilities, equipment, personnel; charges, costs, or fees; site improvements; maintenance responsibilities; duration of use or access; and times and dates of use or access. Letters of understanding in regard to expense sharing were signed December 31, 2008. No other letters of understanding have been signed.

## **11. RESTATEMENT OF BEGINNING BALANCES**

Due to a technical amendment to the 2011 Kansas Municipal Audit Guide, which governs the format and accounting for this financial statement, beginning unencumbered balances have been restated from (\$332,324) to \$1 in the General Fund and from \$(27,952) to \$76 in the Supplemental General Fund. These changes reflect the change in policy of the Kansas Municipal Audit Guide as to when the final State Aid payments are posted. The previous policy dictated that the payment received in July of the subsequent fiscal year be posted in the subsequent fiscal year. The technical amendment for the statutory statements now states that the payment should be posted in the prior fiscal year. The balances have been adjusted for this change in policy.

## **12. SUBSEQUENT EVENTS**

Management has evaluated the effects on the financial statements of subsequent events occurring through October 2, 2012 which is the date at which the financial statements were available to be issued.

**UNIFIED SCHOOL DISTRICT NUMBER 408  
MARION, KANSAS**

**SUPPLEMENTAL INFORMATION**

**FISCAL YEAR ENDED JUNE 30, 2012**

**Unified School District Number 408  
Marion, Kansas**

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
(Budgeted Funds Only)  
For the Year Ended June 30, 2012**

	<u>Certified Budget</u>	<u>Adjustments to Comply with Legal Max</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
<b>GOVERNMENTAL FUND TYPES:</b>						
<b>GENERAL FUNDS</b>						
General	\$ 4,439,610	\$ (130,788)	\$ -	\$ 4,308,822	\$ 4,308,822	\$ -
Supplemental General	950,000	-	-	950,000	950,000	-
<b>SPECIAL REVENUE FUNDS:</b>						
At Risk (K-12)	375,000	-	-	375,000	375,000	-
Capital Outlay	743,255	-	-	743,255	5,526	737,729
Driver Training	23,452	-	-	23,452	6,535	16,917
Food Service	416,909	-	-	416,909	376,683	40,226
Parent Education	6,625	-	-	6,625	6,625	-
Professional Development	5,281	-	-	5,281	5,031	250
Special Education	1,309,414	-	-	1,309,414	1,079,635	229,779
Vocational Education	219,434	-	-	219,434	205,716	13,718
KPERs Contribution	362,212	-	-	362,212	324,725	37,487
<b>DEBT SERVICE FUND:</b>						
Bond and Interest	632,059	-	-	632,059	631,809	250
	<u>\$ 9,483,251</u>	<u>\$ (130,788)</u>	<u>\$ -</u>	<u>\$ 9,352,463</u>	<u>\$ 8,276,107</u>	<u>\$ 1,076,356</u>

Unified School District Number 408  
Marion, Kansas

GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts:</b>				
Taxes and Shared Revenue -				
Ad valorem property				
Prior year	\$ 9,460	\$ 7,648	\$ 40,739	\$ (33,091)
Current year	472,535	455,418	430,216	25,202
Delinquent tax	7,555	9,028	18,817	(9,789)
Recreational vehicle tax	94	-	-	-
Flood control - reservoir	679	-	-	-
Mineral production tax	1,231	2,170	-	2,170
State aid	3,021,790	3,067,733	3,053,637	14,096
Special education - state aid	670,599	764,883	765,413	(530)
Federal aid - Ed Jobs	135,760	1,941	-	1,941
Federal aid - ARRA	77,533	-	-	-
<b>Total Cash Receipts</b>	<b>4,397,236</b>	<b>4,308,821</b>	<b>\$ 4,308,822</b>	<b>\$ (1)</b>
<b>Expenditures:</b>				
Instruction -				
Certified salaries	747,385	904,821	\$ 1,000,000	\$ 95,179
Certified salaries - Ed Jobs	135,760	8,593	-	(8,593)
Certified salaries - ARRA	77,533	1,941	-	(1,941)
Non-certified salaries	63,714	80,042	75,000	(5,042)
Insurance	72,373	71,368	75,000	3,632
Social Security	99,560	77,231	100,000	22,769
Other employee benefits	45,443	32,420	46,000	13,580
Purchased professional services	48,539	80,566	50,000	(30,566)
Other purchased services	-	70	-	(70)
General teaching supplies	59,900	45,131	41,000	(4,131)
Textbooks	1,957	6,646	14,000	7,354
Equipment and furniture	-	20,680	-	(20,680)
Other	99,046	73,459	100,000	26,541
Student Support Services -				
Certified salaries	53,697	54,756	51,000	(3,756)
Non-certified salaries	26,107	12,500	30,000	17,500
Insurance	934	4,954	1,000	(3,954)
Social Security	8,928	4,665	10,000	5,335
Other employee benefits	111	58	500	442
Purchased professional services	4,195	7,324	5,000	(2,324)
Supplies	74	246	1,000	754

**Unified School District Number 408  
Marion, Kansas**

**GENERAL FUND (cont.)**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended June 30, 2012**

**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2012			Variance Favorable (Unfavorable)
	2011 Actual	Actual	Budget	
Expenditures (cont.)				
Instruction Support Staff -				
Certified salaries	\$ 4,247	\$ 16,425	\$ 10,000	\$ (6,425)
Non-certified salaries	84,959	85,729	85,000	(729)
Insurance	-	10,500	-	(10,500)
Social Security	5,586	6,676	8,000	1,324
Other employee benefits	69	83	100	17
Purchased professional services	40,945	23,353	45,000	21,647
Books and periodicals	9,015	7,317	10,000	2,683
Audio visual and instruction software	1,315	3,232	2,500	(732)
General Administration -				
Certified salaries	101,054	101,772	103,000	1,228
Non-certified salaries	385	690	1,000	310
Social Security	7,005	6,994	10,000	3,006
Other employee benefits	88	1,763	500	(1,263)
Purchased professional services	27,682	36,637	30,000	(6,637)
Insurance	5,817	3,201	6,000	2,799
Communications	16,189	21,388	25,000	3,612
Supplies	161	45	500	455
Other general administration	2,367	3,192	5,000	1,808
School Administration -				
Certified salaries	221,149	212,024	215,000	2,976
Non-certified salaries	85,599	95,038	90,000	(5,038)
Insurance	14,995	13,524	16,000	2,476
Social Security	21,166	21,384	25,000	3,616
Other employee benefits	493	1,943	500	(1,443)
Other purchased services	4,013	3,152	5,000	1,848
Supplies	14,885	16,674	20,000	3,326
Operations and Maintenance -				
Non-certified salaries	190,436	192,607	200,000	7,393
Insurance	29,107	33,750	32,000	(1,750)
Social Security	14,146	14,706	18,000	3,294
Other employee benefits	3,624	8,620	5,000	(3,620)
Purchased professional services	18,666	40,482	22,000	(18,482)
Water/sewer	14,086	14,593	15,500	907
Repairs and maintenance	4,207	463	5,000	4,537

**Unified School District Number 408  
Marion, Kansas**

**GENERAL FUND (cont.)**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures (cont.)				
Other purchased property services	\$ 6,025	\$ 9,804	\$ 7,500	\$ (2,304)
Insurance	39,292	49,282	45,000	(4,282)
General supplies	-	757	-	(757)
Heating	4,075	2,350	5,500	3,150
Electricity	5,423	5,932	8,000	2,068
Other operations and maintenance	298	350	500	150
Student Transportation Services - Supervision				
Non-certified salaries	920	-	-	-
Social security	70	-	-	-
Other employee benefits	1	-	-	-
Other	1,239	2,381	2,000	(381)
Vehicle Operating Services -				
Non-certified salaries	45,663	38,623	50,000	11,377
Insurance	16,204	8,625	18,000	9,375
Social security	3,320	2,903	5,000	2,097
Other employee benefits	3,564	3,391	5,000	1,609
Insurance	11,048	10,511	15,000	4,489
Motor Fuel	38,299	42,774	45,000	2,226
Equipment	-	66,503	-	(66,503)
Other	6,955	2,475	10,000	7,525
Vehicle and Maintenance Services -				
Purchased professional services	31,442	19,896	40,000	20,104
Other purchased services	1,730	6,047	5,000	(1,047)
Community Service Operations	35,007	43,221	38,000	(5,221)
Other Supplemental Service -				
Non-certified salaries	53,881	54,825	55,000	175
Insurance	11,852	10,500	12,000	1,500
Social Security	3,979	4,100	5,000	900
Other employee benefits	51	52	500	448
Supplies	5,663	7,705	7,500	(205)

Unified School District Number 408  
Marion, Kansas

GENERAL FUND (cont.)

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures (cont.)				
Outgoing Transfers -				
At Risk (K-12)	\$ 375,000	\$ 375,000	\$ 375,000	\$ -
Capital Outlay	120,000	-	-	-
Driver Training	5,000	-	5,000	5,000
Food Service	30,000	35,000	20,000	(15,000)
Professional Development	5,000	12,000	-	(12,000)
Parent Education	7,323	6,625	6,625	-
Special Education	755,199	781,762	787,597	5,835
Vocational Education	285,000	220,000	255,788	35,788
Adjustment to comply with legal max	-	-	(130,788)	(130,788)
Legal General Fund Budget	<u>4,397,235</u>	<u>4,308,822</u>	<u>\$ 4,308,822</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	1	(1)		
Unencumbered Cash, Beginning	<u>-</u>	<u>1</u>		
Unencumbered Cash, Ending	<u>\$ 1</u>	<u>\$ -</u>		

Unified School District Number 408  
Marion, Kansas

SUPPLEMENTAL GENERAL

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2012</u>			Variance Favorable (Unfavorable)
	<u>2011 Actual</u>	<u>Actual</u>	<u>Budget</u>	
<b>Cash Receipts:</b>				
Taxes and Shared Revenue-				
Ad valorem property				
Prior year	\$ 10,998	\$ 5,150	\$ 33,388	\$ (28,238)
Current year	457,071	486,253	454,717	31,536
Delinquent tax	8,027	9,290	17,351	(8,061)
Motor vehicle tax	52,472	55,527	57,916	(2,389)
Recreational vehicle tax	1,210	1,244	1,369	(125)
State aid	471,785	399,570	385,182	14,388
Miscellaneous revenue	1,800	-	-	-
Total Cash Receipts	<u>1,003,363</u>	<u>957,034</u>	<u>\$ 949,923</u>	<u>\$ 7,111</u>
<b>Expenditures:</b>				
Instruction -				
Certified salaries	380,001	399,999	\$ 500,000	\$ 100,001
Insurance	20,000	15,000	20,000	5,000
Property	54,685	79,558	50,000	(29,558)
Operations & Maintenance -				
Repair of buildings	71,672	63,786	75,000	11,214
General supplies	44,141	41,003	60,000	18,997
Heating	38,574	31,203	50,000	18,797
Electricity	87,077	82,191	100,000	17,809
Property	20,955	554	25,000	24,446
Outgoing Transfers -				
Food Service	25,000	15,000	20,000	5,000
Professional Development	5,000	-	-	-
Special Ed	272,895	221,706	50,000	(171,706)
Total Expenditures	<u>1,020,000</u>	<u>950,000</u>	<u>\$ 950,000</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(16,637)	7,034		
Unencumbered Cash, Beginning	<u>16,713</u>	<u>76</u>		
Unencumbered Cash, Ending	<u>\$ 76</u>	<u>\$ 7,110</u>		

Unified School District Number 408  
Marion, Kansas

AT RISK (K-12)

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011 Actual</u>	<u>2012</u>		<u>Variance Favorable (Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Transfer from General Fund	\$ 375,000	\$ 375,000	\$ 375,000	\$ -
Expenditures:				
Instruction -				
Certified salaries	324,861	350,000	\$ 280,000	\$ (70,000)
Non certified salaries	-	-	75,000	75,000
Social Security	-	25,000	20,000	(5,000)
Student Support Services -				
Certified salaries	50,139	-	-	-
Total Expenditures	375,000	375,000	\$ 375,000	\$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

Unified School District Number 408  
Marion, Kansas

CAPITAL OUTLAY

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue -				
Interest on idle funds	\$ 6,500	\$ 3,260	\$ 10,000	\$ (6,740)
Other local source revenue	112,007	11,964	100,000	(88,036)
Transfer from General Fund	120,000	-	-	-
Total Cash Receipts	<u>238,507</u>	<u>15,224</u>	<u>\$ 110,000</u>	<u>\$ (94,776)</u>
Expenditures:				
Instruction property	-	1,200	\$ 50,000	\$ 48,800
Student support services property	-	-	20,000	20,000
School administration property	-	-	10,000	10,000
Central services property	-	-	10,000	10,000
Operation and maintenance property	-	1,961	130,000	128,039
New building	3,541	-	-	-
Building improvements	4,640	2,365	523,255	520,890
Total Expenditures	<u>8,181</u>	<u>5,526</u>	<u>\$ 743,255</u>	<u>\$ 737,729</u>
Receipts Over (Under) Expenditures	230,326	9,698		
Unencumbered Cash, Beginning	<u>402,929</u>	<u>633,255</u>		
Unencumbered Cash, Ending	<u>\$ 633,255</u>	<u>\$ 642,953</u>		

Unified School District Number 408  
Marion, Kansas

DRIVER TRAINING

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Other local source revenue	\$ 2,899	\$ 3,750	\$ 4,000	\$ (250)
State aid	2,886	2,444	1,924	520
Transfer from General Fund	5,000	-	5,000	(5,000)
Total Cash Receipts	<u>10,785</u>	<u>6,194</u>	<u>\$ 10,924</u>	<u>\$ (4,730)</u>
Expenditures:				
Instruction -				
Certified salaries	9,953	5,572	\$ 19,952	\$ 14,380
Social Security	752	436	1,500	1,064
Other employee benefits	362	6	1,000	994
Supplies - general	547	521	1,000	479
Total Expenditures	<u>11,614</u>	<u>6,535</u>	<u>\$ 23,452</u>	<u>\$ 16,917</u>
Receipts Over (Under) Expenditures	(829)	(341)		
Unencumbered Cash, Beginning	<u>13,357</u>	<u>12,528</u>		
Unencumbered Cash, Ending	<u>\$ 12,528</u>	<u>\$ 12,187</u>		

**Unified School District Number 408  
Marion, Kansas**

**FOOD SERVICE**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended June 30, 2012**

**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

			<u>2012</u>		<b>Variance Favorable (Unfavorable)</b>
	<u>2011 Actual</u>	<u>Actual</u>	<u>Budget</u>		
<b>Cash Receipts:</b>					
Student sales	\$ 109,156	\$ 103,989	\$ 100,250	\$ 3,739	
Student sales - breakfast	-	-	21,000	(21,000)	
Adult sales and ala carte	16,313	17,746	15,550	2,196	
Other revenue	30,617	18,157	25,000	(6,843)	
State aid	2,071	2,581	3,150	(569)	
Federal aid	168,048	183,582	181,336	2,246	
Transfer from General Fund	30,000	35,000	20,000	15,000	
Transfer from Supplemental General Fund	25,000	15,000	20,000	(5,000)	
<b>Total Cash Receipts</b>	<u>381,205</u>	<u>376,055</u>	<u>\$ 386,286</u>	<u>\$ (10,231)</u>	
<b>Expenditures:</b>					
Non-certified salaries	90,670	94,587	\$ 95,000	\$ 413	
Insurance	20,704	19,149	22,000	2,851	
Social Security	6,177	6,179	10,000	3,821	
Other employee benefits	1,799	3,428	2,000	(1,428)	
Food and milk	237,259	231,569	266,909	35,340	
Miscellaneous supplies	562	105	1,000	895	
Property, equipment and furniture	-	161	5,000	4,839	
Other food service operations	13,632	21,505	15,000	(6,505)	
<b>Total Expenditures</b>	<u>370,803</u>	<u>376,683</u>	<u>\$ 416,909</u>	<u>\$ 40,226</u>	
Receipts Over (Under) Expenditures	10,402	(628)			
Unencumbered Cash, Beginning	<u>20,221</u>	<u>30,623</u>			
Unencumbered Cash, Ending	<u>\$ 30,623</u>	<u>\$ 29,995</u>			

Unified School District Number 408  
Marion, Kansas

PARENT EDUCATION

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General Fund	\$ 7,323	\$ 6,625	\$ 6,625	\$ -
Expenditures:				
Purchased professional services	7,323	6,625	\$ 6,625	\$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

Unified School District Number 408  
Marion, Kansas

PROFESSIONAL DEVELOPMENT

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General Fund	\$ 5,000	\$ 12,000	\$ -	\$ 12,000
Transfer from Supplemental General Fund	5,000	-	-	-
Total Cash Receipts	<u>10,000</u>	<u>12,000</u>	<u>\$ -</u>	<u>\$ 12,000</u>
Expenditures:				
Purchased professional services	4,991	4,633	\$ 5,000	\$ 367
Other	331	398	281	(117)
Total Expenditures	<u>5,322</u>	<u>5,031</u>	<u>\$ 5,281</u>	<u>\$ 250</u>
Receipts Over (Under) Expenditures	4,678	6,969		
Unencumbered Cash, Beginning	<u>603</u>	<u>5,281</u>		
Unencumbered Cash, Ending	<u>\$ 5,281</u>	<u>\$ 12,250</u>		

Unified School District Number 408  
Marion, Kansas

SPECIAL EDUCATION

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts:</b>				
Miscellaneous revenue	\$ -	\$ 18,512	\$ -	\$ 18,512
Transfer from General Fund	755,199	781,762	918,385	(136,623)
Transfer from Supplemental General Fund	272,895	221,706	50,000	171,706
<b>Total Cash Receipts</b>	<b>1,028,094</b>	<b>1,021,980</b>	<b>\$ 968,385</b>	<b>\$ 53,595</b>
<b>Expenditures:</b>				
Instruction -				
Payment to Special Education Coop	308,530	310,005	\$ 310,000	\$ (5)
Payment to Sp Ed Coop (Flowthrough)	656,255	746,673	976,914	230,241
Vehicle Operating Service -				
Non-certified salaries	9,722	12,973	13,500	527
Social Security	693	1,003	1,000	(3)
Other employee benefits	9	3	500	497
Insurance	709	1,332	1,500	168
Motor fuel	5,854	7,646	6,000	(1,646)
<b>Total Expenditures</b>	<b>981,772</b>	<b>1,079,635</b>	<b>\$ 1,309,414</b>	<b>\$ 229,779</b>
Receipts Over (Under) Expenditures	46,322	(57,655)		
Unencumbered Cash, Beginning	294,707	341,029		
Unencumbered Cash, Ending	\$ 341,029	\$ 283,374		

**Unified School District Number 408  
Marion, Kansas**

**KANSAS MIDDLE SCHOOL AFTER SCHOOL ACTIVITY GRANT**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES**

**For the Year Ended June 30, 2012**

**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	<u>2011 Actual</u>	<u>2012 Actual</u>
Cash Receipts:		
State aid	\$ 19,254	\$ 11,539
Expenditures:		
Instruction -		
Certified Salaries	-	10,718
Social Security	-	821
Other	<u>19,254</u>	<u>-</u>
Total Expenditures	<u>19,254</u>	<u>11,539</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

**Unified School District Number 408  
Marion, Kansas**

**VOCATIONAL EDUCATION**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended June 30, 2012**

**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		<u>2012</u>		
	<u>2011</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Favorable</u>
				<u>(Unfavorable)</u>
Cash Receipts:				
Transfer from General Fund	\$ 285,000	\$ 220,000	\$ 125,000	\$ 95,000
Federal aid	3,500	4,402	-	4,402
	<u>288,500</u>	<u>224,402</u>	<u>\$ 125,000</u>	<u>\$ 99,402</u>
Total Receipts				
Expenditures:				
Instruction -				
Certified salaries	159,520	174,464	\$ 180,000	\$ 5,536
Social Security	10,320	11,041	14,000	2,959
Other employee benefits	129	352	434	82
General teaching supplies	8,721	4,363	10,000	5,637
Property and equipment	16,787	15,496	15,000	(496)
	<u>195,477</u>	<u>205,716</u>	<u>\$ 219,434</u>	<u>\$ 13,718</u>
Total Expenditures				
Receipts Over (Under) Expenditures	93,023	18,686		
Unencumbered Cash, Beginning	<u>1,411</u>	<u>94,434</u>		
Unencumbered Cash, Ending	<u>\$ 94,434</u>	<u>\$ 113,120</u>		

Unified School District Number 408  
Marion, Kansas

KPERS SPECIAL RETIREMENT CONTRIBUTION

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(With Comparative Actual totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
State Sources - KPERS	\$ 312,031	\$ 324,725	\$ 362,212	\$ (37,487)
Expenditures:				
Employee Benefits -				
Instruction	127,265	211,072	\$ 246,304	\$ 35,232
Student Support	3,916	6,494	10,867	4,373
Instructional Support	9,789	16,236	10,867	(5,369)
General Administration	9,789	16,236	10,867	(5,369)
School Administration	15,663	25,978	43,465	17,487
Operations & Maintenance	13,705	22,731	21,732	(999)
Student Transportation Services	9,789	16,236	7,244	(8,992)
Food Service	5,874	9,742	10,866	1,124
Total Expenditures	195,790	324,725	\$ 362,212	\$ 37,487
Receipts Over (Under) Expenditures	116,241	-		
Unencumbered Cash, Beginning	(116,241)	-		
Unencumbered Cash, Ending	\$ -	\$ -		

Unified School District Number 408  
Marion, Kansas

CONTINGENCY RESERVE

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Transfer from General Fund	\$ -	\$ -
Expenditures:		
Other	<u>1,800</u>	<u>-</u>
Receipts Over (Under) Expenditures	(1,800)	-
Unencumbered Cash, Beginning	<u>150,505</u>	<u>148,705</u>
Unencumbered Cash, Ending	<u>\$ 148,705</u>	<u>\$ 148,705</u>

Unified School District Number 408  
Marion, Kansas

TEXTBOOK AND STUDENT MATERIALS REVOLVING

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011 Actual</u>	<u>2012 Actual</u>
Cash Receipts:		
Fees and material sales	\$ 29,792	\$ 28,058
Expenditures:		
Materials and supplies	<u>35,027</u>	<u>27,035</u>
Receipts Over (Under) Expenditures	(5,235)	1,023
Unencumbered Cash, Beginning	<u>14,895</u>	<u>9,660</u>
Unencumbered Cash, Ending	<u>\$ 9,660</u>	<u>\$ 10,683</u>

Unified School District Number 408  
Marion, Kansas

TITLE I

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Federal grant	\$ 82,990	\$ 86,124
Federal grant - ARRA	<u>48,291</u>	<u>-</u>
Total Cash Receipts	<u>131,281</u>	<u>86,124</u>
Expenditures:		
Certified salaries	39,009	62,058
Certified salaries - ARRA	48,291	-
Classified salaries	36,422	17,286
Social Security	7,466	6,697
Employee benefits	<u>93</u>	<u>83</u>
Total Expenditures	<u>131,281</u>	<u>86,124</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 408  
Marion, Kansas

TITLE II ED TECH

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES**  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Federal grant	\$ 281	\$ -
Federal grant - ARRA	<u>1,767</u>	<u>-</u>
Total Cash Receipts	<u>2,048</u>	<u>-</u>
Expenditures:		
Equipment and guidance	281	-
Equipment and guidance - ARRA	<u>1,767</u>	<u>-</u>
Total Expenditures	<u>2,048</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 408  
Marion, Kansas

TITLE II-A TEACHER QUALITY

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Federal aid	\$ 25,302	\$ 22,592
Expenditures:		
Instruction -		
Certified salaries	<u>25,302</u>	<u>22,592</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

**Unified School District Number 408  
Marion, Kansas**

**GRANTS**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES**

**For the Year Ended June 30, 2012**

**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	<u>2011 Actual</u>	<u>2012 Actual</u>
Cash Receipts:		
Grants	\$ 49,810	\$ 31,320
Expenditures	<u>49,853</u>	<u>32,650</u>
Receipts Over (Under) Expenditures	(43)	(1,330)
Unencumbered Cash, Beginning	<u>1,373</u>	<u>1,330</u>
Unencumbered Cash, Ending	<u>\$ 1,330</u>	<u>\$ -</u>

Unified School District Number 408  
Marion, Kansas

MEMORIAL

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Donations	\$ 9,490	\$ -
Expenditures:		
Miscellaneous	<u>9,490</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 408  
Marion, Kansas

BOND AND INTEREST

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue -				
Ad valorem property				
Prior year	\$ 7,330	\$ 6,016	\$ 23,338	\$ (17,322)
Current year	276,868	268,015	263,208	4,807
Delinquent tax	6,431	6,200	10,621	(4,421)
Motor vehicle tax	38,812	36,292	37,533	(1,241)
Recreational vehicle tax	892	811	887	(76)
State aid	203,287	195,848	195,938	(90)
Other local source revenue	100,000	100,000	100,000	-
<b>Total Cash Receipts</b>	<b>633,620</b>	<b>613,182</b>	<b>\$ 631,525</b>	<b>\$ (18,343)</b>
Expenditures:				
Principal	310,000	340,000	\$ 340,000	\$ -
Interest	306,028	291,809	291,809	-
Commission	-	-	250	250
<b>Total Expenditures</b>	<b>616,028</b>	<b>631,809</b>	<b>\$ 632,059</b>	<b>\$ 250</b>
Receipts Over (Under) Expenditures	17,592	(18,627)		
Unencumbered Cash, Beginning	674,254	691,846		
Unencumbered Cash, Ending	\$ 691,846	\$ 673,219		

Unified School District Number 408  
Marion, Kansas

PIPPIN SCHOLARSHIP

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Interest	\$ 492	\$ 397
Expenditures:		
Scholarships awarded	<u>300</u>	<u>500</u>
Receipts Over (Under) Expenditures	192	(103)
Unencumbered Cash, Beginning	<u>21,439</u>	<u>21,631</u>
Unencumbered Cash, Ending	<u>\$ 21,631</u>	<u>\$ 21,528</u>

Unified School District Number 408  
Marion, Kansas

DARROW SCHOLARSHIP

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Interest	\$ 98	\$ 115
Expenditures:		
Scholarships awarded	<u>300</u>	<u>250</u>
Receipts Over (Under) Expenditures	(202)	(135)
Unencumbered Cash, Beginning	<u>10,675</u>	<u>10,473</u>
Unencumbered Cash, Ending	<u>\$ 10,473</u>	<u>\$ 10,338</u>

Unified School District Number 408  
Marion, Kansas

HETT SCHOLARSHIP

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Interest	\$ 70	\$ 132
Expenditures:		
Scholarships awarded	<u>125</u>	<u>100</u>
Receipts Over (Under) Expenditures	(55)	32
Unencumbered Cash, Beginning	<u>17,766</u>	<u>17,711</u>
Unencumbered Cash, Ending	<u>\$ 17,711</u>	<u>\$ 17,743</u>

Unified School District Number 408  
Marion, Kansas

MHS ALUMNI SCHOLARSHIP

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Interest	\$ 24	\$ 50
Expenditures:		
Scholarships awarded	<u>300</u>	<u>300</u>
Receipts Over (Under) Expenditures	(276)	(250)
Unencumbered Cash, Beginning	<u>7,926</u>	<u>7,650</u>
Unencumbered Cash, Ending	<u>\$ 7,650</u>	<u>\$ 7,400</u>

Unified School District Number 408  
Marion, Kansas

FRUECHTING MEMORIAL SCHOLARSHIP

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Interest	\$ 797	\$ 871
Expenditures:		
Scholarships awarded	<u>2,000</u>	<u>2,000</u>
Receipts Over (Under) Expenditures	(1,203)	(1,129)
Unencumbered Cash, Beginning	<u>64,098</u>	<u>62,895</u>
Unencumbered Cash, Ending	<u>\$ 62,895</u>	<u>\$ 61,766</u>

Unified School District Number 408  
Marion, Kansas

MHS COACHES SCHOLARSHIP

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Donations	\$ 2,600	\$ 40
Interest	<u>69</u>	<u>104</u>
Total Cash Receipts	2,669	144
Expenditures:		
Scholarships awarded	<u>1,902</u>	<u>2,089</u>
Receipts Over (Under) Expenditures	767	(1,945)
Unencumbered Cash, Beginning	<u>16,072</u>	<u>16,839</u>
Unencumbered Cash, Ending	<u>\$ 16,839</u>	<u>\$ 14,894</u>

Unified School District Number 408  
Marion, Kansas

STEPHEN BOWERS SCHOLARSHIP

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Interest	\$ -	\$ 1
Expenditures:		
Scholarships awarded	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	1
Unencumbered Cash, Beginning	<u>74</u>	<u>74</u>
Unencumbered Cash, Ending	<u>\$ 74</u>	<u>\$ 75</u>

**Unified School District Number 408  
Marion, Kansas**

**AGENCY FUNDS**

**SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS  
For the Year Ended June 30, 2012**

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
<b>Student Organizations:</b>				
<b>High School:</b>				
Class of 2006	\$ 92	\$ -	\$ 81	\$ 11
Class of 2007	345	-	-	345
Class of 2008	230	-	-	230
Class of 2009	357	-	-	357
Class of 2010	329	-	-	329
Class of 2012	2,389	2,476	2,830	2,035
Class of 2013	553	9,861	8,622	1,792
Class of 2014	80	-	-	80
Class of 2015	-	100	-	100
Cheerleading	-	1,767	1,455	312
Drama	129	-	-	129
English Trip	588	3,049	3,554	83
FCCLA	2,276	2,029	3,219	1,086
FBLA	183	134	184	133
FEA	1,280	569	987	862
Forensics	410	1,327	1,046	691
Future Farmers of America	641	28,144	26,161	2,624
NHS	25	1,836	1,822	39
Instrumental music	619	3,051	3,158	512
Student Council	1,031	1,040	1,375	696
Vocal music	938	9,065	8,160	1,843
Weightlifting	1,022	10,676	9,870	1,828
MAYB	4,854	4,802	6,434	3,222
Key Club	662	3,008	2,156	1,514
	<u>19,033</u>	<u>82,934</u>	<u>81,114</u>	<u>20,853</u>
<b>Subtotal High School</b>				
<b>Middle School:</b>				
Student Council	416	2,719	2,902	233
Eighth grade trip	3,886	12,459	12,411	3,934
	<u>4,302</u>	<u>15,178</u>	<u>15,313</u>	<u>4,167</u>
<b>Subtotal Middle School</b>				
<b>Total Student Organization Funds</b>	<b>23,336</b>	<b>98,112</b>	<b>96,427</b>	<b>25,020</b>
Payroll clearing	48,601	5,268	2,634	51,235
Sales tax	457	3,338	3,264	531
	<u>72,394</u>	<u>106,718</u>	<u>102,325</u>	<u>76,786</u>
<b>Total Agency Funds</b>	<b>\$ 72,394</b>	<b>\$ 106,718</b>	<b>\$ 102,325</b>	<b>\$ 76,786</b>

Unified School District Number 408  
Marion, Kansas

DISTRICT ACTIVITY FUNDS

SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS - ACTUAL  
For the Year Ended June 30, 2012

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Gate Receipts:				
High School Athletics	\$ 4,173	\$ 33,848	\$ 33,940	\$ 4,081
Middle School Athletics	<u>992</u>	<u>10,459</u>	<u>10,257</u>	<u>1,194</u>
Total Gate Receipts	<u>\$ 5,165</u>	<u>\$ 44,307</u>	<u>\$ 44,197</u>	<u>\$ 5,275</u>