

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2012

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2012

TABLE OF CONTENTS

	<u>Page Number</u>
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	3
<u>Statement 1</u> Summary of Cash Receipts, Expenditures and Unencumbered Cash	5
Notes to the Financial Statements	7
<u>SUPPLEMENTAL SCHEDULES</u>	
<u>Schedule 1</u> Summary of Expenditures – Actual and Budget	17
<u>Schedules of Cash Receipts and Expenditures – Actual and Budget</u>	
Schedule 2-1: General Fund	19
Schedule 2-2: 2-Way	20
Schedule 2-3: Instructional Services	21
Schedule 2-4: Capital Outlay	22
Schedule 2-5: HSPN	23
Schedule 2-6: Community Learning Centers	24
Schedule 2-7: Parents as Teachers	25
Schedule 2-8: Grant Writing Center	26
Schedule 2-9: CLC Administration	27
Schedule 2-10: University Service	28
Schedule 2-11: Migrant	29
Schedule 2-12: Human Sexuality Grant	30
Schedule 2-13: Title III	31
Schedule 2-14: Perkins Grant	32
Schedule 2-15: School Business Services	33

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2012

TABLE OF CONTENTS
(Continued)

Page
Number

SUPPLEMENTAL SCHEDULES
(Continued)

<u>Statements of Cash Receipts and Expenditures – Actual</u>	
Schedule 2-16: Migrant Education	35
Schedule 2-17: Virtual School	36
Schedule 2-18: Virtual High School	37
Schedule 2-19: New Facilities	38
Schedule 2-20: Character Education	39
Schedule 2-21: Discretionary Funds	40
Schedule 2-22: Teacher Recruitment	41
Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	42
<u>Schedule 3</u>	
Schedule of Expenditures of Federal Awards	44
Note to Schedule 3	45
<u>Schedule 4</u>	
Schedule of Findings and Questioned Costs	46

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Southwest Plains Regional Service Center
Unified School District No. 626
Sublette, Kansas 67877

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Southwest Plains Regional Service Center, Unified School District No. 626, 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 this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit Guide*; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require 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 School District has prepared this financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with the 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 Southwest Plains Regional Service Center, Unified School District No. 626, as of June 30, 2012, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended. Further, Unified School District No. 626 has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The Board of Directors
Southwest Plains Regional Service Center
Unified School District No. 626
Sublette, Kansas 67877

Page 2

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Southwest Plains Regional Service Center, Unified School District No. 626, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 4, 2012 on our consideration of Southwest Plains Regional Service Center, Unified School District No. 626's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Hay•Rice & Associates, Chartered

October 4, 2012

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
Southwest Plains Regional Service Center
Unified School District No. 626
Sublette, Kansas 67877

We have audited the financial statements of Southwest Plains Regional Service Center, Unified School District No. 626, as of and for the year ended June 30, 2012, and have issued our report thereon dated October 4, 2012, which was qualified because Southwest Plains Regional Service Center, Unified School District No. 626, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide*; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

The Board of Directors
Southwest Plains Regional Service Center
Unified School District No. 626
Sublette, Kansas 67877

Page 2

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 626's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hay•Rice & Associates, Chartered

October 4, 2012

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

Statement 1

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
For the fiscal year ended June 30, 2012

<u>Funds</u>	<u>Beginning</u> <u>Unencumbered</u> <u>Cash</u>	<u>Prior Year</u> <u>Cancelled</u> <u>Encumbrances</u>	<u>Cash</u> <u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u> <u>Unencumbered</u> <u>Cash</u>	<u>Add</u> <u>Outstanding</u> <u>Encumbrances</u> <u>& Accounts</u> <u>Payable</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
Governmental Type Funds:							
General Fund	\$ 923,964	-	\$ 361,687	\$ 814,820	\$ 470,831	\$ 72	\$ 470,903
Special Revenue Funds:							
2-Way	372,648	-	87,061	135,460	324,249	-	324,249
Instructional Services	698,693	-	1,371,967	1,673,774	396,886	3,567	400,453
Capital Outlay	163,480	-	47,424	53,661	157,243	6,771	164,014
HSPN	46,235	-	254,232	234,766	65,701	468	66,169
Community Learning Centers	112,435	-	891,707	1,004,101	41	5,404	5,445
Parents as Teachers	2,500	-	104,525	106,405	620	1,114	1,734
Grant Writing Center	1,110	-	111,525	112,635	-	932	932
CLC Administration	18,448	-	198,958	135,557	81,849	675	82,524
University Service	-	-	31,044	31,044	-	-	-
Migrant	-	-	1,586,448	1,586,448	-	170,584	170,584
Human Sexuality Grant	1,504	-	9,600	7,196	3,908	4,000	7,908
Title III	1,000	-	43,793	44,793	-	-	-
Perkins Grant	-	-	88,999	88,999	-	1,000	1,000
School Business Services	92,459	-	229,068	155,224	166,303	-	166,303
New Facilities	24,860	-	900,000	-	924,860	-	924,860
Discretionary Funds	13,900	-	-	6,100	7,800	-	7,800
Teacher Recruitment	<u>24,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,762</u>	<u>-</u>	<u>24,762</u>
Total Reporting Entity	<u>\$2,497,998</u>	<u>-</u>	<u>\$6,318,038</u>	<u>\$6,190,983</u>	<u>\$2,625,053</u>	<u>\$194,587</u>	<u>\$2,819,640</u>

The notes to the financial statements are an integral part of this statement.

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

Statement 1
(Continued)

SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH

For the fiscal year ended June 30, 2012

Composition of Cash:		
Investments and Time Deposits:		
Money market	\$2,274,049	
Cash in Checking:		
General Account	544,091	
Building Account	<u>1,500</u>	
Total Reporting Entity		<u>\$2,819,640</u>

The notes to the financial statements are an integral part of this statement.

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Southwest Plains Regional Service Center, Unified School District No. 626, is a municipal corporation governed by an appointed eight member board of directors. These financial statements present all funds included in the Service Center's legally adopted budget and trust and agency funds controlled or administered by the District.

Fund Accounting

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the school district for the year ended June 30, 2012:

Governmental Funds:

General Fund – to account for all unrestricted cash resources except those required to be accounted for in another fund.

Special Revenue Funds – to account for the proceeds of special cash revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Fiduciary Funds:

Agency Funds – to account for assets held by a governmental unit as a trustee or agent for others.

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements, 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.

The municipality 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 municipality to use the statutory basis of accounting.

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 expense, 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. General capital assets that account for the land, buildings and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes and compensated absences are not presented in the financial statements.

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Cash and Time Deposits

These liquid assets are shown in aggregate. K.S.A. 12-1671 and 12-1672 allow these assets to be shown in aggregate.

Time deposits are carried at cost plus accrued interest. The carrying amount of deposits is separately displayed as "cash and time deposits".

General Fixed Assets

General fixed assets purchased are recorded as expenditures at the time of purchase, except for assets acquired with federally assisted funds.

Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds.

In addition, encumbrances do constitute expenditures of a fund.

Unencumbered Cash Balances

The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012
 (Continued)

Note 2: Transfers

<u>From</u>	<u>To</u>	<u>Amount</u>
University Service	General	\$ 15,991
Instructional Services	General	30,000
Migrant	General	114,163
General	Grant Writing Center	52,712
Title III	General	896
HSPN	General	20,000
Perkins Grant	General	3,102
General	Capital Outlay	20,000
Instructional Services	Capital Outlay	8,000
CLC Administration	Capital Outlay	2,000
General	New Facilities	400,000
Instructional Services	New Facilities	500,000

Note 3: Budgets

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.

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. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

The budget law K.S.A. 79-2925 applies to taxing subdivisions or municipalities. Since the Southwest Plains Regional Service Center, Unified School District No. 626, does not directly levy a tax, it is not subject to the budget law. The budget adopted by the School District is a management tool, which is used to establish the Service Center's internal spending limits.

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

(Continued)

Note 4: Defined Benefit Pension Plan

Unified School District No. 626 contributes to the 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.

K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary for all employees hired before July 1, 2009 and 6% for all employees hired after July 1, 2009. Member-employees' contributions are withheld by their employer and paid to KPERs according to the provisions of 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. Kansas currently contributes 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 and 2011 were \$298,635,383 and \$253,834,044, respectively.

Note 5: Vacation and Sick Pay

All full time classified and certified employees receive ten days of sick leave, unless otherwise negotiated. Sick leave can be accumulated for up to 35 days for classified staff and up to 50 days for certified staff, but employees are not compensated for unused sick leave.

All full time classified and certified staff employed before July 1, 2010 receive a day of paid vacation per month. Staff members with 10 years or more of service receive three (3) weeks vacation. All full time classified staff employed after July 1, 2010 receive 4 days paid vacation the first year and receive an additional day for each year of service. Vacation time not taken within the period of accrual is neither subject to reimbursement, nor to carry over to the next fiscal year.

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

(Continued)

Note 6: Contingent Liabilities

Unified School District No. 626 participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by grantors or their representatives for audits of these programs for or including the year ending June 30, 2012. These compliance audits have not been conducted as of October 4, 2012. Accordingly, the School District's compliance with applicable grant agreements will be established at some future date. The amount of expenditures, which may be disallowed by the grantor agencies, cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial.

Note 7: Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by Unified School District No. 626. The statute requires banks eligible to hold the School District's funds have a main or branch bank in the county in which Unified School District No. 626 is located 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. Unified School District No. 626 has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits Unified School District No. 626'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. Unified School District No. 626 has no investment policy that would further limit its investment choices.

Concentration of Credit Risk – State statutes place no limit on the amount Unified School District No. 626 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 – Deposits – Custodial credit risk is the risk that in the event of a bank failure, Unified School District No. 626's deposits may not be returned to it. State statutes require Unified School District No. 626'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, the Federal Home Loan Bank of Topeka, or the UMB Bank of America, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2012.

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

(Continued)

Note 7: Deposits and Investments (Continued)

At June 30, 2012, Unified School District No. 626's carrying amount of deposits was \$2,819,640 and the bank balance was \$3,248,428. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance, \$2,748,428 was collateralized with securities held by the pledging financial institutions' agents in Unified School District No. 626's name.

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, Unified School District No. 626 will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

Note 8: Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government 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 government 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 government under this program.

Note 9: Operating Leases

Unified School District No. 626 is entered into several real estate leases that are renewed annually.

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

(Continued)

Note 10: Long-Term Debt

Changes in long-term liabilities for Southwest Plains Regional Service Center, Unified School District No. 626, for the fiscal year ended June 30, 2012 were as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
Capital Leases:										
2009 Odyssey	5.67%	07/07/09	\$ 24,892	06/06/11	\$ 8,730	\$ -	\$ 8,730	\$ (8,730)	\$ -	\$ 270
2009 Odyssey	5.67%	07/07/09	24,892	06/06/11	8,730	-	8,730	(8,730)	-	270
2010 CRV	5.99%	07/12/10	22,844	06/11/13	15,602	-	7,568	(7,568)	8,034	729
2010 CRV	5.99%	07/12/10	22,844	06/11/13	15,602	-	7,568	(7,568)	8,034	729
2010 CRV	5.99%	07/12/10	22,844	06/11/13	15,602	-	7,568	(7,568)	8,034	729
2010 CRV	5.99%	07/12/10	22,844	06/11/13	15,602	-	7,568	(7,568)	8,034	729
2011 Odyssey	6.57%	07/14/11	30,994	06/13/14	21,215	-	10,260	(10,260)	10,955	1,088
2011 Odyssey	6.57%	08/04/11	30,994	07/03/14	21,215	-	10,260	(10,260)	10,955	1,088
2012 Odyssey	7.58%	05/01/12	31,269	06/01/15	-	31,269	10,638	20,631	20,631	2,582
2012 Odyssey	7.58%	06/01/12	31,269	07/01/15	-	31,269	3,097	28,172	28,172	680
2012 Odyssey	7.58%	06/01/12	31,269	07/01/15	-	31,269	2,684	28,585	28,585	680
2012 Odyssey	7.58%	06/01/12	31,269	07/01/15	-	31,269	2,374	28,895	28,895	459
Total Long-Term Debt					<u>\$122,298</u>	<u>\$125,076</u>	<u>\$ 87,045</u>	<u>\$ 38,031</u>	<u>\$160,329</u>	<u>\$10,033</u>

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

(Continued)

Note 10: Long-Term Debt (Continued)

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

	<u>6-30-13</u>	<u>6-30-14</u>	<u>Total</u>
Principal:			
Capital lease purchase	\$114,616	\$ 45,713	\$160,329
Interest:			
Capital lease purchase	<u>13,453</u>	<u>2,447</u>	<u>15,900</u>
Total Principal and Interest	<u>\$128,069</u>	<u>\$ 48,160</u>	<u>\$176,229</u>

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

SUPPLEMENTAL SCHEDULES

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 1

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
(BUDGETED FUNDS ONLY)

For the fiscal year ended June 30, 2012

<u>Funds</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavor.)</u>
Governmental Type Funds:			
General Fund	\$ 397,532	\$ 814,820	\$ (417,288)
Special Revenue Funds:			
2-Way	141,960	135,460	6,500
Instructional Services	1,185,162	1,673,774	(488,612)
Capital outlay	78,000	53,661	24,339
HSPN	229,761	234,766	(5,005)
Community Learning Center	1,243,334	1,004,101	239,233
Parents as Teachers	106,615	106,405	210
Grant Writing Center	108,952	112,635	(3,683)
CLC Administration	138,940	135,557	3,383
University Service	15,563	31,044	(15,481)
Migrant	1,586,448	1,586,448	-
Human Sexuality Grant	5,504	7,196	(1,692)
Title III	44,793	44,793	-
Perkins Grant	88,896	88,999	(103)
School Business Services	70,000	155,224	(85,224)

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

Schedule 2

SCHEDULES OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-1

GENERAL FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Current Year			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
LEA tuition	\$ 100,000	\$120,000	\$ (20,000)	\$ 98,000
Consulting services	15,249	20,000	(4,751)	78,150
Interest on investments	1,305	2,500	(1,195)	2,168
CLC Revenue share	35,961	100,000	(64,039)	191,627
Other revenue	5,020	-	5,020	4,410
Grant	20,000	20,000	-	44,028
Federal aid	-	-	-	3,750
Transfers	<u>184,152</u>	<u>171,300</u>	<u>12,852</u>	<u>192,049</u>
 Total cash receipts	 \$ <u>361,687</u>	 \$ <u>433,800</u>	 \$ <u>(72,113)</u>	 \$ <u>614,182</u>
 <u>Expenditures and Transfers</u>				
Salaries	\$ 183,951	\$215,982	\$ 32,031	\$170,755
Employees' benefits	29,468	32,925	3,457	26,989
Purchased professional services	10,467	14,300	3,833	6,736
Purchased property services	30,386	27,500	(2,886)	15,704
Other purchased services	52,778	75,100	22,322	50,487
Supplies and materials	29,303	24,575	(4,728)	20,972
Other	5,755	7,150	1,395	10,030
Transfers	<u>472,712</u>	<u>-</u>	<u>(472,712)</u>	<u>84,668</u>
 Total expenditures and transfers	 \$ <u>814,820</u>	 \$ <u>397,532</u>	 \$ <u>(417,288)</u>	 \$ <u>386,341</u>
 Receipts over (under) expenditures	 \$ (453,133)			 \$227,841
 Unencumbered Cash, Beginning	 <u>923,964</u>			 <u>696,123</u>
 Unencumbered Cash, Ending	 \$ <u>470,831</u>			 <u>\$923,964</u>

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-2

2-WAY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>		<u>Variance Favorable (Unfavor.)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Cash Receipts</u>				
Member LEA receipts	\$ 40,640	\$ 40,640	\$ -	\$ 40,640
E*Rate reimbursement	<u>46,421</u>	<u>92,842</u>	<u>(46,421)</u>	<u>138,690</u>
Total cash receipts	<u>\$ 87,061</u>	<u>\$133,482</u>	<u>\$ (46,421)</u>	<u>\$179,330</u>
<u>Expenditures and Transfers</u>				
Purchased property services	\$135,460	\$136,960	\$ 1,500	\$135,460
Property	-	5,000	5,000	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,009</u>
Total expenditures and transfers	<u>\$135,460</u>	<u>\$141,960</u>	<u>\$ 6,500</u>	<u>\$157,469</u>
Receipts over (under) expenditures	\$ (48,399)			\$ 21,861
Unencumbered Cash, Beginning	<u>372,648</u>			<u>350,787</u>
Unencumbered Cash, Ending	<u>\$324,249</u>			<u>\$372,648</u>

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-3

INSTRUCTIONAL SERVICES
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Current Year			
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavor.)</u>	<u>Prior Year Actual</u>
<u>Cash Receipts</u>				
Instructional Tools	\$ 4,182	\$ -	\$ 4,182	\$ 13,264
Workshops	381,973	311,200	70,773	236,677
Consulting	926,280	1,003,500	(77,220)	988,066
Other revenue	29,887	-	29,887	29,526
State aid	832	-	832	8,250
Federal aid	28,813	-	28,813	395
Total cash receipts	<u>\$1,371,967</u>	<u>\$1,314,700</u>	<u>\$ 57,267</u>	<u>\$1,276,178</u>
<u>Expenditures and Transfers</u>				
Salaries	\$ 752,656	\$ 721,049	\$ (31,607)	\$ 712,394
Employees' benefits	148,098	132,503	(15,595)	131,863
Purchased professional services	17,560	16,360	(1,200)	16,922
Other purchased services	74,463	85,000	10,537	69,419
Supplies and materials	140,374	191,250	50,876	106,014
Other	2,623	1,000	(1,623)	1,673
Transfers	538,000	38,000	(500,000)	38,000
Total expenditures and transfers	<u>\$1,673,774</u>	<u>\$1,185,162</u>	<u>\$ (488,612)</u>	<u>\$1,076,285</u>
Receipts over (under) expenditures		\$ (301,807)		\$ 199,893
Unencumbered Cash, Beginning	698,693			498,800
Unencumbered Cash, Ending	<u>\$ 396,886</u>			<u>\$ 698,693</u>

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-4

CAPITAL OUTLAY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Current Year			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Interest on investments	\$ 7,874	\$ 15,000	\$ (7,126)	\$ 11,004
Sale of vehicle	9,550	-	9,550	-
Transfers	<u>30,000</u>	<u>38,000</u>	<u>(8,000)</u>	<u>36,000</u>
Total cash receipts	<u>\$ 47,424</u>	<u>\$ 53,000</u>	<u>\$ (5,576)</u>	<u>\$ 47,004</u>
<u>Expenditures and Transfers</u>				
Purchased professional services	\$ 32	\$ -	\$ (32)	\$ 25
Property	<u>53,629</u>	<u>78,000</u>	<u>24,371</u>	<u>22,278</u>
Total expenditures and transfers	<u>\$ 53,661</u>	<u>\$ 78,000</u>	<u>\$ 24,339</u>	<u>\$ 22,303</u>
Receipts over (under) expenditures	\$ (6,237)			\$ 24,701
Unencumbered Cash, Beginning	<u>163,480</u>			<u>138,779</u>
Unencumbered Cash, Ending	<u>\$157,243</u>			<u>\$163,480</u>

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

Schedule 2-5

HSPN
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012
(with comparative actual totals for the prior year ended June 30, 2011)

	Current Year			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Member LEA receipts	\$ 90,000	\$ 90,000	\$ -	\$ 90,000
Parts	127	5,000	(4,873)	12,574
Services provided LEA	93,364	82,000	11,364	84,382
Grants	70,741	70,000	741	70,556
Federal aid	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>
 Total cash receipts	 <u>\$254,232</u>	 <u>\$247,000</u>	 <u>\$ 7,232</u>	 <u>\$257,612</u>
 <u>Expenditures and Transfers</u>				
Salaries	\$147,539	\$134,296	\$ (13,243)	\$149,839
Employees' benefits	42,540	36,495	(6,045)	33,064
Purchased professional services	500	500	-	400
Purchased property services	1,048	3,170	2,122	1,965
Other purchased services	18,351	20,800	2,449	12,843
Supplies and materials	4,703	5,950	1,247	16,017
Property	-	250	250	20
Other	85	300	215	1,315
Transfers	<u>20,000</u>	<u>28,000</u>	<u>8,000</u>	<u>28,609</u>
 Total expenditures and transfers	 <u>\$234,766</u>	 <u>\$229,761</u>	 <u>\$ (5,005)</u>	 <u>\$244,072</u>
 Receipts over (under) expenditures	 \$ 19,466			 \$ 13,540
 Unencumbered Cash, Beginning	 <u>46,235</u>			 <u>32,695</u>
 Unencumbered Cash, Ending	 <u>\$ 65,701</u>			 <u>\$ 46,235</u>

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-6

COMMUNITY LEARNING CENTERS
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavor.)</u>	
<u>Cash Receipts</u>				
Member LEA receipts	\$ <u>891,707</u>	\$ <u>1,135,900</u>	\$ <u>(244,193)</u>	\$ <u>1,065,219</u>
<u>Expenditures and Transfers</u>				
Salaries	\$ 674,699	\$ 690,815	\$ 16,116	\$ 603,738
Employees' benefits	80,236	84,615	4,379	67,676
Purchased property services	58,552	60,030	1,478	51,385
Other purchased services	81,938	90,816	8,878	59,189
Supplies and materials	16,818	25,400	8,582	22,299
Property	3,563	10,000	6,437	18,595
Other	52,334	90,785	38,451	144,649
Revenue share	<u>35,961</u>	<u>190,873</u>	<u>154,912</u>	<u>191,627</u>
Total expenditures and transfers	\$ <u>1,004,101</u>	\$ <u>1,243,334</u>	\$ <u>239,233</u>	\$ <u>1,159,158</u>
Receipts over (under) expenditures	\$ (112,394)			\$ (93,939)
Unencumbered Cash, Beginning	<u>112,435</u>			<u>206,374</u>
Unencumbered Cash, Ending	\$ <u>41</u>			\$ <u>112,435</u>

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-7

PARENTS AS TEACHERS
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Cash Receipts</u>				
State aid	\$ 62,952	\$ 64,615	\$ (1,663)	\$ 51,509
Member LEA receipts	39,500	42,000	(2,500)	41,793
Other	<u>2,073</u>	<u>-</u>	<u>2,073</u>	<u>1,002</u>
Total cash receipts	<u>\$104,525</u>	<u>\$106,615</u>	<u>\$ (2,090)</u>	<u>\$ 94,304</u>
<u>Expenditures and Transfers</u>				
Salaries	\$ 74,507	\$ 88,265	\$ 13,758	\$ 72,768
Employees' benefits	10,136	11,543	1,407	8,684
Other purchased services	14,635	3,423	(11,212)	8,785
Supplies and materials	4,002	2,384	(1,618)	213
Other	<u>3,125</u>	<u>1,000</u>	<u>(2,125)</u>	<u>1,378</u>
Total expenditures and transfers	<u>\$106,405</u>	<u>\$106,615</u>	<u>\$ 210</u>	<u>\$ 91,828</u>
Receipts over (under) expenditures	\$ (1,880)			\$ 2,476
Unencumbered Cash, Beginning	<u>2,500</u>			<u>24</u>
Unencumbered Cash, Ending	<u>\$ 620</u>			<u>\$ 2,500</u>

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-8

GRANT WRITING CENTER
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Current Year			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavor.)</u>	
<u>Cash Receipts</u>				
Grant evaluation	\$ 31,490	\$ 30,000	\$ 1,490	\$ 18,896
Grant writing	27,323	25,000	2,323	26,900
Other revenue	-	-	-	29
Transfers	<u>52,712</u>	<u>-</u>	<u>52,712</u>	<u>64,090</u>
Total cash receipts	<u>\$111,525</u>	<u>\$ 55,000</u>	<u>\$ 56,525</u>	<u>\$109,915</u>
<u>Expenditures and Transfers</u>				
Salaries	\$ 91,602	\$ 89,842	\$ (1,760)	\$ 92,068
Employees' benefits	12,031	12,160	129	11,554
Other purchased services	8,802	6,450	(2,352)	5,183
Supplies and materials	<u>200</u>	<u>500</u>	<u>300</u>	<u>-</u>
Total expenditures and transfers	<u>\$112,635</u>	<u>\$108,952</u>	<u>\$ (3,683)</u>	<u>\$108,805</u>
Receipts over (under) expenditures	\$ (1,110)			\$ 1,110
Unencumbered Cash, Beginning	<u>1,110</u>			<u>-</u>
Unencumbered Cash, Ending	<u>-</u>			<u>\$ 1,110</u>

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-9

CLC ADMINISTRATION
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Current Year			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Administrative services	\$ 95,640	\$ 90,640	\$ 5,000	\$ 82,876
Computer tech support	37,110	37,110	-	33,399
Services provided LEA	29,240	30,000	(760)	30,936
Grants	35,372	30,000	5,372	29,029
Federal aid	<u>1,596</u>	<u>-</u>	<u>1,596</u>	<u>1,969</u>
Total cash receipts	<u>\$198,958</u>	<u>\$187,750</u>	<u>\$ 11,208</u>	<u>\$178,209</u>
<u>Expenditures and Transfers</u>				
Salaries	\$101,131	\$100,393	\$ (738)	\$132,185
Employees' benefits	14,743	15,247	504	20,239
Purchased professional services	500	500	-	400
Other purchased services	13,082	17,800	4,718	15,319
Supplies and materials	4,101	3,000	(1,101)	3,357
Property	-	-	-	36
Transfers	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers	<u>\$135,557</u>	<u>\$138,940</u>	<u>\$ 3,383</u>	<u>\$171,536</u>
Receipts over (under) expenditures	\$ 63,401			\$ 6,673
Unencumbered Cash, Beginning	<u>18,448</u>			<u>11,775</u>
Unencumbered Cash, Ending	<u>\$ 81,849</u>			<u>\$ 18,448</u>

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-10

UNIVERSITY SERVICE
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Current Year			
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavor.)</u>	<u>Prior Year Actual</u>
<u>Cash Receipts</u>				
Services provided LEA	\$ 1,950	\$ -	\$ 1,950	\$ -
Grants	<u>29,094</u>	<u>30,000</u>	<u>(906)</u>	<u>28,918</u>
Total cash receipts	<u>\$ 31,044</u>	<u>\$ 30,000</u>	<u>\$ 1,044</u>	<u>\$ 28,918</u>
<u>Expenditures and Transfers</u>				
Salaries	\$ 10,904	\$ 8,400	\$ (2,504)	\$ 10,660
Employees' benefits	918	713	(205)	894
Other purchased services	3,203	5,750	2,547	3,046
Supplies and materials	28	700	672	673
Transfers	<u>15,991</u>	<u>-</u>	<u>(15,991)</u>	<u>13,645</u>
Total expenditures and transfers	<u>\$ 31,044</u>	<u>\$ 15,563</u>	<u>\$ (15,481)</u>	<u>\$ 28,918</u>
Receipts over (under) expenditures	-			-
Unencumbered Cash, Beginning	<u>-</u>			<u>-</u>
Unencumbered Cash, Ending	<u>-</u>			<u>-</u>

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-11

MIGRANT
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Current Year		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u>	<u>Year</u>
			<u>(Unfavor.)</u>	<u>Actual</u>
<u>Cash Receipts</u>				
Federal grant	\$1,586,448	\$1,586,448	-	\$1,771,868
 <u>Expenditures and Transfers</u>				
Salaries	\$ 905,399	\$ 966,745	\$ 61,346	\$ 947,111
Employees' benefits	144,400	149,402	5,002	137,414
Purchased professional services	24,909	22,050	(2,859)	86,096
Purchased property services	34,342	31,090	(3,252)	56,440
Other purchased services	169,558	191,098	21,540	152,027
Supplies and materials	81,506	27,400	(54,106)	80,692
Property	112,171	84,500	(27,671)	149,297
Other	-	-	-	43,685
Transfers	114,163	114,163	-	119,106
 Total expenditures and transfers	\$1,586,448	\$1,586,448	-	\$1,771,868
 Receipts over (under) expenditures	-			-
 Unencumbered Cash, Beginning	-			-
 Unencumbered Cash, Ending	-			-

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-12

HUMAN SEXUALITY GRANT
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Current Year			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Federal aid	\$ <u>9,600</u>	\$ <u>4,000</u>	\$ <u>5,600</u>	\$ <u>4,000</u>
 <u>Expenditures and Transfers</u>				
Salaries	\$ 2,800	\$ 4,000	\$ 1,200	\$ 6,900
Purchased professional services	4,000	-	(4,000)	4,000
Supplies and materials	<u>396</u>	<u>1,504</u>	<u>1,108</u>	<u>1,586</u>
Total expenditures and transfers	\$ <u>7,196</u>	\$ <u>5,504</u>	\$ <u>(1,692)</u>	\$ <u>12,486</u>
Receipts over (under) expenditures	\$ 2,404			\$ (8,486)
Unencumbered Cash, Beginning	<u>1,504</u>			<u>9,990</u>
Unencumbered Cash, Ending	\$ <u>3,908</u>			\$ <u>1,504</u>

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-13

TITLE III
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Current Year			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Federal aid	\$ <u>43,793</u>	\$ <u>44,793</u>	\$ <u>(1,000)</u>	\$ <u>66,588</u>
<u>Expenditures and Transfers</u>				
Salaries	\$ 24,848	\$ 28,000	\$ 3,152	\$ 46,550
Purchased professional services	12,199	6,572	(5,627)	8,110
Supplies and materials	6,850	9,325	2,475	9,596
Transfer	<u>896</u>	<u>896</u>	<u>-</u>	<u>1,332</u>
Total expenditures and transfers	\$ <u>44,793</u>	\$ <u>44,793</u>	<u>-</u>	\$ <u>65,588</u>
Receipts over (under) expenditures	\$ (1,000)			\$ 1,000
Unencumbered Cash, Beginning	<u>1,000</u>			<u>-</u>
Unencumbered Cash, Ending	<u>-</u>			\$ <u>1,000</u>

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-14

PERKINS GRANT
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Current Year			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavor.)</u>	
<u>Cash Receipts</u>				
Federal aid	\$ <u>88,999</u>	\$ <u>88,896</u>	\$ <u>103</u>	\$101,496
<u>Expenditures and Transfers</u>				
Salaries	\$ 3,813	\$ 3,100	\$ (713)	\$ 4,707
Purchased professional services	50,345	50,049	(296)	54,770
Supplies and materials	-	-	-	2,419
Property	31,739	31,400	(339)	36,698
Transfers	<u>3,102</u>	<u>4,347</u>	<u>1,245</u>	<u>2,902</u>
Total expenditures and transfers	\$ <u>88,999</u>	\$ <u>88,896</u>	\$ <u>(103)</u>	\$101,496
Receipts over (under) expenditures	-			-
Unencumbered Cash, Beginning	<u>-</u>			<u>-</u>
Unencumbered Cash, Ending	<u>-</u>			<u>-</u>

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-15

SCHOOL BUSINESS SERVICES
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Current Year			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Products	<u>\$229,068</u>	<u>\$140,000</u>	<u>\$ 89,068</u>	<u>\$347,647</u>
<u>Expenditures and Transfers</u>				
Supplies and materials	\$154,575	\$ 70,000	\$ (84,575)	\$299,474
Other	<u>649</u>	<u>-</u>	<u>(649)</u>	<u>-</u>
Total expenditures and transfers	<u>\$155,224</u>	<u>\$ 70,000</u>	<u>\$ (85,224)</u>	<u>\$299,474</u>
Receipts over (under) expenditures	\$ 73,844			\$ 48,173
Unencumbered Cash, Beginning	<u>92,459</u>			<u>44,286</u>
Unencumbered Cash, Ending	<u>\$166,303</u>			<u>\$ 92,459</u>

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

Schedule 2

SCHEDULES OF CASH RECEIPTS AND EXPENDITURES – ACTUAL

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-16

MIGRANT EDUCATION
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
 For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Federal aid	-	\$ 38,340
<u>Expenditures and Transfers</u>		
Employee benefits	-	\$ 294
Supplies and materials	-	5,541
Property	-	25,295
Other	-	7,139
Transfers	-	4,455
Total expenditures and transfers	-	\$ 42,724
Receipts over (under) expenditures	-	\$ (4,384)
Unencumbered Cash, Beginning	-	-
Prior year cancelled encumbrances	-	4,384
Unencumbered Cash, Ending	-	-

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-17

VIRTUAL SCHOOL
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
 For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Transfer	-	\$ 578
<u>Expenditures and Transfers</u>		
Salaries	-	\$ 2
Supplies and materials	-	576
Total expenditures and transfers	-	\$ 578
Receipts over (under) expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-18

VIRTUAL HIGH SCHOOL
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
 For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Other	-	\$ 10,650
 <u>Expenditures and Transfers</u>		
Salaries	-	\$ 4,700
Supplies and materials	-	5,950
Total expenditures and transfers	-	\$ 10,650
Receipts over (under) expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-19

NEW FACILITIES
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
 For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Transfer	\$900,000	-
<u>Expenditures and Transfers</u>	-	-
Receipts over (under) expenditures	\$900,000	\$ -
Unencumbered Cash, Beginning	24,860	24,860
Unencumbered Cash, Ending	\$924,860	\$ 24,860

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-20

CHARACTER EDUCATION
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
 For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Federal grant	-	\$ 4,400
<u>Expenditures and Transfers</u>		
Purchased professional services	-	4,400
Receipts over (under) expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-21

DISCRETIONARY FUNDS
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
 For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Year	
	Current	Prior
<u>Cash Receipts</u>	\$ -	\$ -
<u>Expenditures and Transfers</u>		
Salaries	6,100	1,100
Receipts over (under) expenditures	\$ (6,100)	\$ (1,100)
Unencumbered Cash, Beginning	13,900	15,000
Unencumbered Cash, Ending	\$ 7,800	\$ 13,900

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 2-22

TEACHER RECRUITMENT
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
 For the fiscal year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Year	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>	-	-
<u>Expenditures and Transfers</u>	-	-
Receipts over (under) expenditures	\$ -	\$ -
Unencumbered Cash, Beginning	<u>24,762</u>	<u>24,762</u>
Unencumbered Cash, Ending	<u>\$ 24,762</u>	<u>\$ 24,762</u>

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Board of Education
Southwest Plains Regional Service Center
Unified School District No. 626
Sublette, Kansas 67877

Compliance

We have audited Southwest Plains Regional Service Center’s, Unified School District No. 626, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Southwest Plains Regional Service Center’s, Unified School District No. 626, major federal programs for the year ended June 30, 2012. Southwest Plains Regional Service Center’s, Unified School District No. 626, major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on Southwest Plains Regional Service Center’s, Unified School District No. 626, compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide*; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Southwest Plains Regional Service Center’s, Unified School District No. 626, compliance with those requirements.

In our opinion, Southwest Plains Regional Service Center, Unified School District No. 626, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

The Board of Education
Southwest Plains Regional Service Center
Unified School District No. 626
Sublette, Kansas 67877

Page 2

Internal Control Over Compliance

The management of Southwest Plains Regional Service Center, Unified School District No. 626, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Southwest Plains Regional Service Center's, Unified School District No. 626, internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hay•Rice & Associates, Chartered

October 4, 2012

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
 UNIFIED SCHOOL DISTRICT NO. 626
 Sublette, Kansas

Schedule 3

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended June 30, 2012

<u>Federal Grantor/Pass Through Grantor</u> <u>Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Expenditures</u>
U. S. Department of Education – Pass Through Kansas Department of Education:		
Character Education Initiative	84.215	\$ 28,413
English Language Acquisition	84.365	44,793
** Title I-Migrant	84.011	1,586,448
Title VI-State Assessments	84.369	1,596
Planning and Evaluation	84.048	297
Title VI-Part B IDEA	84.027	400
Program Improvement	84.048	88,999
Aids Education	93.938	<u>9,600</u>
Total Pass Through Department of Education		<u>\$1,760,546</u>
 Total Federal Awards Expended		 <u>\$1,760,546</u>

** Major Programs.

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

NOTE TO SCHEDULE 3
June 30, 2012

Expenditures are prepared on a cash disbursement basis adjusted for beginning and ending payables and encumbrances.

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
UNIFIED SCHOOL DISTRICT NO. 626
Sublette, Kansas

Schedule 4

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2012

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the statutory basis financial statements of Southwest Plains Regional Service Center, Unified School District No. 626.
2. No instances of noncompliance material to the financial statements of Southwest Plains Regional Service Center, Unified School District No. 626, were disclosed during the audit.
3. No reportable conditions relating to the audit or the major federal awards is reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
4. The auditor's report on compliance for the major federal award programs for Southwest Plains Regional Service Center, Unified School District No. 626, expresses an unqualified opinion.
5. There were no audit findings relative to the major federal award programs for Southwest Plains Regional Service Center, Unified School District No. 626.
6. The program tested as a major program was:

Title I Migrant Grant CFDA #84.011.
7. The threshold for determining type A and B programs was:

Type A – the larger of \$300,000 or 3% of total federal awards expended

Type B – any programs that do not meet type A criteria specified above
8. Southwest Plains Regional Service Center, Unified School District No. 626, was not determined to be a low-risk auditee.