

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SALINA, KANSAS**

**FINANCIAL STATEMENT
JUNE 30, 2017**

BFR

BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
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JUNE 30, 2017**

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors

**Smoky Hill Central Kansas Education Service Center
Interlocal School District No. 629
Salina, Kansas**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of **Smoky Hill Central Kansas Education Service Center Interlocal School District No. 629, Salina, Kansas**, as of and for the year ended **June 30, 2017**, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 and Accounting Guide*. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Board of Directors
Smoky Hill Central Kansas Education Service Center
Interlocal School District No. 629**

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1 of the financial statement, the financial statement is prepared by **Smoky Hill Central Kansas Education Service Center Interlocal School District No. 629, Salina, Kansas**, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" 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 **Smoky Hill Central Kansas Education Service Center Interlocal School District No. 629, Salina, Kansas**, as of **June 30, 2017**, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Smoky Hill Central Kansas Education Service Center Interlocal School District No. 629, Salina, Kansas**, as of **June 30, 2017**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual (Regulatory-Required Supplementary Information as listed in the table of contents) and schedule of expenditures of federal awards (Federal Award Information as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement.

**Board of Directors
Smoky Hill Central Kansas Education Service Center
Interlocal School District No. 629**

The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic 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, on the basis of accounting described in Note 1.

The 2016 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual (as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2016 basic financial statement upon which we rendered an unmodified opinion dated October 31, 2016. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note 1.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
October 20, 2017

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ (57,902)	\$ 1,465	\$ 1,528,013	\$ 1,517,970	\$ (46,394)	\$ 2,383	\$ (44,011)
Special Purpose Funds							
Capital Outlay	96,044	0	1,495,000	1,499,312	91,732	0	91,732
Parent Education	1,073	1,438	10,595	13,106	0	0	0
Vocational Education	27	0	176,861	176,861	27	0	27
Federal Funds	(6,090)	4,098	416,957	306,232	108,733	0	108,733
Domestic Violence Assoc. Grant	364	0	727	0	1,091	0	1,091
KJCC/LHGS Dept. of Corrections	0	0	1,752,660	1,752,660	0	0	0
LJCC/Westside High School	0	0	832,191	832,191	0	0	0
LGHS Miscellaneous Fund	464	0	12,684	11,268	1,880	0	1,880
KS Professional Learning Team	11,144	0	49,680	40,680	20,144	0	20,144
S-3 Grant Teen Dating Violence	0	0	0	0	0	0	0
S-3 Grant-Diversity Intolerance	0	0	0	0	0	0	0
Senate Bill 155 Program	11,961	0	513	1,397	11,077	0	11,077
Fast ForWord	0	0	29,056	29,056	0	0	0
TLC @ Smoky Hill Ed Service Center	(37,031)	0	236,936	189,905	10,000	0	10,000
St. Francis Academy-Juvenile	0	0	414,399	414,399	0	0	0
St. Francis Academy-Title I	0	0	76,512	76,512	0	0	0
Tipton Community School	673	0	502,630	500,690	2,613	0	2,613
Rosetta Stone	0	0	34,690	45,000	(10,310)	0	(10,310)
	<u>\$ 20,727</u>	<u>\$ 7,001</u>	<u>\$ 7,570,104</u>	<u>\$ 7,407,239</u>	<u>\$ 190,593</u>	<u>\$ 2,383</u>	<u>\$ 192,976</u>

Composition of Cash:

Checking Account	\$ 118,898
Money Market Accounts	74,078
	<u>\$ 192,976</u>

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

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2017**

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Smoky Hill Central Kansas Education Service Center, Interlocal School District No. 629 (the primary government), is an interlocal unified school district established as an interlocal to provide special education services to participating unified school districts. The District cannot levy taxes, but receives its revenue from federal and state aid and contracted participating unified school districts for special education services.

KMAAG Regulatory Basis of Presentation Fund Definitions:

General Fund-The primary operating fund. Used to account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds-To account for the proceeds of specific receipts (other than major capital projects) that are restricted by law or administrative action to expenditure for specific purposes.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2017**

Budget and Assessment Cycle

The District prepares a budget under the Kansas cash basis and budget laws to determine assessments to member districts and other financial planning purposes.

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 schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

Federal Funds	Domestic Violence Assoc. Grant
KJCC/LHGS Dept. of Corrections	LJCC/Westside High School
LGHS Miscellaneous Fund	KS Professional Learning Team
S-3 Grant Teen Dating Violence	S-3 Grant-Diversity Intolerance
Senate Bill 155 Program	Fast ForWord Fund
TLC @ Smoky Hill Ed Serv Center	St. Francis Academy-Juvenile
St. Francis Academy-Title I	Tipton Community School
Rosetta Stone	

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

Note 2 - Postemployment 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 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 the financial statement.

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.

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2017**

Note 3 - Defined Benefit Pension Plan:

Plan Description

The District participates in 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. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provided that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate through March 31, 2016 with a 0% moratorium until June 30, 2017 for Death and Disability Program) and the statutory contribution rate was 16.00% and 10.91%, respectively, for the fiscal year ended June 30, 2016. The actuarially determined employer contribution rate and the statutory contribution rate was 16.03% and 10.81%, respectively, for the fiscal year ended June 30, 2017.

The State of Kansas is required to contribute the statutory required employer's share. Since the District is considered a special funding situation, the District was not required to contribute amounts equal to the statutory contribution rate for the year ended June 30, 2017.

Net Pension Liability

The District is considered a special funding situation. The state contributes 100% of the contractually required employer contributions. However, they do make contributions directly to KPERS for KPERS retirees filling KPERS covered positions per K.S.A. 74-4937, "working after retirement" employees. The resulting proportional share of the "working after retirement" contributions and resulting net pension liability are attributable to the employer. At June 30, 2017, the Cooperative's proportionate share of the collective net pension liability reported by KPERS was \$149,293. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. The Cooperative's proportion of the net pension liability was based on the ratio of the Cooperative's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2016. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2017**

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Note 4 - Deposits:

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.

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 – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may 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, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2017.

At June 30, 2017, the District's carrying amount of deposits was \$192,976 and the bank balance was \$363,883. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$252,294 was covered by federal depository insurance and the remaining \$111,589 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Note 5 - Compensated Absences:

The District's policy is to recognize the costs of compensated absences when actually paid. The District grants annual paid vacations to its full-time, regular employees. Annual vacation is granted based on length of service from ten to fifteen days.

Vacation days cannot be accumulated and payments are not made in lieu of vacation except for unused days at the time of termination of employment.

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2017**

Note 6 - Reimbursed Expenses:

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

Note 7 - Statutory Violation:

At June 30, 2017, the General Fund and Rosetta Stone Fund had a negative unencumbered cash balance, which is a violation of K.S.A. 10-1113.

Note 8 - Contingencies:

Grant Programs

The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

Medicaid Payments

The Interlocal submits reports of time for providing medical services to children with disabilities to a third party. The third party reviews the reports and files claims for Medicaid reimbursement. Medicaid then pays the third party based on Medicaid's determination of allowed payment. The third party retains a percentage of the payment based on an agreement with the Interlocal and remits the remainder approximately monthly for the previous month's claims. Due to adjustments made by both the third party and Medicaid, the actual amount to be received by the Interlocal is undeterminable and has not been recorded. It will be recorded as received.

Note 9 - Debt:

Debt activity for the year ended June 30, 2017 was as follows:

	Principal Amount	Issue Date	Maturity Date	Interest Rate	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Line of Credit	\$ 250,000	9/4/2015	9/1/2016	4.13%	\$ 0	\$ 1,495,000	\$ 1,495,000	\$ 0	\$ 4,312

Note 10 - Subsequent Events:

The District has evaluated subsequent events through October 20, 2017, the date which the financial statement was available to be issued.

**REGULATORY REQUIRED
SUPPLEMENTARY INFORMATION**

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

Fund	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	\$ 3,630,456	\$ 0	\$ 3,630,456	\$ 1,517,970	\$ (2,112,486)
Special Purpose Funds					
Capital Outlay	105,000	1,495,000	1,600,000	1,499,312	(100,688)
Parent Education	38,077	0	38,077	13,106	(24,971)
Vocational Education	229,092	0	229,092	176,861	(52,231)
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	306,232	XXXXXXXXXX
Domestic Violence Assoc. Grant	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
KJCC/LHGS Dept. of Corrections	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	1,752,660	XXXXXXXXXX
LJCC/Westside High School	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	832,191	XXXXXXXXXX
LGHS Miscellaneous Fund	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	11,268	XXXXXXXXXX
KS Professional Learning Team	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	40,680	XXXXXXXXXX
S-3 Grant Teen Dating Violence	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
S-3 Grant-Diversity Intolerance	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Senate Bill 155 Program	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	1,397	XXXXXXXXXX
Fast ForWord	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	29,056	XXXXXXXXXX
TLC @ Smoky Hill Ed Service Center	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	189,905	XXXXXXXXXX
St. Francis Academy-Juvenile	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	414,399	XXXXXXXXXX
St. Francis Academy-Title I	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	76,512	XXXXXXXXXX
Tipton Community School	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	500,690	XXXXXXXXXX
Rosetta Stone	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	45,000	XXXXXXXXXX
	<u>\$ 4,002,625</u>	<u>\$ 1,495,000</u>	<u>\$ 5,497,625</u>	<u>\$ 7,407,239</u>	<u>\$ (2,290,376)</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

<u>General Fund</u>	<u>Current Year</u>		<u>Variance - Over (Under)</u>
	<u>Prior Year Actual</u>	<u>Actual Budget</u>	
Cash Receipts			
Local Sources	\$ 996,253	\$ 1,528,013 \$ 3,703,401	\$ (2,175,388)
	<u>996,253</u>	<u>1,528,013 \$ 3,703,401</u>	<u>\$ (2,175,388)</u>
Expenditures			
Instruction	797,983	606,810 \$ 2,479,385	\$ (1,872,575)
General Administration	437,512	911,160 974,921	(63,761)
Operations & Maintenance	558	0 176,150	(176,150)
	<u>1,236,053</u>	<u>1,517,970 \$ 3,630,456</u>	<u>\$ (2,112,486)</u>
Receipts Over (Under) Expenditures	(239,800)	10,043	
Unencumbered Cash, Beginning	179,889	(57,902)	
Prior Year Canceled Encumbrances	<u>2,009</u>	<u>1,465</u>	
Unencumbered Cash, Ending	<u>\$ (57,902)</u>	<u>\$ (46,394)</u>	

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

<u>Capital Outlay Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,251,500	\$ 1,495,000	\$ 24,000	\$ 1,471,000
	<u>1,251,500</u>	<u>1,495,000</u>	<u>\$ 24,000</u>	<u>\$ 1,471,000</u>
Expenditures				
General Administration	1,156,613	1,499,312	\$ 105,000	\$ 1,394,312
Adjustment for Qualifying Budget				
Credits	<u>0</u>	<u>0</u>	<u>1,495,000</u>	<u>(1,495,000)</u>
	<u>1,156,613</u>	<u>1,499,312</u>	<u>\$ 1,600,000</u>	<u>\$ (100,688)</u>
Receipts Over (Under) Expenditures	94,887	(4,312)		
Unencumbered Cash, Beginning	1,157	96,044		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 96,044</u>	<u>\$ 91,732</u>		

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

<u>Parent Education Fund</u>	<u>Current Year</u>		Variance - Over (Under)
	Prior Year Actual	Actual Budget	
Cash Receipts			
Local Sources	\$ 20,700	\$ 10,009 \$ 15,000	\$ (4,991)
State Sources	31,846	0 23,077	(23,077)
Federal Sources	0	586 0	586
	<u>52,546</u>	<u>10,595</u> <u>\$ 38,077</u>	<u>\$ (27,482)</u>
Expenditures			
Instruction	36,307	10,913 \$ 0	\$ 10,913
General Administration	<u>16,239</u>	<u>2,193</u> <u>38,077</u>	<u>(35,884)</u>
	<u>52,546</u>	<u>13,106</u> <u>\$ 38,077</u>	<u>\$ (24,971)</u>
Receipts Over (Under) Expenditures	0	(2,511)	
Unencumbered Cash, Beginning	0	1,073	
Prior Year Canceled Encumbrances	<u>1,073</u>	<u>1,438</u>	
Unencumbered Cash, Ending	<u>\$ 1,073</u>	<u>\$ 0</u>	

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

<u>Vocational Education Fund</u>	Prior Year	Current Year		Variance -
	Actual	Actual	Budget	Over (Under)
Cash Receipts				
Federal Sources	\$ 176,837	\$ 176,861	\$ 228,088	\$ (51,227)
	<u>176,837</u>	<u>176,861</u>	<u>\$ 228,088</u>	<u>\$ (51,227)</u>
Expenditures				
Instruction	46,720	45,504	\$ 0	\$ 45,504
General Administration	<u>130,117</u>	<u>131,357</u>	<u>229,092</u>	<u>(97,735)</u>
	<u>176,837</u>	<u>176,861</u>	<u>\$ 229,092</u>	<u>\$ (52,231)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	27	27		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 27</u>	<u>\$ 27</u>		

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

<u>Federal Funds</u>	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 0	\$ 6,750
Federal Sources	<u>381,950</u>	<u>410,207</u>
	<u>381,950</u>	<u>416,957</u>
Expenditures		
Instruction	261,976	132,196
General Administration	<u>98,756</u>	<u>174,036</u>
	<u>360,732</u>	<u>306,232</u>
Receipts Over (Under) Expenditures	21,218	110,725
Unencumbered Cash, Beginning	(27,308)	(6,090)
Prior Year Canceled Encumbrances	<u>0</u>	<u>4,098</u>
Unencumbered Cash, Ending	<u>\$ (6,090)</u>	<u>\$ 108,733</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

Domestic Violence Assoc. Grant

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 364	\$ 727
	<u>364</u>	<u>727</u>
Expenditures		
General Administration	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	364	727
Unencumbered Cash, Beginning	0	364
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 364</u>	<u>\$ 1,091</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

KJCC/LHGS Dept. of Corrections

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 1,548,037	\$ 1,752,660
	<u>1,548,037</u>	<u>1,752,660</u>
Expenditures		
Instruction	1,096,193	1,299,143
General Administration	451,844	453,517
	<u>1,548,037</u>	<u>1,752,660</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

LJCCC/Westside High School

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 0	\$ 832,191
	<u>0</u>	<u>832,191</u>
Expenditures		
Instruction	0	695,490
General Administration	<u>0</u>	<u>136,701</u>
	<u>0</u>	<u>832,191</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

LGHS Miscellaneous Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 908	\$ 12,684
	<u>908</u>	<u>12,684</u>
Expenditures		
General Administration	<u>696</u>	<u>11,268</u>
	<u>696</u>	<u>11,268</u>
Receipts Over (Under) Expenditures	212	1,416
Unencumbered Cash, Beginning	252	464
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 464</u>	<u>\$ 1,880</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

KS Professional Learning Team

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Local Sources	\$ 49,680	\$ 49,680
	<u>49,680</u>	<u>49,680</u>
Expenditures		
General Administration	<u>38,820</u>	<u>40,680</u>
	<u>38,820</u>	<u>40,680</u>
Receipts Over (Under) Expenditures	10,860	9,000
Unencumbered Cash, Beginning	284	11,144
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 11,144</u>	<u>\$ 20,144</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

S-3 Grant Teen Dating Violence

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 12,400	\$ 0
	<u>12,400</u>	<u>0</u>
Expenditures		
General Administration	9,772	0
	<u>9,772</u>	<u>0</u>
Receipts Over (Under) Expenditures	2,628	0
Unencumbered Cash, Beginning	(2,628)	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

S-3 Grant-Diversity Intolerance

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 12,400	\$ 0
	<u>12,400</u>	<u>0</u>
Expenditures		
General Administration	10,205	0
	<u>10,205</u>	<u>0</u>
Receipts Over (Under) Expenditures	2,195	0
Unencumbered Cash, Beginning	(2,195)	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

Senate Bill 155 Program

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 6,092	\$ 513
	<u>6,092</u>	<u>513</u>
Expenditures		
General Administration	<u>0</u>	<u>1,397</u>
	<u>0</u>	<u>1,397</u>
Receipts Over (Under) Expenditures	6,092	(884)
Unencumbered Cash, Beginning	5,869	11,961
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 11,961</u>	<u>\$ 11,077</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

Fast ForWord Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 26,435	\$ 29,056
	<u>26,435</u>	<u>29,056</u>
Expenditures		
General Administration	26,435	29,056
	<u>26,435</u>	<u>29,056</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

TLC @ Smoky Hill Ed Service Center

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 136,756	\$ 236,936
	<u>136,756</u>	<u>236,936</u>
Expenditures		
Instruction	139,697	83,370
General Administration	79,090	106,535
	<u>218,787</u>	<u>189,905</u>
Receipts Over (Under) Expenditures	(82,031)	47,031
Unencumbered Cash, Beginning	40,000	(37,031)
Prior Year Canceled Encumbrances	<u>5,000</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ (37,031)</u>	<u>\$ 10,000</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

St. Francis Academy-Juvenile

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 277,344	\$ 414,399
	<u>277,344</u>	<u>414,399</u>
Expenditures		
Instruction	221,370	238,990
General Administration	<u>55,974</u>	<u>175,409</u>
	<u>277,344</u>	<u>414,399</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

St. Francis Academy-Title I

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 68,794	\$ 76,512
	<u>68,794</u>	<u>76,512</u>
Expenditures		
Instruction	50,160	59,989
General Administration	18,634	16,523
	<u>68,794</u>	<u>76,512</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

Tipton Community School

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Local Sources	\$ 410,532	\$ 502,630
	<u>410,532</u>	<u>502,630</u>
Expenditures		
Instruction	377,190	478,389
General Administration	33,631	22,301
	<u>410,821</u>	<u>500,690</u>
Receipts Over (Under) Expenditures	(289)	1,940
Unencumbered Cash, Beginning	962	673
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 673</u>	<u>\$ 2,613</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

Rosetta Stone

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 44,230	\$ 34,690
	<u>44,230</u>	<u>34,690</u>
Expenditures		
General Administration	44,230	45,000
	<u>44,230</u>	<u>45,000</u>
Receipts Over (Under) Expenditures	0	(10,310)
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ (10,310)</u>

FEDERAL AWARD INFORMATION

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Grant Title	Federal CFDA No.	Program Amount	Unencumbered Cash 7-1-16	Receipts	Expenditures	Unencumbered Cash 6-30-17
<u>(Passes Through Kansas Department of Education)</u>						
Department of Education						
Special Education Grants to States	84.027	\$ 115,699	\$ 1,652	\$ 115,699	\$ 111,178	\$ 6,173
Career and Technical Education - Basic Grants to States	84.048	286,088	1,181	286,088	287,242	27
English Language Acquisition State Grants	84.365	10,334	0	10,334	10,334	0
Improving Teacher Quality State Grants	84.367	1,252	0	1,252	1,795	(543)
		<u>413,373</u>	<u>2,833</u>	<u>413,373</u>	<u>410,549</u>	<u>5,657</u>
Department of Health and Human Services						
Temporary Assistance for Needy Families	93.558	586	0	586	586	0
		<u>586</u>	<u>0</u>	<u>586</u>	<u>586</u>	<u>0</u>
<u>(Passes Through Kansas Juvenile Correctional Complex)</u>						
Department of Education						
Title I Grants to Local Educational Agencies	84.010	120,276	(8,896)	170,276	58,277	103,103
Improving Teacher Quality State Grants	84.367	3,419	0	3,419	3,419	0
		<u>123,695</u>	<u>(8,896)</u>	<u>173,695</u>	<u>61,696</u>	<u>103,103</u>
Total Federal Awards		<u>\$ 537,654</u>	<u>\$ (6,063)</u>	<u>\$ 587,654</u>	<u>\$ 472,831</u>	<u>\$ 108,760</u>