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

# FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2024

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

FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2024

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

# FINANCIAL SECTION

HAY·RICE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
CHARTERED

# INDEPENDENT AUDITOR'S REPORT

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

## *Adverse and Unmodified Opinions*

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Southwest Plains Regional Service Center, Unified School District No. 626, as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statement.

*Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying 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, 2024, or changes in financial position and cash flows thereof for the year then ended.

*Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the accompanying 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, 2024, 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.

## *Basis for Adverse and Unmodified Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Southwest Plains Regional Service Center, Unified School District No. 626, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

*Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As discussed in Note 1 of the financial statement, the financial statement is prepared by Southwest Plains Regional Service Center, Unified School District No. 626, 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.

***Responsibilities of Management 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; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. 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.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit 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 School District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***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 (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional 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. 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 accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Southwest Plains Regional Service Center, Unified School District No. 626, as of and for the year ended June 30, 2023 (not presented herein), and have issued our report thereon dated November 8, 2023, which contained an unmodified opinion on the basic financial statement. The 2023 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 https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2024 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2023 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 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 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 2023 basic financial statement or to the 2023 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 2023 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2023, on the basis of accounting described in Note 1.

*Hay•Rice & Associates, Chartered*

Hay•Rice & Associates, Chartered

November 12, 2024

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

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS
For the fiscal year ended June 30, 2024

| Funds | Beginning Unencumbered Cash Balance | Receipts | Expenditures | Ending Unencumbered Cash Balance | Add Encumbrances & Accounts Payable | Ending Cash Balance |
|---|---|---|---|---|---|---|
| General Fund: | | | | | | |
| General | $ 291,118 | $ 856,447 | $ 590,741 | $ 556,824 | $ 1,087 | $ 557,911 |
| Special Purpose Funds: | | | | | | |
| Instructional Services | 885,975 | 2,081,745 | 2,061,690 | 906,030 | - | 906,030 |
| Capital Outlay | 211,890 | 16,535 | - | 228,425 | - | 228,425 |
| Community Learning Centers | 153,099 | 173,837 | 227,885 | 99,051 | 394 | 99,445 |
| Grant Writing Center | 115,973 | 51,543 | 71,531 | 95,985 | - | 95,985 |
| Title III | - | 90,593 | 90,593 | - | 8,675 | 8,675 |
| Perkins Grant | - | 117,028 | 117,028 | - | 1,095 | 1,095 |
| KLN Priority | 15,699 | 1,710,053 | 1,860,549 | (134,797) | 30,479 | (104,318) |
| KLN Special Projects | 3,090,984 | - | 786,583 | 2,304,401 | 202 | 2,304,603 |
| Parents as Teachers | 6,389 | 79,326 | 79,326 | 6,389 | 10,829 | 17,218 |
| Discretionary Funds | 11,979 | - | - | 11,979 | - | 11,979 |
| Contingency | 2,051,606 | 195,290 | 113,266 | 2,133,630 | - | 2,133,630 |
| ARP HCYII (Homeless) | 323 | 86,292 | 62,907 | 23,708 | 2,919 | 26,627 |
| Total Reporting Entity | $6,835,035 | $5,458,689 | $6,062,099 | $6,231,625 | $ 55,680 | $6,287,305 |

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

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

Statement 1
(Continued)

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – REGULATORY BASIS
For the fiscal year ended June 30, 2024

| | |
|---|---|
| Composition of Cash: | |
| Investments and Time Deposits: | |
| Money market | $1,861,260 |
| Certificate of deposit | 4,043,529 |
| Cash in Checking: | |
| General Account | 359,707 |
| Electronic Account | 21,309 |
| Building Account | 1,500 |
| Total Reporting Entity | $6,287,305 |

The notes to the financial statement 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, 2024

Note 1: Summary of Significant Accounting Policies

Municipal Financial 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. This regulatory financial statement presents only Southwest Plains Regional Service Center, Unified School District No. 626 (the municipality).

Fund Descriptions

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.

Regulatory Basis Fund Types

The following regulatory basis fund types comprise the financial activities of the Service Center for the fiscal year ended June 30, 2024:

Governmental Funds:

General Fund – The Chief Operating Fund – used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific regulatory receipts (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Fiduciary Funds:

Agency Funds – funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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 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 regulatory basis of accounting.

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 accounting principles generally accepted in the United States of America. 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, finance leases, temporary notes and compensated absences are not presented in the financial statements.

Note 1: Summary of Significant Accounting Policies (Continued)

Other Accounting Policies

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.

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's 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. Any unused budgeted expenditure authority lapses at year end.

The budget law K.S.A. 79-2925 applies to taxing subdivisions or municipalities. Several funds exceed their budget, but because 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 Service Center is a management tool, which is used to establish the Service Center's internal spending limits.

Note 2: Stewardship, Compliance and Accountability

Compliance with Kansas Statutes

No statutory violations were noted during the audit.

Authorized Over-Encumbered Cash Balance – Federal Funds

K.S.A. 12-1664 authorizes the financing from local sources for expenditures to be reimbursed by the federal government.

Note 3: Deposits and Investments

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

K.S.A. 12-1675 limits Southwest Plains Regional Service Center's, Unified School District No. 626, 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. Southwest Plains Regional Service Center, 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 Southwest Plains Regional Service Center, 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, Southwest Plains Regional Service Center's, Unified School District No. 626, deposits may not be returned to it. State statutes require Southwest Plains Regional Service Center's, Unified School District No. 626, 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, 2024.

Note 3: Deposits and Investments (Continued)

At June 30, 2024, Southwest Plains Regional Service Center's, Unified School District No. 626, carrying amount of deposits was $6,287,305 and the bank balance was $6,880,394. 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 and $6,380,394 was collateralized with securities held by the pledging financial institutions' agents in Southwest Plains Regional Service Center's, Unified School District No. 626, name.

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, Southwest Plains Regional Service Center, 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 4: Interfund Transfers

Operating transfers were as follows:

| From | To | Regulatory Authority | Amount |
|---|---|---|---|
| Contingency | General Fund | KSA 72-5165 | $113,266 |
| Instructional Services | Contingency | KSA 72-5165 | 195,290 |
| Grant Writing | General Fund | KSA 72-5167 | 45,000 |
| Community Learning | General Fund | KSA 72-5167 | 48,593 |

Note 5: Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

Southwest Plains Regional Service Center, Unified School District No. 626, 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.

Note 5: Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

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 Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South 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 provides 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 and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 13.88% and 13.11%, respectively, for the fiscal year ended June 30, 2023. The actuarially determined employer contribution rate and the statutory contribution rate was 13.38% and 12.57% for the fiscal year ended June 30, 2024.

Note 5: Defined Benefit Pension Plan

Contributions (Continued)

The 2015 Legislature passed and the Governor approved Senate Bill 228 authorizing the issuance of $1.0 billion in pension obligation bonds to fund a portion of the School-Group's unfunded actuarial liability. The bonds were successfully issued in August 2015 and the proceeds transferred to the System.

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue pension obligation bonds, series 2021K, net proceeds of $500 million to fund a portion of the School-Group's unfunded actuarial liability. The bond proceeds were received by KPERS on August 26, 2021.

The 2022 Legislature passed Senate Bill 421, which authorized the State of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in fiscal years 2022 and 2023. The first $253.9 million paid off outstanding accounts receivable for KPERS-School employer contributions withheld in fiscal year 2017 and fiscal year 2019 while the remaining $871.1 million was applied to the KPERS-School unfunded actuarial liability. In fiscal year 2022, $600 million was transferred in May/June 2022.

In addition, Senate Bill 421 authorizes two additional transfers in fiscal year 2023 which totaled $271.1 million. The first transfer of $146.1 million was received on August 1, 2022. The second transfer of $125 million was received on December 1, 2022.

The State of Kansas contributed 12.57% of covered payroll during fiscal year 2024, excluding the Group Death & Disability Insurance rate. During fiscal year 2025, the State of Kansas will contribute 11.54% of covered payroll. The State of Kansas contribution to KPERS due for all school municipalities for the year ending June 30, 2024, was $598,481,774.

Note 5: Defined Benefit Pension Plan (Continued)

Net Pension Liability

At June 30, 2024, the Service Center's proportionate share of the collective net pension liability reported by KPERS was $69,842. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The Service Center's proportion of the net pension liability was based on the ratio of the Service Center'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, 2023. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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 6: Other Long-Term Obligations from Operations

Compensated Absences

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.

Note 6: Other Long-Term Obligations from Operations (Continued)

Salary Reduction Plan

Southwest Plains Regional Service Center, Unified School District No. 626, has adopted a 403B and/or 457 elective salary reduction plan. The plan transactions for the year ended June 30, 2024 are as follows:

| | |
|---|---|
| Beginning balance | $1,294,089 |
| Contributions | 1,815 |
| Withdrawals | (51,038) |
| Change in value | 168,687 |
| Ending balance | $1,413,553 |

Other Post Employment Benefits

As provided by K.S.A. 12-5040, Southwest Plains Regional Service Center, Unified School District No. 626, allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, Southwest Plains Regional Service Center, Unified School District No. 626, 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 this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), Southwest Plains Regional Service Center, Unified School District No. 626, 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.

Death and Disability Other Post Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2024.

Note 7: Contingent Liabilities

Southwest Plains Regional Service Center, 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, 2024. These compliance audits have not been conducted as of November 12, 2024. Accordingly, the Service Center'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 Service Center expects such amounts, if any, to be immaterial.

Note 8: Subsequent Events

Southwest Plains Regional Service Center, Unified School District No. 626, management has evaluated events and transactions through November 12, 2024, the date which the financial statement was available to be issued.

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

REGULATORY–REQUIRED
SUPPLEMENTARY INFORMATION

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

Schedule 1

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
For the fiscal year ended June 30, 2024

| Funds | Total Budget for Comparison | Expenditures Chargeable to Current Year | Variance Over (Under) |
|---|---|---|---|
| General Fund: | | | |
| General | $ 571,286 | $ 590,741 | $ 19,455 |
| Special Purpose Funds: | | | |
| Instructional Services | 1,574,114 | 2,061,690 | 487,576 |
| Capital Outlay | 5,000 | - | (5,000) |
| Community Learning Centers | 214,389 | 227,885 | 13,496 |
| Grant Writing Center | 71,671 | 71,531 | (140) |
| Title III | 90,593 | 90,593 | - |
| Perkins Grant | 98,429 | 117,028 | 18,599 |
| KLN Priority | 1,846,704 | 1,860,549 | 13,845 |
| KLN Special Projects | 3,991,865 | 786,583 | (3,205,282) |
| Contingency | 113,266 | 113,266 | - |
| Parents as Teachers | 74,138 | 79,326 | 5,188 |
| ARP HCYII (Homeless) | 86,315 | 62,907 | (23,408) |

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

Schedule 2

SCHEDULES OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the fiscal year ended June 30, 2024

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

Schedule 2-1

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the fiscal year ended June 30, 2024
(with comparative actual totals for the prior year ended June 30, 2023)

| | Current Year | | | |
|---|---|---|---|---|
| Receipts | Actual | Budget | Variance Over (Under) | Prior Year Actual |
| LEA tuition | $143,594 | $139,594 | $ 4,000 | $ 134,500 |
| Consulting services | 62,145 | 55,000 | 7,145 | 54,000 |
| Interest on investments | 216,984 | 160,000 | 56,984 | 134,680 |
| CLC revenue share | 12,565 | 7,894 | 4,671 | - |
| Indirect fees | 206,301 | 206,390 | (89) | 209,700 |
| Other receipts | 7,999 | 35,250 | (27,251) | 27,814 |
| Operating Transfers: | | | | |
| Contingency | 113,266 | 113,266 | - | - |
| Community Learning Centers | 48,593 | 48,593 | - | - |
| Grant Writing Center | 45,000 | 45,000 | - | - |
| Total Receipts | $856,447 | $810,987 | $ 45,460 | $ 560,694 |
| Expenditures | | | | |
| Salaries | $254,129 | $255,457 | $ (1,328) | $ 362,369 |
| Employee Benefits | 61,486 | 63,616 | (2,130) | 41,193 |
| Purchased professional services | 194,733 | 167,629 | 27,104 | 168,302 |
| Purchased property services | 10,179 | 11,600 | (1,421) | 79,751 |
| Other purchased services | 39,873 | 40,905 | (1,032) | 33,145 |
| Supplies and materials | 22,727 | 28,250 | (5,523) | 28,003 |
| Other | 7,614 | 3,829 | 3,785 | 5,741 |
| Total Expenditures | $590,741 | $571,286 | $ 19,455 | $ 718,504 |
| Receipts Over (Under) Expenditures | $265,706 | | | $ (157,810) |
| Unencumbered Cash, Beginning | 291,118 | | | 448,928 |
| Unencumbered Cash, Ending | $556,824 | | | $ 291,118 |

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

Schedule 2-2

INSTRUCTIONAL SERVICES
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the fiscal year ended June 30, 2024
(with comparative actual totals for the prior year ended June 30, 2023)

| | Current Year | | | |
|---|---|---|---|---|
| Receipts | Actual | Budget | Variance Over (Under) | Prior Year Actual |
| Instructional Tools | $ 306,250 | $ 179,250 | $ 127,000 | $ 129,029 |
| Workshops | 643,207 | 433,000 | 210,207 | 507,799 |
| Consulting | 1,034,637 | 572,531 | 462,106 | 781,571 |
| Other receipts | 97,132 | 225,000 | (127,868) | 94,630 |
| State aid | - | - | - | 572 |
| Federal aid | 519 | - | 519 | 4,000 |
| Total Receipts | $2,081,745 | $1,409,781 | $ 671,964 | $1,517,601 |
| Expenditures | | | | |
| Salaries | $ 853,022 | $ 862,847 | $ (9,825) | $ 847,391 |
| Employee Benefits | 126,606 | 113,601 | 13,005 | 125,424 |
| Purchased professional services | 348,225 | 287,596 | 60,629 | 339,355 |
| Other purchased services | 84,045 | 55,500 | 28,545 | 91,396 |
| Supplies and materials | 452,613 | 59,280 | 393,333 | 121,684 |
| Property | - | - | - | 6,653 |
| Other | 1,889 | - | 1,889 | - |
| Operating Transfers: | | | | |
| Contingency | 195,290 | 195,290 | - | - |
| Total Expenditures | $2,061,690 | $1,574,114 | $ 487,576 | $1,531,903 |
| Receipts Over (Under) Expenditures | $ 20,055 | | | $ (14,302) |
| Unencumbered Cash, Beginning | 885,975 | | | 900,277 |
| Unencumbered Cash, Ending | $ 906,030 | | | $ 885,975 |

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

Schedule 2-3

CAPITAL OUTLAY
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the fiscal year ended June 30, 2024
(with comparative actual totals for the prior year ended June 30, 2023)

| | Current Year | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance Over (Under) | Prior Year Actual |
| Receipts | | | | |
| Interest on investments | $ 16,535 | $ 5,000 | $ 11,535 | $ - |
| Expenditures | | | | |
| Property | - | $ 5,000 | $ (5,000) | 32,649 |
| Receipts Over (Under) Expenditures | $ 16,535 | | | $ (32,649) |
| Unencumbered Cash, Beginning | 211,890 | | | 244,539 |
| Unencumbered Cash, Ending | $228,425 | | | $211,890 |

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

Schedule 2-4

COMMUNITY LEARNING CENTERS
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the fiscal year ended June 30, 2024
(with comparative actual totals for the prior year ended June 30, 2023)

| | Current Year | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance Over (Under) | Prior Year Actual |
| Receipts | | | | |
| Member LEA receipts | $173,837 | $173,827 | $ 10 | $158,010 |
| Expenditures | | | | |
| Salaries | $117,366 | $113,592 | $ 3,774 | $109,954 |
| Employee Benefits | 26,281 | 29,898 | (3,617) | 25,491 |
| Purchased property services | 2,244 | 2,000 | 244 | 1,987 |
| Other purchased services | 20,342 | 11,900 | 8,442 | 11,066 |
| Supplies and materials | 494 | 625 | (131) | 699 |
| Other | 12,565 | 7,781 | 4,784 | - |
| Operating Transfers: | | | | |
| General | 48,593 | 48,593 | - | - |
| Total Expenditures | $227,885 | $214,389 | $ 13,496 | $149,197 |
| Receipts Over (Under) Expenditures | $ (54,048) | | | $ 8,813 |
| Unencumbered Cash, Beginning | 153,099 | | | 144,286 |
| Unencumbered Cash, Ending | $ 99,051 | | | $153,099 |

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

Schedule 2-5

GRANT WRITING CENTER
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the fiscal year ended June 30, 2024
(with comparative actual totals for the prior year ended June 30, 2023)

| | Current Year | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance Over (Under) | Prior Year Actual |
| Receipts | | | | |
| Services provided LEA | $ 51,543 | $ 75,403 | $ (23,860) | $ 55,318 |
| Expenditures | | | | |
| Salaries | $ 24,504 | $ 24,504 | $ - | $ 36,791 |
| Employee Benefits | 2,027 | 2,167 | (140) | 3,031 |
| Other purchased services | - | - | - | 436 |
| Other | - | - | - | 175 |
| Operating Transfers: | | | | |
| General | 45,000 | 45,000 | - | - |
| Total Expenditures | $ 71,531 | $ 71,671 | $ (140) | $ 40,433 |
| Receipts Over (Under) Expenditures | $ (19,988) | | | $ 14,885 |
| Unencumbered Cash, Beginning | 115,973 | | | 101,088 |
| Unencumbered Cash, Ending | $ 95,985 | | | $115,973 |

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

Schedule 2-6

TITLE III
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the fiscal year ended June 30, 2024
(with comparative actual totals for the prior year ended June 30, 2023)

| | Current Year | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance Over (Under) | Prior Year Actual |
| Receipts | | | | |
| Federal aid | $ 90,593 | $ 90,593 | - | $ 96,176 |
| Expenditures | | | | |
| Purchased professional services | $ 51,805 | $ 51,805 | - | $ 55,450 |
| Supplies and materials | 36,976 | 36,976 | - | 38,802 |
| Other | 1,812 | 1,812 | - | 1,924 |
| Total Expenditures | $ 90,593 | $ 90,593 | - | $ 96,176 |
| Receipts Over (Under) Expenditures | - | | | - |
| Unencumbered Cash, Beginning | - | | | - |
| Unencumbered Cash, Ending | - | | | - |

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

Schedule 2-7

PERKINS GRANT
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the fiscal year ended June 30, 2024
(with comparative actual totals for the prior year ended June 30, 2023)

| | Current Year | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance Over (Under) | Prior Year Actual |
| Receipts | | | | |
| Federal aid | $117,028 | $116,492 | $ 536 | $111,644 |
| Expenditures | | | | |
| Salaries | $ 7,778 | $ 8,000 | $ (222) | $ 6,404 |
| Purchased professional services | 45,945 | 47,090 | (1,145) | 45,639 |
| Other purchased services | 14,800 | - | 14,800 | 17,984 |
| Supplies and materials | 42,680 | 37,514 | 5,166 | 36,035 |
| Other | 5,825 | 5,825 | - | 5,582 |
| Total Expenditures | $117,028 | $ 98,429 | $ 18,599 | $111,644 |
| Receipts Over (Under) Expenditures | - | | | - |
| Unencumbered Cash, Beginning | - | | | - |
| Unencumbered Cash, Ending | - | | | - |

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
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Sublette, Kansas

Schedule 2-8

KLN PRIORITY
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the fiscal year ended June 30, 2024
(with comparative actual totals for the prior year ended June 30, 2023)

| | Current Year | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance Over (Under) | Prior Year Actual |
| Receipts | | | | |
| Contracted services | $1,710,053 | $1,846,704 | $ (136,651) | $1,979,082 |
| Expenditures | | | | |
| Salaries | $1,302,648 | $1,226,613 | $ 76,035 | $1,210,692 |
| Employee Benefits | 220,439 | 263,433 | (42,994) | 196,253 |
| Purchased professional services | 34,775 | 35,720 | (945) | 30,547 |
| Other purchased services | 175,853 | 192,000 | (16,147) | 242,992 |
| Supplies and materials | 46,888 | 41,000 | 5,888 | 30,915 |
| Other | 79,946 | 87,938 | (7,992) | 90,204 |
| Total Expenditures | $1,860,549 | $1,846,704 | $ 13,845 | $1,801,603 |
| Receipts Over (Under) Expenditures | $ (150,496) | | | $ 177,479 |
| Unencumbered Cash, Beginning | 15,699 | | | (161,780) |
| Unencumbered Cash, Ending | $ (134,797) | | | $ 15,699 |

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
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Schedule 2-9

KLN SPECIAL PROJECTS
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the fiscal year ended June 30, 2024
(with comparative actual totals for the prior year ended June 30, 2023)

| | Current Year | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance Over (Under) | Prior Year Actual |
| Receipts | $ - | - | - | $ - |
| Expenditures | | | | |
| Purchased professional services | 786,583 | $3,991,865 | $ (3,205,282) | 529,374 |
| Receipts Over (Under) Expenditures | $ (786,583) | | | $ (529,374) |
| Unencumbered Cash, Beginning | 3,090,984 | | | 3,620,358 |
| Unencumbered Cash, Ending | $2,304,401 | | | $3,090,984 |

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

Schedule 2-10

PARENTS AS TEACHERS
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the fiscal year ended June 30, 2024
(with comparative actual totals for the prior year ended June 30, 2023)

| | Current Year | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance Over (Under) | Prior Year Actual |
| Receipts | | | | |
| PAT Match | $ 25,236 | $ 25,236 | $ - | $ 25,236 |
| Other | 4,033 | - | 4,033 | 4,286 |
| State aid | 50,057 | 50,057 | - | 50,057 |
| Total Receipts | $ 79,326 | $ 75,293 | $ 4,033 | $ 79,579 |
| Expenditures | | | | |
| Salaries | $ 52,308 | $ 57,317 | $ (5,009) | $ 55,079 |
| Employee Benefits | 2,824 | 2,745 | 79 | 7,023 |
| Purchased professional services | 1,200 | 3,933 | (2,733) | 40 |
| Other purchased services | 9,403 | 3,791 | 5,612 | 3,149 |
| Supplies and materials | 13,591 | 6,352 | 7,239 | 14,288 |
| Total Expenditures | $ 79,326 | $ 74,138 | $ 5,188 | $ 79,579 |
| Receipts Over (Under) Expenditures | $ - | | | $ - |
| Unencumbered Cash, Beginning | 6,389 | | | 6,389 |
| Unencumbered Cash, Ending | $ 6,389 | | | $ 6,389 |

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
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Schedule 2-11

ARP HCYII (HOMELESS)
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the fiscal year ended June 30, 2024
(with comparative actual totals for the prior year ended June 30, 2023)

| | Current Year | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance Over (Under) | Prior Year Actual |
| Receipts | | | | |
| Federal aid | $ 86,292 | $ 86,615 | $ (323) | $ 23,780 |
| Expenditures | | | | |
| Other purchased services | $ 400 | $ 800 | $ (400) | $ 3,200 |
| Supplies and materials | 62,507 | 85,515 | (23,008) | 1,401 |
| Other | - | - | - | 18,856 |
| Total Expenditures | $ 62,907 | $ 86,315 | $ (23,408) | $ 23,457 |
| Receipts Over (Under) Expenditures | $ 23,385 | | | $ 323 |
| Unencumbered Cash, Beginning | 323 | | | - |
| Unencumbered Cash, Ending | $ 23,708 | | | $ 323 |

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

Schedule 2-12

CONTINGENCY
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the fiscal year ended June 30, 2024
(with comparative actual totals for the prior year ended June 30, 2023)

| | Current Year | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance Over (Under) | Prior Year Actual |
| Receipts | | | | |
| Operating Transfers: | | | | |
| Instructional Services | $ 195,290 | - | $195,290 | - |
| Expenditures | | | | |
| Operating Transfers: | | | | |
| General | 113,266 | $113,266 | - | - |
| Receipts Over (Under) Expenditures | $ 82,024 | | | $ - |
| Unencumbered Cash, Beginning | 2,051,606 | | | 2,051,606 |
| Unencumbered Cash, Ending | $2,133,630 | | | $2,051,606 |

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

Schedule 2
(Continued)

SCHEDULES OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the fiscal year ended June 30, 2024

SOUTHWEST PLAINS REGIONAL SERVICE CENTER
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Sublette, Kansas

Schedule 2-13

DISCRETIONARY FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the fiscal year ended June 30, 2024
(with comparative actual totals for the prior year ended June 30, 2023)

| | 6-30-24 | 6-30-23 |
|---|---|---|
| Receipts | - | - |
| Expenditures | - | - |
| Receipts Over (Under) Expenditures | $ - | $ - |
| Unencumbered Cash, Beginning | 11,979 | 11,979 |
| Unencumbered Cash, Ending | $ 11,979 | $ 11,979 |