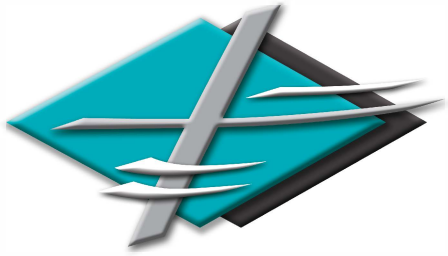
SOUTH CENTRAL KANSAS SPECIAL EDUCATION COOPERATIVE
PRATT, KANSAS

FINANCIAL STATEMENT

FISCAL YEAR ENDED
JUNE 30, 2021



LOYD GROUP, LLC

Certified Public Accountants

South Central Kansas Special Education Cooperative
Pratt, Kansas

Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS

		Page Number
	Independent Auditor's Report	1 - 3
	FINANCIAL SECTION	
Statement 1	Summary Statement of Receipts, Expenditures and Unencumbered Cash - Regulatory Basis	4
	Notes to the Financial Statement	5 - 9
	REGULATORY–REQUIRED SUPPLEMENTARY INFORMATION	
Schedule 1	Schedule of Receipts and Expenditures - Regulatory Basis	
	GENERAL FUND	
	1-1 General Fund	10 - 11
	SPECIAL PURPOSE FUNDS	
	1-2 Federal Funds	12
	1-3 Special Education Services Fund	13
	1-4 Deaf-Blind Grant Fund	14
	1-5 ELC Grant Fund	15
	1-6 Pre-K Pilot Program Fund	16
	OTHER SUPPLEMENTAL INFORMATION	
	Independent Auditor's 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*	17 - 18
	Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	19 - 20
Schedule 2	Schedule of Expenditures of Federal Awards	21
Schedule 3	Schedule of Findings and Questioned Costs	22 – 23
Schedule 4	Schedule of Prior Year Audit Findings	24

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INDEPENDENT AUDITOR'S REPORT

Board of Education
South Central Kansas Special Education Cooperative
412 Sandy Lane
Pratt, KS 67124

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the South Central Kansas Special Education Cooperative, Pratt, Kansas, as of and for the year ended June 30, 2021, 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; 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.

Auditor's 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, the *Kansas Municipal Audit and Accounting 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 from 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 auditor's 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 auditor considers 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.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the South Central Kansas Special Education Cooperative, Pratt, 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 U.S. Generally Accepted Accounting Principles

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 the South Central Kansas Special Education Cooperative, Pratt, Kansas as of June 30, 2021, 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 financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the South Central Kansas Special Education Cooperative, Pratt, Kansas as of June 30, 2021, 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.

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, schedule of regulatory basis receipts and disbursements – agency funds (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 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 previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of South Central Kansas Special Education Cooperative, Pratt, Kansas as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated July 15, 2022, which contained an unmodified opinion on the basic financial statement. The 2020 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://admin.ks.gov/offices/chief-financial-officer/municipal-services. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2021 (Schedule 2 as listed in the table of contents) is also presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2020 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 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit

of the 2020 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 2020 basic financial statement or to the 2020 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 2020 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, 2020, on the basis of accounting described in Note 1.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprise South Central Kansas Special Education Cooperative, Pratt, Kansas' basic financial statement. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is not a required part of the basic financial statement of South Central Kansas Special Education Cooperative, Pratt, Kansas.

The schedule of expenditures of federal awards 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. Such 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 basic financial statement or 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 basic financial statement taken as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2023, on our consideration of the South Central Kansas Special Education Cooperative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of South Central Kansas Special Education Cooperative's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering South Central Kansas Special Education Cooperative's internal control over financial reporting and compliance.

Loyd Group, LLC

Loyd Group, LLC
Galva, Kansas

June 16, 2023

South Central Kansas Special Education Cooperative
Pratt, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Regulatory Basis
For the Year ended June 30, 2021

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND:						
General Fund	$ 2,532,384	11,384,924	$ 11,984,273	$ 1,933,035	$ -	$ 1,933,035
SPECIAL PURPOSE FUNDS:						
Federal Funds	274,022	1,661,383	911,126	1,024,279	-	1,024,279
Special Education Services Fund	-	125,247	124,978	269	-	269
Deaf-Blind Grant Fund	(28)	2,441	2,442	(29)	-	(29)
ELC Grant Fund	172,473	19,571	11,896	180,148	-	180,148
Pre-K Pilot Program Fund	(133,246)	430,470	486,367	(189,143)	-	(189,143)
Total Reporting Entity (Excluding Agency Funds)	$ 2,845,605	$ 13,624,036	$ 13,521,082	$ 2,948,559	$ -	$ 2,948,559

COMPOSITION OF CASH:	
Checking Account	$ 1,198,370
Freedom Business	718,850
Certificate of Deposit	1,031,339
Total Cash	$ 2,948,559

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

SOUTH CENTRAL KANSAS SPECIAL EDUATION COOPERATIVE
Pratt, Kansas

NOTES TO THE FINANCIAL STATEMENT

For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Municipal Financial Reporting Entity

The South Central Kansas Special Education Cooperative (the "Cooperative") is a municipal corporation governed by a Board of Directors consisting of one member from the Board of Education of each school district that is a part of the Cooperative. This regulatory financial statement presents the Cooperative, a municipality.

(b) Regulatory Basis Fund Types

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 receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund—used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund—used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.).

Trust Fund—funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Fund—funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing, county treasurer tax collection accounts, etc.).

(c) Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (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 Cooperative 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 Cooperative to use the regulatory basis of accounting.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(d) Budgetary Information

The Cooperative is not subject to the Kansas statutes that require an annual operating budget be legally adopted for any of its funds. While the Cooperative is not legally required to publish and adhere to a budget, it does prepare an annual budget to help the governing body control spending and expenditures in the various funds. Since the Cooperative is not subject to budgetary statutes, expenditures may exceed the amount budgeted without consequence. Even though fund expenditures may exceed budgeted amounts, the Cooperative's funds are still subject to the cash basis statutes requiring enough cash be available to cover all expenditures and encumbrances.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Kansas municipalities are subject to the cash-basis law as stated in Kansas Statute 10-1113. The Pre-K Pilot Program Fund and the Deaf and Blind Fund have negative unencumbered cash balances at June 30, 2021, which is allowable under Kansas Statute 12-1663. These funds will be reimbursed in the following fiscal year from the federal grant program.

3. DEPOSITS AND INVESTMENTS

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

K.S.A. 12-1675 limits the Cooperative'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 Cooperative has no investment policy that would further limit investment choices.

Concentration of credit risk. State statutes place no limit on the amount the Cooperative may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. At June 30, 2021, the Cooperative held no investments.

Custodial credit risk. Custodial credit risk is the risk that in the event of bank failure, the Cooperative's deposits may not be returned to it. State statutes require the Cooperative's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2021.

At year end, the carrying amount of the Cooperative's deposits was $2,948,559, and the bank balance was $3,864,524. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by FDIC insurance, $3,614,524 was collateralized with securities held by the pledging financial institutions' agents in the Cooperative's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of failure of the issuer or counterparty, the Cooperative 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.

4. OPERATING LEASES

The District is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property right or lease obligations and, therefore, the expenditures will be recognized when the lease payments are made. The following schedule shows the composition of total rental expenditures for all operating leases except those with terms of a month or less that were not renewed:

	2021
Minimum rentals:	
Enterprise Lease	$ 77,394

4. OPERATING LEASES (CONT.)

Operating lease obligations for subsequent years are as follows:

2022	77,395
2023	77,395
2024	51,249
Total	$ 206,039

5. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post-Employment Benefits

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

(b) 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, 2021.

(c) Compensated Absences

Sick Leave

Employees of the Cooperative are allowed to accumulate sick leave to a prescribed level which may be used if they remain in the employment of the Cooperative. Employees lose any sick leave remaining above the allowable accumulation level. No payments are made to terminating employees with exceptions noted for retiring employees. No amounts have been accrued for accumulated annual sick leave.

Vacation Leave

Full time, twelve-month, employees are entitled to various amounts of paid vacation per fiscal year. Vacation days may be accumulated up to 40 days.

(d) Termination Benefits

Early Retirement Plan

The Cooperative provides an early retirement program for certain eligible employees. Licensed teachers who have served the last ten years full time in the Cooperative and meet KPERS retirement requirements are eligible to receive health insurance benefits after retirement for no more than ten years or until they are eligible for Medicare and/or Medicaid. They may also receive a one time payment of up to $3,950 for unused sick leave and personal days.

Retirement Benefits

Licensed teachers who have served at least 20 years, and are Medicare eligible, are eligible at retirement to receive a one time payment of $50 for each unused sick leave day and personal day, up to a maximum of $3,950. No amounts have been accrued.

5. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(e) 403(b) Plan

In addition to KPERS, the Cooperative also has an Employee 403(b) Plan (Plan). All employees who are eligible for benefits are eligible to participate in the Plan. The Cooperative does not pay 403 (b) contributions for negotiated agreement employees. The Cooperative does provide a 403(b) match per individual contracts (Administrative). The Plan follows the federal regulations as to employee contribution amounts. The minimum amount an employee can contribute is $25 a month, and the maximum annual contribution amount is $18,500 plus an additional $6,000 catch-up limit for employees over 50. The employee can select investment options among those provided within the Plan.

6. DEFINED BENEFIT PENSION PLAN

(a) Plan Description

The Cooperative 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 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

(b) 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 of 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 1.00% contribution rate for the Death and Disability Program) was 14.59% and 13.21%, respectively, for the fiscal year ended June 30, 2019. The actuarially determined employer contribution rate and the statutory contribution rate was 16.15% and 14.41% for the fiscal year ended June 30,

Per Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by $64.13 million for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulated that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be $6.4 million dollars per year. The first year payment of $6.4 million was received in July 2017 and appropriations for fiscal year 2018 were made for the State/School group at the statutory contribution rate of 12.01% for that year.

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contributions to KPERS were decreased by $194 million for the fiscal year ended June 30, 2019. Section 56(19) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2020. The level dollar amount was computed to be $19.4 million per year.

2018 House Substitute for Senate Bill 109 provided for additional funding for KPERS School group. A payment of $56 million was paid in fiscal year 2018. This bill also authorized a payment of $82 million in fiscal year 2019.

2019 Senate Bill 9 authorized a payment of $115 million for the KPERS School group.

The State of Kansas is required to contribute the statutory required employer's share. Since the Cooperative is considered a special funding situation, the Cooperative was not required to contribute amounts equal to the statutory contribution rate for the year ended June 30, 2021. However, the Cooperative is required to contribute towards employees working after retirement. The working after retirement contribution was $55,469, for the fiscal year ended June 30, 2021.

6. DEFINED BENEFIT PENSION PLAN (CONT.)

(c) Net Pension Liability

The Cooperative 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, 2021, the State's proportionate share of the collective net pension liability, as it relates to the Cooperative, as reported by KPERS, was $10,090,961. At June 30, 2021, the Cooperative's proportionate share of the collective net pension liability, as reported by KPERS, was $703,856. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. 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, 2020. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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 public ally available on the website at www.kpers.org or can be obtained as described above.

7. CLAIMS AND JUDGMENTS

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

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

The Cooperative 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 Cooperative has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2020 to 2021, and there were no settlements that exceeded insurance coverage during the past three years.

8. COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Cooperative's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Cooperative is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021. Future potential impacts may include a decrease in certain revenues, reduced customer traffic and the temporary closure of operating hours of our offices.

9. SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statements of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

SOUTH CENTRAL KANSAS SPECIAL EDUCATION COOPERATIVE
PRATT, KS

OTHER SUPPLEMENTAL INFORMATION

FISCAL YEAR ENDED JUNE 30, 2021

South Central Kansas Special Education Cooperative
Pratt, Kansas

GENERAL FUND

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	2020 Actual	2021 Actual
Receipts:		
USD contributions	$ 3,735,874	$ 4,119,121
State aid	7,035,525	6,788,290
Medicaid	297,930	292,403
Private grants	19,091	933
Interest on idle funds	9,431	8,588
Other	134,596	175,589
Total Receipts	11,232,447	11,384,924
Expenditures:		
Instruction -		
Certified salaries	3,499,122	3,569,531
Non-certified salaries	3,433,339	3,191,233
Insurance	1,089,016	973,585
Social security	548,982	499,341
Other employee benefits	78,236	65,660
Property and equipment	10,101	11,001
Purchased professional services	15,108	(157,526)
Other purchased services	4,398	624
Supplies	14,483	21,121
Miscellaneous supplies	29,539	21,716
Student Support Services -		
Certified salaries	1,127,071	1,168,412
Insurance	107,278	101,623
Social security	78,275	83,494
Other employee benefits	8,275	8,981
Purchased professional services	65,894	345,183
Other purchased services	16,963	17,248
Supplies	12,999	12,875
General Supplemental	1,216	1,338
Instruction Support Staff -		
Other employee benefits	27,050	21,900
Purchased professional services	37,257	54,711
Purchased property services	44,354	45,394
Supplies	1,429	1,472
Property and equipment	871	5,327

South Central Kansas Special Education Cooperative
Pratt, Kansas

GENERAL FUND

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	2020 Actual	2021 Actual
Expenditures (Cont.):		
General Administration -		
Certified salaries	$ 713,306	$ 706,790
Non-certified salaries	3,172	-
Insurance	58,669	53,928
Social security	51,794	51,233
Other employee benefits	4,221	10,653
Purchased professional services	15,157	16,258
Purchased property services	4,439	8,631
Other purchased services	98,509	104,862
Communications	18,724	24,855
Supplies	9,483	12,955
Audit services	11,000	3,893
Other	9,786	494,516
Operations and Maintenance -		
Certified salaries	43,614	54,935
Insurance	5,906	6,034
Social Security	3,207	4,054
Purchased property services	185,736	112,295
Water/sewer	2,973	3,970
Repairs and maintenance	25,864	11,349
Other purchased services	55,676	39,616
General Supplies	32,299	39,804
Heating	1,919	1,837
Student Transportation Services -		
Other purchased services	-	28,751
Supplies	73	-
Property and Equipment	55,852	128,810
Transfer	1,522	-
Total Expenditures	11,664,157	11,984,273
Receipts Over (Under) Expenditures	(431,710)	(599,349)
Unencumbered Cash, Beginning	2,964,094	2,532,384
Unencumbered Cash, Ending	$ 2,532,384	$ 1,933,035

South Central Kansas Special Education Cooperative
Pratt, Kansas

SPECIAL PURPOSE FUND

FEDERAL FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	2020 Actual	2021 Actual
Receipts:		
EHC Flow thru VI-B	$ 1,327,605	$ 1,598,119
EHC Discretionary	64,064	63,264
Total Receipts	1,391,669	1,661,383
Expenditures:		
Instruction -		
Certified salaries	904,109	660,024
Insurance	86,224	61,378
Social security	64,291	46,805
Instruction Support Staff -		
Purchased professional services	3,000	2,200
Purchased property services	33,350	27,528
Other purchased services	1,748	263
Supplies	1,639	2,159
Total Expenditures	1,094,948	911,126
Receipts Over (Under) Expenditures	296,721	750,257
Unencumbered Cash Beginning	(22,699)	274,022
Unencumbered Cash, Ending	$ 274,022	$ 1,024,279

South Central Kansas Special Education Cooperative
Pratt, Kansas

SPECIAL PURPOSE FUND

SPECIAL EDUCATION SERVICES FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	2020 Actual	2021 Actual
Receipts:		
Federal aid	$ -	$ 125,247
Expenditures:		
Instruction -		
Supplies	-	124,978
Receipts Over (Under) Expenditures	-	269
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 269

South Central Kansas Special Education Cooperative
Pratt, Kansas

SPECIAL PURPOSE FUND

DEAF-BLIND GRANT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	2020 Actual	2021 Actual
Receipts:		
State aid	$ 3,249	$ 2,441
Expenditures:		
Instruction -		
Purchased professional services	3,250	2,442
Receipts Over (Under) Expenditures	(1)	(1)
Unencumbered Cash, Beginning	(27)	(28)
Unencumbered Cash, Ending	$ (28)	$ (29)

South Central Kansas Special Education Cooperative
Pratt, Kansas

SPECIAL PURPOSE FUND

ELC GRANT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	2020 Actual	2021 Actual
Receipts:		
Private grants	$ 143,040	$ 19,571
Expenditures:		
Instruction -		
Certified salaries	124,922	13,558
Insurance	12,934	629
Social Security	8,538	964
Purchased professional services	5,132	(3,255)
Supplies	4,402	-
Equipment	1,556	-
Total Expenditures	157,484	11,896
Receipts Over (Under) Expenditures	(14,444)	7,675
Unencumbered Cash, Beginning	186,917	172,473
Unencumbered Cash, Ending	$ 172,473	$ 180,148

South Central Kansas Special Education Cooperative
Pratt, Kansas

SPECIAL PURPOSE FUND

PRE-K PILOT PROGRAM FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	2020 Actual	2021 Actual
Receipts:		
Federal aid	$ 204,033	$ 215,235
State aid	204,033	215,235
Total Receipts	408,066	430,470
Expenditures:		
Instruction -		
Certified salaries	304,093	354,312
Non-certified salaries	-	3,700
Employee benefits	36,645	42,000
Social Security	19,596	20,600
Other employee benefits	2,775	-
Supplies	1,763	1,336
Student Support Services -		
Other purchased services	16,999	6,005
Instruction Support Staff -		
Purchased professional services	6,805	57,583
Operations and Maintenance -		
Supplies	6,482	831
Total Expenditures	395,158	486,367
Receipts Over (Under) Expenditures	12,908	(55,897)
Unencumbered Cash, Beginning	(146,154)	(133,246)
Unencumbered Cash, Ending	$ (133,246)	$ (189,143)

SOUTH CENTRAL KANSAS SPECIAL EDUCATION COOPERATIVE
PRATT, KANSAS

REGULATORY-REQUIRED
SUPPLEMENTAL INFORMATION

FISCAL YEAR ENDED JUNE 30, 2021

LOYD GROUP, LLC

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INDEPENDENT AUDITOR'S 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*

Board of Directors
South Central Kansas Special Education Cooperative
412 Sandy Lane
Pratt, KS 67124

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting Guide, the financial statement of South Central Kansas Special Education Cooperative (the Cooperative), as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the Cooperative's basic financial statement, and have issued our report thereon dated June 16, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Cooperative's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as described in the accompanying schedule of findings and questioned costs we did identify certain deficiencies in internal control that we consider to be significant deficiencies.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 to 2021-002 that we consider to be a significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cooperative's financial statement is free from 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 financial statement. 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*.

South Central Kansas Special Education Cooperative's Response to Findings

South Central Kansas Special Education Cooperative's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. South Central Kansas Special Education Cooperative's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Loyd Group, LLC

Loyd Group, LLC
Galva, Kansas

June 16, 2023

LOYD GROUP, LLC

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Galva, KS 67443
620-654-7565
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
South Central Kansas Special Education Cooperative
412 Sandy Lane
Pratt, KS 67124

Report on Compliance for Each Major Federal Program

We have audited the South Central Kansas Special Education Cooperative (the Cooperative), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Cooperative's major federal programs for the year ended June 30, 2021. The Cooperative's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Cooperative's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal* Awards (Uniform Guidance). Those standards and the Uniform Guidance 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 Cooperative'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Cooperative's compliance.

Opinion on Each Major Federal Program

In our opinion, the Cooperative, complied, in all material respects, with the types of 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, 2021.

Report on Internal Control Over Compliance

Management of South Central Kansas Special Education Cooperative, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Cooperative's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 the Cooperative's 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2021-001 to 2021-002*,* that we consider to be significant deficiencies..

The Cooperative's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Cooperative's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Loyd Group, LLC

Loyd Group, LLC
Galva, Kansas

June 16, 2023

South Central Kansas Special Education Cooperative
Pratt, Kansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Pass-Through Grantor/ Federal Grantor Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Expenditures
U.S. Department of Agriculture			
Passed through Kansas Department of Education -			
Child Nutrition Cluster			
Child and Adult Care Food Program	10.558	DO605	$ 12,947
Total U.S. Department of Agriculture			12,947
U.S. Department of Education			
Passed through Kansas Department of Education -			
Special Education Cluster (IDEA)			
Special Education - Grants to States - IDEA Part B	84.027	DO605	802,818
Special Education - Preschool Grants	84.173	DO605	108,308
Total Special Education Cluster			911,126
COVID-19 Esser I	84.425	DO605	5,160
Early Learning Kansans	93.558	DO605	215,235
Total U.S. Department of Education			1,131,521
Total Expenditures of Federal Awards			$ 1,144,468

NOTES TO THE SCHEDULE OF EXENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of South Central Kansas Special Education Cooperative, Pratt, Kansas (the Cooperative), under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Cooperative, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Cooperative. The Schedule is presented using a regulatory basis of accounting prescribed by the Kansas Municipal Audit and Accounting Guide (as described in Note 1 to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) The Cooperative has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Funds Expended

Funds where federal expenditures were receipted and expended:

General Fund	$ 12,947
Pre-K Pilot Program Fund	215,235
Special Education Services	5,160
Federal Funds	911,126
	$1,144,468

South Central Kansas Special Education Cooperative
Pratt, Kansas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Section 1 – Summary of Auditor's Results

Financial Statements

1. Type of auditor's opinion issued on whether the financial statements audited were prepared in accordance with GAAP:	Adverse
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified?	Yes
3. Noncompliance material to the financial statements noted?	No

Federal Awards

1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified?	None Reported
2. Type of auditor's report issued on compliance for major programs:	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
4. Identification of major programs:	

Name of Federal Program or Cluster	CFDA Number
Special Education Cluster (IDEA):	
Special Education – Grants to States	84.027
Special Education – Preschool Grants	84.173

5. Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
6. Auditee qualified as a low-risk auditee?	No

Section 2 – Findings – Financial Statement Audit

2020-001 SIGNIFICANT DEFICIENCY – PAYROLL BENEFITS

Condition: During the audit, we noted that payroll liabilities initially had a large debit balance. Upon further investigation, it was determined that new employees added for the 19-20 and 20-21 year were not set up correctly to record the employer benefits, and in some cases, KPERS. It was determined, that since the billings from KPERS, insurance, etc. are calculated independently of the payroll journal entry, that all the bills were appropriately paid, so cash was not materially affected.

Criteria: When setting up employees, the employer paid benefits should also be included so that the payroll journal entry matches what is being remitted to the benefit companies.

Section 2 – Findings – Financial Statement Audit (Cont.)

2021-001 SIGNIFICANT DEFICIENCY – PAYROLL BENEFITS (CONT.)

Cause: The human resources employee was new to the organization and did not fully understand how to set up an employee.

Effect: Before corrections were done, the employer expenses related to benefits were understated in the liabilities.

Perspective: The Cooperative spent nearly two years working on fixing and correcting the payroll entries and the individual employee records during the 19-20 audit. The work done was necessary in order to ensure the accuracy of the audited financials and the employee's balances. During the June 2021 audit, more entries and evaluations were needed to continue to correct the payroll liabilities. The balances have been adjusted to reflect the amounts owed at year end.

Recommendation: We recommend closely evaluating and monitoring the payroll liability accounts to make sure the amounts are matching between what is paid and what is withheld from employees on a minimum of a monthly basis.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with this finding. They continue to through extensive procedures to determine correct balances and make the corrections.

2021-002 SIGNIFICANT DEFICIENCY – SUBMISSION OF AUDIT TO FEDERAL AUDIT CLEARINGHOUSE

Condition: The Cooperative is submitting the 2021 audit past the required due date.

Criteria: The Uniform Guidance requires audits to be filed no later than 9 months after year end, with exceptions for allowable extensions granted by recent COVID-19 legislation.

Cause: The errors as noted in the payroll benefits point above prevented timely reconciliations and tying between the subledger and general ledger balances. This delayed the audit completion and thus the respective filing with the Federal Audit Clearinghouse.

Effect: The Cooperative will not be considered a low-risk entity in the future year. There is also the possibility of loss of funding.

Perspective: The payroll benefits errors caused the Cooperative to perform many additional procedures as noted in the points above to correct their records. This caused a delay in completing the 2021 audit timely. However, the work done was necessary in order to ensure the accuracy of the audited financials.

Recommendation: The audit should be filed in accordance with federal regulation due dates.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with this finding. They have gone through extensive work to get their records to be accurate.

Section 3 – Findings and Questioned Costs – Major Federal Award Programs

Special Education Cluster (IDEA):	
Special Education – Grants to States	84.027
Special Education – Preschool Grants	84.173

There were no reportable findings.

SCKSEC
Believing in Possibilities

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SCHEDULE 4

Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021
South Central Kansas Special Education Cooperative
Pratt, Kansas

FINDINGS--FINANCIAL STATEMENTS AUDIT

2020-001 Payroll Benefits

Condition: During the audit, we noted that payroll liabilities had a large debit balance. Upon further investigation, it was determined that new employees added for the 19-20 year were not set up correctly to record the employer benefits, and in some cases, KPERS. It was determined, that since the billings from KPERS, insurance, etc. are calculated independently of the payroll journal entry, that all the bills were appropriately paid, so cash was not materially affected.

Recommendation: After approximately two years of working to solve and remedy this issue by the Cooperative, we feel they have appropriately resolved these issues. In addition, the Cooperative has recognized the need for better training of future employees in this position and review of their work.

Current Status: Conditions were not corrected for 2020-2021 year as the issue was not identified until after the 2020-2021 year had begun. Extensive work was done to make adjustments and ensure balances are accurate, including the utilization of professional help. See finding 2021-001.

2020-002 Bank Reconciliations

Condition: The bank reconciliation did not tie to the books. This is in part, due to the errors in recording the benefits in payroll. In addition, since the corrections for the payroll benefits were not fully completed until June of 2022, management was unable to go back that far to re-reconcile June of 2020.

Recommendation: Bank reconciliations should be completed timely and tie to the accounting system's cash balances. Due to the fact that the 2020 audit is being finalized in July of 2022, we recognize that the Cooperative will need to catch up for the 2021 and 2022 audits and recommend at this point, that the focus is to catch the reconciliations up and ensure that they match the accounting system's balances.

Current Status: Through utilization of professional help, the bank reconciliations were properly reconciled.

2020-003 Submission of Audit to Federal Audit Clearinghouse

Condition: The Cooperative is submitting the 2020 audit past the required due date.

Recommendation: The audit should be filed in accordance with federal regulation due dates.

Current Status: Conditions are still present. See finding 2021-002.