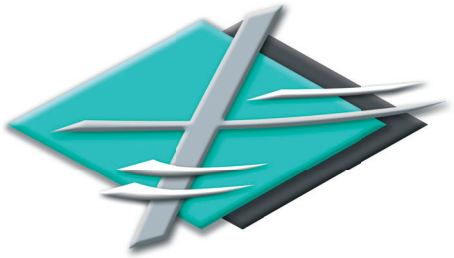
MARION COUNTY SPECIAL EDUCATION COOPERATIVE

FINANCIAL STATEMENT

FISCAL YEAR ENDED JUNE 30, 2022



LOYD GROUP, LLC

Certified Public Accountants

Marion County Special Education Cooperative

Fiscal Year Ended June 30, 2022

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Marion County Special Education Cooperative

Fiscal Year Ended June 30, 2022

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LOYD GROUP, LLC

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Marion County Special Education Cooperative
Marion, Kansas 66861

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Marion County Special Education Cooperative, Kansas (Cooperative), a Municipal Financial Reporting Entity, as of and for the year ended June 30, 2022, 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 the Cooperative as of June 30, 2022, 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 the Cooperative as of June 30, 2022, 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), 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. 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 the Cooperative, 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 the Cooperative 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.

Other Matter

The prior year's financial statement for the year ended June 30, 2021, was audited by another auditor, who expressed an unmodified opinion on regulatory basis of accounting, on December 31, 2021.

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 Cooperative'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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Cooperative'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 Cooperative'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, schedule of regulatory basis receipts and disbursements—agency funds (Schedules 1, 2, and 3 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.

Another auditor previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of as of and for the year ended June 30, 2021 (not presented herein), and have issued their report thereon dated December 31, 2021, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and their 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/oar/municipalservices. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2022 (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 2021 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 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 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 2021 basic financial statement or to the 2021 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 2021 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, 2021, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the financial statement of , Kansas. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is also not a required part of the basic financial statement. 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 schedule of expenditures of federal awards 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2023, on our consideration of Marion County 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 '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 Marion County Special Education Cooperative's internal control over financial reporting and compliance.

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
January 6, 2023

Marion County Special Education Cooperative
Marion, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Regulatory Basis
For the Year ended June 30, 2022

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND:						
General Fund	$ 1,054,155	4,724,233	4,400,466	$ 1,377,922	$ 4,122	$ 1,382,044
SPECIAL PURPOSE FUNDS:						
Title VI-B Early Childhood Pass Through Fund	-	16,774	16,774	-	-	-
Title VI-B Pass Through Fund	-	499,778	499,778	-	-	-
Title VI-B ARPA Pass Through Fund 3-21	-	51,548	51,431	117	-	117
Title VI-B ARPA Pass Through Fund 3-5	-	8,662	8,662	-	-	-
Infant Toddler Grant Fund	-	40,874	33,068	7,806	-	7,806
Targeted Improvement Plan Fund	-	14,007	26,060	(12,053)	32	(12,021)
Covid-19 Fund	(29,181)	5,069	1,883	(25,995)	-	(25,995)
ESSER II Covid Related Fund		-	80,968	(80,968)		(80,968)
Title VI-B CCEIS Significant Proportionality Fund	(1,218)	95,631	95,631	(1,218)	-	(1,218)
Project Search Fund	84,403	71,656	83,549	72,510	-	72,510
Total Reporting Entity (Excluding Agency Funds)	$ 1,108,159	$ 5,528,232	$ 5,298,270	$ 1,338,121	$ 4,154	$ 1,342,275

COMPOSITION OF CASH:	
Checking - Cottonwood	$ 1,389,339
Checking - Central National	3,363
Total Cash	1,392,702
Less Agency Funds per Schedule 3	(50,427)
Total Reporting Entity (Excluding Agency Funds)	$ 1,342,275

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

Marion County Special Education Cooperative

NOTES TO THE FINANCIAL STATEMENT

Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Municipal Financial Reporting Entity

The Marion County Special Education Cooperative (the "Cooperative") is a municipal corporation governed by an elected five member board, representing each participating district of the inter-local. 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.

(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.

(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 Covid-19 fund and Title VI-B CCEIS Significant Proportionality fund have negative unencumbered cash balances at June 30, 2022, 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, 2022, 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. Deposits were not legally secured at June 30, 2022.

At year end, the carrying amount of the Cooperative's deposits was $1,392,702 and the bank balance was $1,856,189. The bank balance was held by two bank resulting in a concentration of credit risk. Of the bank balance, $253,363 was covered by FDIC insurance, $1,365,645 was collateralized with securities held by the pledging financial institutions' agents in the Cooperative's name, leaving $237,181 uncollateralized.

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. 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) Compensated Absences

The Cooperative's policy is to recognize the costs of compensated absences when actually paid. Universal leave is earned at the rate of 16 days per year up to a total accumulation of 75 days for certified employees. Certified employees shall be paid $25 per day for each day of unused universal leave in excess of 75 days on completion of their annual contract. Upon retirement, all unused sick leave is paid out.

4. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONT.)

(b) Compensated Absences (Cont.)

Sick Leave

Sick leave is earned at the rate of 12 days per year up to a total accumulation of 87 days for 12 month classified employees. Paraprofessionals are not 12 month employees and receive 10 days per year up to a total accumulation of 70 days. Classified employees and paraprofessionals shall be paid $25 per day for each day of unused sick leave in excess of 87 and 70 days, respectively. Upon retirement, all unused sick leave is paid out.

Additionally, the Cooperative has established an illness and disability pool for certified employees to which employees may donate sick leave to be used by other eligible employees. The illness and disability pool shall accumulate days to a maximum of 250 days.

As of June 30, 2022, the estimated amount of liability for the vested portion of unused sick leave and accumulated vacation leave has not been calculated. Unpaid vacation and sick pay amounts are not accrued in the accompanying financial statements.

5. DEFINED BENEFIT PENSION PLAN

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.

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 15.59% and 14.23%, respectively, for the fiscal year ended June 30, 2021. The actuarially determined employer contribution rate and the statutory contribution rate was 14.83% and 13.33%, respectively, for the fiscal year ended June 30, 2022.

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of $19.4 million starting in fiscal year 2020.

House Substitute for Senate Bill 109 from the 2018 Legislative session provided for additional funding for the 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. The 2019 legislative session authorized an additional fiscal year payment for the KPERS School Group. 2019 Senate Bill 9 authorized a payment of $115 million for the KPERS School Group. House Substitute for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in fiscal year 2020 of $51 million.

5. DEFINED BENEFIT PENSION PLAN (CONT.)

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, 2022. However, the Cooperative is required to contribute towards employees working after retirement. The working after retirement contribution was $23,486, for the fiscal year ended June 30, 2022.

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, 2022, the State's proportionate share of the collective net pension liability, as it relates to the Cooperative, as reported by KPERS, was $4,294,749. At June 30, 2022, the Cooperative's proportionate share of the collective net pension liability, as reported by KPERS, was $195,838. 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, 2030, 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, 2021. 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 publically available on the website at www.kpers.org or can be obtained as described above.

6. 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 2021 to 2022, and there were no settlements that exceeded insurance coverage during the past three years.

7. 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 2022. Future potential impacts may include a decrease in certain revenues, reduced customer traffic and the temporary closure of operating hours of our offices.

8. 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.

MARION COUNTY SPECIAL EDUCATION COOPERATIVE

REGULATORY-REQUIRED
SUPPLEMENTAL INFORMATION

FISCAL YEAR ENDED JUNE 30, 2022

Marion County Special Education Cooperative

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended June 30, 2022

	Certified Budget	Adjustments to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
GENERAL FUNDS:						
General Fund	$ 5,891,099	$ -	$ -	$ 5,891,099	$ 4,400,466	$ (1,490,633)

Marion County Special Education Cooperative

GENERAL FUND

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Receipts:				
District assessments	$ 1,792,974	$ 1,935,772	$ 1,927,772	$ 8,000
Interest on idle funds	1,478	1,466	505	961
Miscellaneous	13,148	1,347	11,000	(9,653)
Special education aid	2,699,071	2,550,430	2,786,617	(236,187)
Medicaid	338,022	235,218	984,259	(749,041)
Total Receipts	4,844,693	4,724,233	$ 5,710,153	$ (985,920)
Expenditures:				
Instruction -				
Certified salaries	1,058,048	1,016,241	$ 1,658,952	$ (642,711)
Non-certified salaries	1,222,503	1,191,221	1,453,407	(262,186)
Insurance	296,957	304,197	467,568	(163,371)
Social Security	164,061	158,204	230,750	(72,546)
Other benefits	37,086	37,268	40,578	(3,310)
Purchased professional services	1,837	1,596	2,100	(504)
Purchased property services	425	-	450	(450)
Other purchased services	38,684	46,762	41,750	5,012
Supplies	7,588	5,787	12,570	(6,783)
Property and equipment	13,277	6,486	22,400	(15,914)
Student Support Services -				
Certified salaries	652,295	595,621	597,882	(2,261)
Non-certified salaries	159,574	169,691	218,631	(48,940)
Insurance	70,526	65,816	77,796	(11,980)
Social Security	56,164	53,540	57,128	(3,588)
Other benefits	5,343	687	638	49
Purchased professional services	41,308	52,359	203,050	(150,691)
Supplies - technology	3,904	69,057	7,100	61,957
Property and equipment	3,847	1,837	1,150	687
Instruction Support Staff -				
Certified salaries	2,680	8,819	5,150	3,669
Non-certified salaries	8,958	18,409	101,002	(82,593)
Social Security	1,969	2,606	14,528	(11,922)
Other benefits	5,109	9,898	11,591	(1,693)

Marion County Special Education Cooperative

GENERAL FUND

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Expenditures (cont.):				
Instruction Support Staff (Cont.) -				
Purchased professional services	$ 14,947	$ 10,534	$ 21,300	$ (10,766)
Other purchased services	6,009	7,914	30,240	(22,326)
Supplies	-	-	1,637	(1,637)
General Administration -				
Certified salaries	168,337	167,116	170,795	(3,679)
Non-certified salaries	83,417	89,487	89,381	106
Insurance	12,282	10,572	14,232	(3,660)
Social Security	18,459	19,148	19,928	(780)
Other benefits	226	6,069	222	5,847
Purchased professional services	28,946	21,230	24,500	(3,270)
Other purchased services	10,294	7,057	15,428	(8,371)
Supplies - technology	3,269	8,255	12,036	(3,781)
Property and equipment	562	1,587	2,000	(413)
Other	17,635	7,421	7,500	(79)
Central Services -				
Non-certified salaries	87,160	77,129	86,916	(9,787)
Insurance	6,676	10,013	14,232	(4,219)
Social Security	6,388	5,434	1,816	3,618
Other benefits	78	66	88	(22)
Purchased professional services	-	-	200	(200)
Purchased property services	16,291	15,697	31,000	(15,303)
Other purchased services	-	1,258	-	1,258
Supplies - technology	13,111	13,546	13,500	46
Other	-	-	2,000	(2,000)
Operations and Maintenance -				
Non-certified salaries	26,863	23,338	23,936	(598)
Insurance	2,609	7,234	7,116	118
Social Security	2,076	1,557	1,833	(276)
Other benefits	602	898	582	316
Purchased property services	19,895	17,254	24,000	(6,746)
Other purchased services	16,956	23,445	19,420	4,025
Supplies - technology	13,748	14,644	12,500	2,144

Marion County Special Education Cooperative

GENERAL FUND

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Expenditures (cont.):				
Student Transportation Services - Supervision -				
Non-certified salaries	$ 16,675	$ 14,485	$ 13,710	$ 775
Insurance	1,737	275	-	275
Social Security	1,179	1,034	1,065	(31)
Other benefits	15	13	-	13
Supplies - technology	497	239	1,815	(1,576)
Other Supplemental Services - Supplies	428	415	-	415
Total Expenditures	4,449,510	4,400,466	$ 5,891,099	$ (1,490,633)
Receipts Over (Under) Expenditures	395,183	323,767		
Unencumbered Cash, Beginning	658,972	1,054,155		
Unencumbered Cash, Ending	$ 1,054,155	$ 1,377,922		

Marion County Special Education Cooperative

SPECIAL PURPOSE FUND

TITLE VI-B EARLY CHILDHOOD PASS THROUGH FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	2021 Actual	2022 Actual
Receipts:		
Grants	$ 17,528	$ 16,774
Expenditures:		
Instruction -		
Certified salaries	14,235	15,568
Insurance	2,173	-
Social Security	1,106	1,191
Other benefits	14	15
Total Expenditures	17,528	16,774
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

Marion County Special Education Cooperative

SPECIAL PURPOSE FUND

TITLE VI-B PASS THROUGH FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	2021 Actual	2022 Actual
Receipts:		
Grants	$ 411,844	$ 499,778
Expenditures:		
Instruction -		
Certified salaries	344,874	426,534
Insurance	40,248	41,553
Social Security	26,377	31,310
Other benefits	345	381
Total Expenditures	411,844	499,778
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

Marion County Special Education Cooperative

SPECIAL PURPOSE FUND

TITLE VI-B ARPA PASS THROUGH FUND 3-21

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	2021 Actual	2022 Actual
Receipts:		
Grants	$ -	$ 51,548
Expenditures:		
Instruction -		
Certified salaries	-	41,753
Insurance	-	6,963
Social Security	-	2,682
Other benefits	-	33
Total Expenditures	-	51,431
Receipts Over (Under) Expenditures	-	117
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 117

Marion County Special Education Cooperative

SPECIAL PURPOSE FUND

TITLE VI-B ARPA PASS THROUGH FUND 3-5

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	2021 Actual	2022 Actual
Receipts:		
Grants	$ -	$ 8,662
Expenditures:		
Instruction -		
Non-certified salaries	-	5,607
Insurance	-	2,672
Social Security	-	378
Other benefits	-	5
Total Expenditures	-	8,662
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

Marion County Special Education Cooperative

SPECIAL PURPOSE FUND

INFANT TODDLER GRANT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	2021 Actual	2022 Actual
Receipts:		
Grants	$ 35,460	$ 40,874
Expenditures:		
Instruction -		
Certified salaries	29,222	28,466
Social Security	2,235	2,178
Other benefits	27	27
Supplies	473	561
Certified salaries	1,715	100
Social Security	132	8
Other benefits	2	-
Instruction Support Services -		
Certified salaries	-	209
Social Security	-	15
Purchased professional services	214	300
Other purchased services	1,440	1,204
Total Expenditures	35,460	33,068
Receipts Over (Under) Expenditures	-	7,806
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 7,806

Marion County Special Education Cooperative

SPECIAL PURPOSE FUND

TARGETED IMPROVEMENT PLAN FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	2021 Actual	2022 Actual
Receipts:		
Grants	$ 26,637	$ 14,007
Expenditures:		
Instruction -		
Certified salaries	4,083	11,705
Social Security	294	821
Other benefits	4	10
Social Security	-	44
Other benefits	-	1
Purchased professional services	1,548	3,801
Other purchased services	10,880	2,820
Supplies	1,824	126
Central Services -		
Purchased property services	8,443	6,732
Other purchased services	2,000	-
Total Expenditures	29,076	26,060
Receipts Over (Under) Expenditures	(2,439)	(12,053)
Unencumbered Cash, Beginning	2,439	-
Unencumbered Cash, Ending	$ -	$ (12,053)

Marion County Special Education Cooperative

SPECIAL PURPOSE FUND

COVID-19 FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	2021 Actual	2022 Actual
Receipts:		
Grants	$ 99,028	$ 5,069
Expenditures:		
Instruction -		
Certified salaries	5,834	-
Non-certified salaries	20,896	1,748
Social Security	1,330	134
Other benefits	17	1
Supplies	93,753	-
Other purchased services	64	-
Total Expenditures	121,894	1,883
Receipts Over (Under) Expenditures	(22,866)	3,186
Unencumbered Cash, Beginning	(6,315)	(29,181)
Unencumbered Cash, Ending	$ (29,181)	$ (25,995)

Marion County Special Education Cooperative

SPECIAL PURPOSE FUND

ESSER II COVID RELATED

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	2021 Actual	2022 Actual
Receipts:		
Grants	$ -	$ -
Expenditures:		
Instruction -		
Certified salaries	-	6,900
Non-certified salaries	-	55,854
Social Security	-	11,977
Other benefits	-	139
Supplies	-	6,098
Total Expenditures	-	80,968
Receipts Over (Under) Expenditures	-	(80,968)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ (80,968)

Marion County Special Education Cooperative

SPECIAL PURPOSE FUND

TITLE VI-B CCEIS SIGNIFICANT PROPORTIONALITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	2021 Actual	2022 Actual
Receipts:		
Grants	$ 55,401	$ 95,631
Expenditures:		
Instruction -		
Certified salaries	20,205	5,601
Non-certified salaries	19,680	1,543
Insurance	2,739	708
Social Security	2,771	522
Other benefits	34	8
Supplies	6,843	-
Student Support Services -		
Non-certified salaries	-	57,703
Social Security	-	4,414
Other benefits	-	54
Non-certified salaries	-	20,743
Insurance	-	1,622
Social Security	65	1,609
Other benefits	1	20
Other purchased services	3,863	1,084
Total Expenditures	56,201	95,631
Receipts Over (Under) Expenditures	(800)	-
Unencumbered Cash, Beginning	(418)	(1,218)
Unencumbered Cash, Ending	$ (1,218)	$ (1,218)

Marion County Special Education Cooperative

SPECIAL PURPOSE FUND

PROJECT SEARCH FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	2021 Actual	2022 Actual
Receipts:		
Grants	$ 87,306	$ 71,643
Interest on idle funds	7	13
Total Receipts	87,313	71,656
Expenditures:		
Instruction -		
Certified salaries	48,641	48,300
Non-certified salaries	11,604	10,583
Insurance	6,149	7,082
Social Security	3,642	3,647
Other benefits	44	44
Supplies	917	1,069
Instruction Support Services -		
Purchased professional services	1,125	1,093
General Administration -		
Supplies - technology	1,344	1,731
Other	-	10,000
Total Expenditures	73,466	83,549
Receipts Over (Under) Expenditures	13,847	(11,893)
Unencumbered Cash, Beginning	70,556	84,403
Unencumbered Cash, Ending	$ 84,403	$ 72,510

Marion County Special Education Cooperative

AGENCY FUNDS

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended June 30, 2022

	Beginning Cash Balance	Receipts	Disbursements	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Payroll revolving	$ 39,244	$ 4,913	$ -	$ 44,157	$ 6,270	$ 50,427

SINGLE AUDIT SECTION

LOYD GROUP, LLC

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Galva, KS 67443
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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 Education
Marion County Special Education Cooperative
Marion, KS 66861

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 Marion County Special Education Cooperative, Kansas, (Cooperative) as of and for the year ended June 30, 2022, and the related notes to the financial statement which collectively comprise the Cooperative's basic financial statement, and have issued our report thereon dated January 6, 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.

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 statement 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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.*

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, KS
January 6, 2023

LOYD GROUP, LLC

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Galva, KS 67443
620-654-7565
www.loyd-group.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Marion County Special Education Cooperative
Marion, KS 66861

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Marion County Special Education Cooperative's (the Cooperative) compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the *Kansas Municipal Audit and Accounting Guide;* the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Cooperative and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Cooperative's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Cooperative's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Cooperative's

compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Cooperative's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Cooperative's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Cooperative's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Cooperative's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, KS
January 6, 2023

Marion County Special Education Cooperative
Marion, Kansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/ Pass Through Grantor/ Program Title	Federal Assistance Listing	Grant Number	Disbursements/ Expenditures
U.S. Department of Education			
Passed Through State Department of Education			
Special Education Cluster (IDEA)			
Special Education - IDEA Part B - Discretionary	84.027		$ 646,840
Special Education - VIB - Part B	84.027		26,060
Special Education - IDEA Preschool	84.173		25,436
Total Special Education Cluster (IDEA)			698,336
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D		82,851
TOTAL U.S. DEPARTMENT OF EDUCATION			781,187
TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			$ 781,187

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Marion Special Education Cooperative No. 607, Independence, Kansas (the Cooperative), under programs of the federal government for the year ended June 30, 2022. 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:

Title VI-B Early Childhood Pass Through Fund	$ 16,774
Title VI-B Pass Through Fund	499,778
Title VI-B Pass Through Fund 3-21	51,431
Title VI-B ARPA Pass Through Fund 3-5	8,662
Targeted Improvement Plan Fund	26,060
COVID-19 Fund	1,883
ESSER II Covid Related Fund	80,968
Title VI-B CCEIS Significant Proportionality Fund	95,631
Total	$ 781,187

Marion County Special Education Cooperative
Marion, Kansas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

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?	None Reported
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:	
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

There were no reportable findings.

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

U.S. DEPARTMENT OF EDUCATION

Special Education Cluster – Federal Assistance Listing Numbers 84.027 and 84.173

There were no reportable findings.