

**High Plains Educational Cooperative
District Number 611
Ulysses, Kansas**

June 30, 2019

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
Financial Statement
For the Year Ended June 30, 2019

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Dirks, Anthony & Duncan, LLC

Certified Public Accountants & Management Consultants

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INDEPENDENT AUDITOR'S REPORT

Director and Board of Directors
High Plains Educational Cooperative, District Number 611
Ulysses, Kansas 67880

We have audited the accompanying fund summary statement of regulatory receipts, expenditures, and unencumbered cash of High Plains Educational Cooperative, District Number 611, Ulysses, Kansas, as of and for the year ended June 30, 2019 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 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*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the 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 to the financial statement, the financial statement is prepared by High Plains Educational Cooperative, District Number 611 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 High Plains Educational Cooperative, District Number 611 as of June 30, 2019, 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 High Plains Educational Cooperative, District Number 611 as of June 30, 2019, 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.

Other Matters

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 expenditures-agency funds (Schedules 1, 2, 3, as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of High Plains Educational Cooperative, District Number 611, Ulysses, Kansas, as of and for the year ended June 30, 2018, and have issued our reported thereon dated November 30, 2018, which contained an unmodified opinion on the basic financial statement. The 2018 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 2018 actual column (2018 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2018 (Schedule 2 as listed in the table of contents) is presented for the purposes of additional analysis and is not a required part of the basic financial statement. Such 2018 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 2018 basic financial statement. The 2018 comparative information was subjected to the auditing procedures applied in the audit of the 2018 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 2018 basic financial statement or to the 2018 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 2018 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, 2018, 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 High Plains Educational Cooperative, District Number 611, Ulysses, Kansas's 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statement.

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 schedule of expenditures of federal awards 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 reported dated December 2, 2019, on our consideration of the High Plains Educational Cooperative, District Number 611'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 High Plains Educational Cooperative, District Number 611's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering High Plains Educational Cooperative, District Number 611's internal control over financial reporting and compliance.



DIRKS, ANTHONY & DUNCAN, LLC
Certified Public Accountants

December 2, 2019

High Plains Educational Cooperative, District Number 611
 Ulysses, Kansas
 Summary Statement of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
<u>General Fund:</u>						
General Fund	\$ 1,600,000	\$ 8,521,606	\$ 8,762,746	\$ 1,358,860	\$ -	\$ 1,358,860
<u>Special Purpose Funds:</u>						
Staff Development	55,671	4,440	18,269	41,842	-	41,842
Audiology/Donations	1,835	-	-	1,835	-	1,835
Alternative Assessment Project	146,034	-	707	145,327	-	145,327
Early Intervention	220,258	-	-	220,258	-	220,258
Targeted Improvement Plan	-	75,601	75,601	-	-	-
Community Based Curriculum	275,998	-	480	275,518	-	275,518
Building & Equipment	565,445	-	-	565,445	-	565,445
Board Meal Catering	9,499	4,080	3,920	9,659	-	9,659
Computer Repair	337,001	-	337,001	-	-	-
FY 2017 VI B Federal Flow Thru	-	-	-	-	-	-
FY 2018 VI B Federal Flow Thru	-	50,586	50,586	-	-	-
FY 2019 VI B Federal Flow Thru	-	1,852,285	1,852,285	-	-	-
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,211,741</u>	<u>\$ 10,508,598</u>	<u>\$ 11,101,595</u>	<u>\$ 2,618,744</u>	<u>\$ -</u>	<u>\$ 2,618,744</u>

Composition Of Cash

Grant County Bank; Ulysses, Kansas

Cooperative Accounts	\$ 2,618,744
Self-Insurance Accounts	543,018

American State Bank & Trust Company; Great Bend, Kansas

Self-Insurance Investments	325,200
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Valley State Bank; Syracuse, Kansas

Self-Insurance Investments	<u>803,586</u>
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Total Cash	4,290,548
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Agency Funds - Per Schedule 3	<u>(1,671,804)</u>
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Total Reporting Entity (Excluding Agency Funds)	<u>\$ 2,618,744</u>
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The notes to the financial statement are an integral part of this statement.

HIGH PLAINS EDUCATIONAL COOPERATIVE, DISTRICT NUMBER 611

Ulysses, Kansas

Notes to the Financial Statement

June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Financial Reporting Entity

High Plains Educational Cooperative, District Number 611 (District), Ulysses, Kansas operates as a municipal corporation in accordance with the laws of the State of Kansas. The District is governed by a seventeen-member board of directors. The governing board is composed of one school district board member from each of the member districts. Board members are elected by member school district. Member school districts include USD 200 Tribune, USD 209 Moscow, USD 210 Hugoton, USD 214 Ulysses, USD 215 Lakin, USD 216 Deerfield, USD 217 Rolla, USD 218 Elkhart, USD 363 Holcomb, USD 371 Montezuma, USD 374 Sublette, USD 452 Johnson, USD 466 Scott City, USD 467 Leoti, USD 476 Copeland, USD 494 Syracuse and USD 507 Satanta. The District provides a wide range of student support services for students with exceptionalities ages three through twenty-one. This regulatory financial statement presents High Plains Educational Cooperative, District Number 611.

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 Fund – 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.

Agency Fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, 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 District 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 District to use the regulatory basis of accounting.

d) Budgetary Information

The budgetary process for the District is different from that of a Unified School District. The District does not receive any local tax money directly. They prepare the budget, which is approved by Board, but not required to be published. Their main source of funds is from the Unified School Districts, which are members of the District, State of Kansas and federal funding. Any local tax money received comes through the member Unified School District and is part of those Districts' published budget. The budget comparisons on Schedules 1 and 2 reflect the internal budget approved.

NOTE 2 – DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements;

HIGH PLAINS EDUCATIONAL COOPERATIVE, DISTRICT NUMBER 611

Ulysses, Kansas

Notes to the Financial Statement

June 30, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS, CONTINUED

and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City or the Federal Home Loan Bank of Topeka except during designated "peak periods" when required coverage is 50%. The District does not use designated "peak periods".

At June 30, 2019 the carrying amount of the District's deposits, including certificates of deposit, was \$2,618,744 and the bank balance was \$4,715,795. The bank balance was held by three (3) banks resulting in a concentration of credit risk. Of the bank balance, \$750,000 was covered by federal depository insurance, and the remaining \$3,965,795 was collateralized with securities held by the pledging financial institution's agents in the District's name.

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District 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. The District had no investments of this type at June 30, 2019.

NOTE 3 – RETIREMENT PLAN

General Information about the Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. Seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 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 before July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contribution are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 16.38% and 12.01%, respectively, for the fiscal year ended June 30, 2018. The actuarially determined employer contribution rate and the statutory contribution rate was 14.59% and 13.21% for the fiscal year ended June 30, 2019.

Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contribution to KPERS were decreased by \$64,130,234 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.

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contributions to KPERS were decreased by \$194,022,683 for the fiscal year ended June 30, 2019. Section 56(19) of the bill also stipulates that

HIGH PLAINS EDUCATIONAL COOPERATIVE, DISTRICT NUMBER 611

Ulysses, Kansas Notes to the Financial Statement June 30, 2019

NOTE 3 – RETIREMENT PLAN, CONTINUED

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 \$1.94 million per year

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion for the cost for retired District employees.

Net Pension Liability

At June 30, 2019, the District's proportionate share of the collective net pension liability reported by KPERS was \$704,928. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the ratio of the District's contribution 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, 2018. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in the financial statement.

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

NOTE 4 – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

- a) *Other Post-Employment Benefits.* As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level 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 District 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) *Emergency Leave.* The District's policies regarding emergency leave pay permits employees who regularly work more than thirty-five hours per week, who are considered full-time, may accumulate leave days at a maximum rate of between 80 and 90 days for certified personnel based on contract days. Part-time employees and full-time employees that begin halfway through the year receive the same emergency leave days but on a prorated basis according to number of work days remaining and number of hours worked a day. Emergency leave is granted to certified staff on his/her first day, while a para educator receives his/her emergency leave on the employee's 21st day of "on-the-job employment."
- c) *Use of Emergency Leave.* Emergency leave may be used for sick and bereavement leave, both of which is to be used for immediate family only. Para educators may use up to 2 days for personal leave.
- d) *Payment for Emergency Leave.* Certified staff who end the year more than 80 accumulated days of emergency leave and continue employment in the next school year will receive \$18 per day reimbursement up to 20 days.
- e) *Discretionary Leave.* Certified staff is given five days of personal leave per year with no deduction in pay. Additional personal leave may be granted and approved at the discretion of the Director or his/her designee. Personal leave is not accrued each year. Instead, the remaining number of personal leave at the end of each contract year will be added to the certified staff's total accumulated emergency leave.
- f) *Professional Leaves and Absences.* The Director may grant permission and authorize full or partial payment of expenses to certified teachers attending professional meetings. There will be no deduction from the teacher's salary for the time missed while attending such meetings.
- g) *Termination Benefits.* Upon retirement, resignation or death of a certified staff member with 10 years of continuous service will be reimbursed at \$18 per day for accumulated emergency leave over 50 days. Para educators have no termination benefits.

HIGH PLAINS EDUCATIONAL COOPERATIVE, DISTRICT NUMBER 611

Ulysses, Kansas

Notes to the Financial Statement

June 30, 2019

NOTE 5 – CLAIMS, JUDGEMENTS AND RISK MANAGEMENT

The District 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 District may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the District believes that any disallowed expenditures or overpayments, if any, will not have a material effect on the individual governmental funds or the overall financial position of the District.

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

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2018 to 2019, and there were no settlements that exceeded insurance coverage in the past three years.

NOTE 6 – SELF-FUNDED HEALTH INSURANCE FUND

High Plains District, District Number 611, participates in a self-insurance fund program for medical insurance, which covers full-time administration, certified teachers, para educators, and office staff working at least thirty (30) hours per week or 1,200 hours per employment year and is on the regular payroll of the District. These individuals are eligible for coverage the first of the month following sixty days. The plan also covers retired employees (K.S.A. 12-5040) who are individuals who have terminated employment with the District and is receiving retirement or disability benefit for services to the District when employment is terminated.

Premiums from the employees and the District are paid to the Health insurance bank account. The premiums are available to pay claims and administrative costs of the program by the third-party administrator (EBMS employee Kevin Larson). The agreement to participate provides that the District will be self-sustaining through member's premiums. The District purchases secondary insurance (reinsurance), from Optum, for claims in excess of an annual stop loss deductible of \$50,000 per person.

NOTE 7 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There were no violations of budget and cash law for the year ending June 30, 2019.

The District did not purchase, or have any reason why they did not purchase, products and services offered by Kansas industries for the blind and severely disabled as dictated in K.S.A. 75-3317.

There were no other Kansas statute violations noted.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in this financial statement.

HIGH PLAINS EDUCATIONAL COOPERATIVE

DISTRICT NUMBER 611

ULYSSES, KANSAS

REGULATORY REQUIRED SUPPLEMENTAL INFORMATION

Schedule 1

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
Summary of Expenditures - Actual and Budget (Budgeted Funds Only)
Regulatory Basis
For the Year Ended June 30, 2019

<u>Fund</u>	<u>Certified Budget</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
General Fund	\$ 10,312,765	\$ 10,312,765	\$ 8,762,746	\$ (1,550,019)

High Plains Educational Cooperative, District Number 611
 Ulysses, Kansas
 General Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual	Actual	Budget	(Under)
Receipts				
District Revenue	\$ 7,703,904	\$ 7,937,941	\$ 8,482,484	\$ (544,543)
Interest	31,572	32,105	6,000	26,105
Transfer In	6,340	329,477	-	329,477
State Medicaid Reimbursement	159,817	198,959	235,000	(36,041)
Miscellaneous	22,237	23,124	-	23,124
Total Receipts	<u>7,923,870</u>	<u>8,521,606</u>	<u>\$ 8,723,484</u>	<u>\$ (201,878)</u>
Expenditures				
Instruction	7,606,823	7,913,377	9,193,294	\$ (1,279,917)
Administration	690,548	715,692	828,735	(113,043)
Accounting	75,123	78,995	80,786	(1,791)
Plant Operations/Maintenance	42,854	29,922	71,450	(41,528)
Central Support Services	32,043	24,760	138,500	(113,740)
Capital Outlay	687	-	-	-
Total Expenditures	<u>8,448,078</u>	<u>8,762,746</u>	<u>\$ 10,312,765</u>	<u>(1,550,019)</u>
Receipts Over (Under) Expenditures	(524,208)	(241,140)		<u>\$ 1,348,141</u>
Unencumbered Cash, July 1	<u>2,124,208</u>	<u>1,600,000</u>		
Unencumbered Cash, June 30	<u>\$ 1,600,000</u>	<u>\$ 1,358,860</u>		

Schedule 2-2

High Plains Educational Cooperative, District Number 611
 Ulysses, Kansas
 Staff Development Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>Prior Year</u>	<u>Current Year</u>
Receipts		
Miscellaneous	<u>\$ 50</u>	<u>\$ 4,440</u>
Total Receipts	<u> 50</u>	<u> 4,440</u>
Expenditures		
Staff Development Materials	<u> 28,757</u>	<u> 18,269</u>
Total Expenditures	<u> 28,757</u>	<u> 18,269</u>
Receipts Over (Under) Expenditures	(28,707)	(13,829)
Unencumbered Cash, July 1	<u> 84,378</u>	<u> 55,671</u>
Unencumbered Cash, June 30	<u><u>\$ 55,671</u></u>	<u><u>\$ 41,842</u></u>

High Plains Educational Cooperative, District Number 611
 Ulysses, Kansas
 Audiology/Donations Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>Prior Year</u>	<u>Current Year</u>
Receipts		
Other	<u>\$ -</u>	<u>\$ -</u>
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
Supplies	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	<u>1,835</u>	<u>1,835</u>
Unencumbered Cash, June 30	<u><u>\$ 1,835</u></u>	<u><u>\$ 1,835</u></u>

Schedule 2-4

High Plains Educational Cooperative, District Number 611
 Ulysses, Kansas
 Alternative Assessment Project Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>Prior Year</u>	<u>Current Year</u>
Receipts		
Transfer In	\$ -	\$ -
	<hr/>	<hr/>
Total Receipts	-	-
	<hr/>	<hr/>
Expenditures		
Equipment	1,505	707
	<hr/>	<hr/>
Total Expenditures	1,505	707
	<hr/>	<hr/>
Receipts Over (Under) Expenditures	(1,505)	(707)
Unencumbered Cash, July 1	147,539	146,034
	<hr/>	<hr/>
Unencumbered Cash, June 30	\$ 146,034	\$ 145,327
	<hr/>	<hr/>

High Plains Educational Cooperative, District Number 611
 Ulysses, Kansas
 Early Intervention Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>Prior Year</u>	<u>Current Year</u>
Receipts		
Miscellaneous	\$ -	\$ -
	<hr/>	<hr/>
Total Receipts	-	-
	<hr/>	<hr/>
Expenditures		
Supplies/Materials	215	-
	<hr/>	<hr/>
Total Expenditures	215	-
	<hr/>	<hr/>
Receipts Over (Under) Expenditures	(215)	-
Unencumbered Cash, July 1	220,473	220,258
	<hr/>	<hr/>
Unencumbered Cash, June 30	\$ 220,258	\$ 220,258
	<hr/> <hr/>	<hr/> <hr/>

Schedule 2-6

High Plains Educational Cooperative, District Number 611
 Ulysses, Kansas
 Targeted Improvement Plan
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>Prior Year</u>	<u>Current Year</u>
Receipts		
Federal Grant	<u>\$ 76,601</u>	<u>\$ 75,601</u>
Total Receipts	<u>76,601</u>	<u>75,601</u>
Expenditures		
Travel	7,401	9,113
Stipends/Substitutes	5,620	3,745
LOD	2,471	2,471
General Office/Administration	35,399	34,593
Supervisor/Coordinator	8,552	8,432
Equipment	<u>17,158</u>	<u>17,247</u>
Total Expenditures	<u>76,601</u>	<u>75,601</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	<u>-</u>	<u>-</u>
Unencumbered Cash, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

High Plains Educational Cooperative, District Number 611
 Ulysses, Kansas
 Community Based Curriculum
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>Prior Year</u>	<u>Current Year</u>
Receipts		
Miscellaneous	<u>\$ -</u>	<u>\$ -</u>
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
Supplies	<u>914</u>	<u>480</u>
Total Expenditures	<u>914</u>	<u>480</u>
Receipts Over (Under) Expenditures	(914)	(480)
Unencumbered Cash, July 1	<u>276,912</u>	<u>275,998</u>
Unencumbered Cash, June 30	<u><u>\$ 275,998</u></u>	<u><u>\$ 275,518</u></u>

Schedule 2-8

High Plains Educational Cooperative, District Number 611
 Ulysses, Kansas
 Building & Equipment Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>Prior Year</u>	<u>Current Year</u>
Receipts		
Miscellaneous	<u>\$ -</u>	<u>\$ -</u>
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
Equipment	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	<u>565,445</u>	<u>565,445</u>
Unencumbered Cash, June 30	<u><u>\$ 565,445</u></u>	<u><u>\$ 565,445</u></u>

High Plains Educational Cooperative, District Number 611
 Ulysses, Kansas
 Board Meal Catering Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>Prior Year</u>	<u>Current Year</u>
Receipts		
Transfer In	<u>\$ 4,080</u>	<u>\$ 4,080</u>
Total Receipts	<u> 4,080</u>	<u> 4,080</u>
Expenditures		
Catered Food Services	<u> 5,162</u>	<u> 3,920</u>
Total Expenditures	<u> 5,162</u>	<u> 3,920</u>
Receipts Over (Under) Expenditures	<u> (1,082)</u>	<u> 160</u>
Unencumbered Cash, July 1	<u> 10,581</u>	<u> 9,499</u>
Unencumbered Cash, June 30	<u><u> \$ 9,499</u></u>	<u><u> \$ 9,659</u></u>

Schedule 2-10

High Plains Educational Cooperative, District Number 611
 Ulysses, Kansas
 Computer Repair Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>Prior Year</u>	<u>Current Year</u>
Receipts		
Transfers	<u>\$ -</u>	<u>\$ -</u>
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
Computer Equipment	6,083	9,090
Supplies/Materials	114	2,217
Repairs	561	119
Transfer to General Fund	<u>-</u>	<u>325,575</u>
Total Expenditures	<u>6,758</u>	<u>337,001</u>
Receipts Over (Under) Expenditures	(6,758)	(337,001)
Unencumbered Cash, July 1	<u>343,759</u>	<u>337,001</u>
Unencumbered Cash, June 30	<u><u>\$ 337,001</u></u>	<u><u>\$ -</u></u>

High Plains Educational Cooperative, District Number 611
 Ulysses, Kansas
 FY 2017 VI B Federal Flow Thru
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>Prior Year</u>	<u>Current Year</u>
Receipts		
Miscellaneous	\$ 142,000	\$ -
	<hr/>	<hr/>
Total Receipts	142,000	-
	<hr/>	<hr/>
Expenditures		
Instruction	68,416	-
Training/Tuition	6,407	-
Contractual Service	23,983	-
Materials/Supplies	1,732	-
Workshop Expenses	31,353	-
Equipment	10,109	-
	<hr/>	<hr/>
Total Expenditures	142,000	-
	<hr/>	<hr/>
Receipts Over (Under) Expenditures	-	-
	<hr/>	<hr/>
Unencumbered Cash, July 1	-	-
	<hr/>	<hr/>
Unencumbered Cash, June 30	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>

High Plains Educational Cooperative, District Number 611
 Ulysses, Kansas
 FY 2018 VI B Federal Flow Thru
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>Prior Year</u>	<u>Current Year</u>
Receipts		
Miscellaneous	\$ 1,830,223	\$ 50,586
Total Receipts	<u>1,830,223</u>	<u>50,586</u>
Expenditures		
Instruction	1,785,323	26,269
Training/Tuition	880	-
Contractual Service	8,327	7,846
Materials/Supplies	7,028	1,719
Workshop Expenses	22,810	12,765
Equipment	4,115	1,987
Proportionate Private Share	<u>1,740</u>	<u>-</u>
Total Expenditures	<u>1,830,223</u>	<u>50,586</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	<u>-</u>	<u>-</u>
Unencumbered Cash, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

High Plains Educational Cooperative, District Number 611
 Ulysses, Kansas
 FY 2019 VI B Federal Flow Thru
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>Prior Year</u>	<u>Current Year</u>
Receipts		
Title VI-B Federal Funds	\$ -	\$ 1,788,944
Early Childhood Federal Funds	-	63,341
	<hr/>	<hr/>
Total Receipts	-	1,852,285
	<hr/>	<hr/>
Expenditures		
Instruction	-	1,772,220
Contractual Service	-	16,846
Materials/Supplies	-	13,593
Workshop Expenses	-	37,267
Equipment	-	4,094
Proportionate Private Share	-	8,265
	<hr/>	<hr/>
Total Expenditures	-	1,852,285
	<hr/>	<hr/>
Receipts Over (Under) Expenditures	-	-
	<hr/>	<hr/>
Unencumbered Cash, July 1	-	-
	<hr/>	<hr/>
Unencumbered Cash, June 30	\$ -	\$ -
	<hr/>	<hr/>

Schedule 3

High Plains Educational Cooperative, District Number 611
 Ulysses, Kansas
 Agency Funds
 Schedule of Receipts and Cash Disbursements
 For the Year Ended June 30, 2019

	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Health Insurance Reserve	<u>\$ 2,350,196</u>	<u>\$ 5,654,052</u>	<u>\$ 6,332,445</u>	<u>\$ 1,671,804</u>
	<u><u>\$ 2,350,196</u></u>	<u><u>\$ 5,654,052</u></u>	<u><u>\$ 6,332,445</u></u>	<u><u>\$ 1,671,804</u></u>

HIGH PLAINS EDUCATIONAL COOPERATIVE

DISTRICT NUMBER 611

ULYSSES, KANSAS



Dirks, Anthony & Duncan, LLC

Certified Public Accountants & Management Consultants

104 N. Main / P.O. Box 885 / Ulysses, KS 67880 / Phone: (620) 356-4951 / Fax: (620) 353-1018

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*

Director and Board of Directors
High Plains Educational Cooperative, District Number 611
Ulysses, Kansas 67880

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 the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of High Plains Educational Cooperative, District Number 611, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise High Plains Educational Cooperative, District Number 611's basic financial statements, and have issued our report thereon dated December 2, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered High Plains Educational Cooperative, District Number 611's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of High Plains Educational Cooperative, District Number 611's internal control. Accordingly, we do not express an opinion on the effectiveness of High Plains Educational Cooperative, District Number 611'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 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.

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 High Plains Educational Cooperative, District Number 611's financial statements are 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

A handwritten signature in black ink that reads "Dirks, Anthony & Duncan LLC". The script is cursive and fluid.

Dirks, Anthony & Duncan, LLC
Certified Public Accountants

December 2, 2019



Dirks, Anthony & Duncan, LLC

Certified Public Accountants & Management Consultants

104 N. Main / P.O. Box 885 / Ulysses, KS 67880 / Phone: (620) 356-4951 / Fax: (620) 353-1018

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

Director and Board of Directors
High Plains Educational Cooperative, District Number 611
Ulysses, Kansas 67880

Report on Compliance for Each Major Federal Program

We have audited High Plains Educational Cooperative, District Number 611's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of High Plains Educational Cooperative, District Number 611's major federal programs for the year ended June 30, 2019. High Plains Educational Cooperative, District Number 611'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 High Plains Educational Cooperative, District Number 611'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 High Plains Educational Cooperative, District Number 611'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 High Plains Educational Cooperative, District Number 611's compliance.

Opinion on Each Major Federal Program

In our opinion, High Plains Educational Cooperative, District Number 611 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, 2019.

Report on Internal Control over Compliance

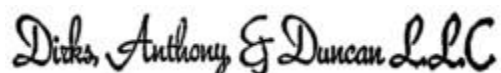
Management of High Plains Educational Cooperative, District Number 611 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered High Plains Educational Cooperative, District Number 611'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 High Plains Educational Cooperative, District Number 611'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 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 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, material weaknesses may exist that have not been identified.

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.

A handwritten signature in black ink that reads "Dirks, Anthony & Duncan LLC". The script is cursive and fluid.

Dirks, Anthony & Duncan, LLC
Certified Public Accountants

December 2, 2019

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Numbers	Pass Through Identifying Number	<u>Expenditures</u>
<u>U.S. Department of Education</u>			
Passed Through State of Kansas Department of Education			
Special Education Cluster (IDEA)			
Special Education - Title VI-B	84.027	DO611	\$ 1,839,530
Special Education - Preschool Grants	84.173	DO611	63,341
Special Education - Title VI-B Discretionary	84.027	DO611	75,601
Total Special Education Cluster (IDEA)			<u>1,978,472</u>
Total U.S. Department of Education			<u>1,978,472</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,978,472</u></u>

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of High Plains Educational Cooperative, District Number 611, Ulysses, Kansas (the District) under programs of the federal government for the year ended June 30, 2019. The information in this 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 select portion of the operations of District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District. The Schedule is presented using 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 in the Schedule of Expenditures of Federal Awards (SEFA) are reported using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash and budget laws of the State of Kansas, the same as the financial statement accompanying this schedule.
- 2) High Plains Educational Cooperative, District Number 611 did not use the standard indirect cost rate of 10%.

NOTE 3 – FUNDS EXPENDED

Funds where federal expenditures were receipted and expended:

<u>Fund:</u>	<u>Amount:</u>
Targeted Improvement Plan	\$ 75,601
FY 2018 VI B Federal Flow Thru	50,586
FY 2019 VI B Federal Flow Thru	1,852,285
Total	<hr/> \$ 1,978,472 <hr/>

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
Schedule of Finding & Questioned Costs
For the Year Ended June 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENT

The auditor's report expresses an **adverse opinion** on the financial statement of High Plains Educational Cooperative, District Number 611 on the Generally Accepted Accounting Principles (GAAP) basis of accounting, but an **unmodified opinion** on the regulatory basis of accounting as prescribed by the State of Kansas.

Internal Control Over Financial Reporting:

- Material weaknesses identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported
- Noncompliance or other matters required to be reported under *Government Auditing Standards*? _____ Yes X No

FEDERAL AWARDS

Internal Control Over Financial Reporting:

- Material weaknesses identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of Major Programs/Cluster:

	<u>CFDA No.</u>
<u>Special Education Cluster (IDEA) :</u>	
Special Education - Grants to States	84.027
Special Education - Preschool Grants	84.173

Dollar threshold to distinguish between Type A and Type B Programs:

\$750,000

Auditee qualifies as a low-risk auditee?

_____ Yes X No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no reportable findings.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF EDUCATION

Special Education Cluster - CFDA Numbers 84.027 and 84.173

There were no reportable findings.