High Plains Educational Cooperative,
District Number 611
Ulysses, Kansas

June 30, 2021

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
Financial Statement
For the Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Board Members and Management
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, 2021 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement
Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide, as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the 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, 2021, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of High Plains Educational Cooperative, District Number 611 as of June 30, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

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 expenditures - actual and budget, schedule of receipts and expenditures - actual and budget, schedule of receipts and cash disbursements (Schedules 1, 2, and 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, as of and for the year ended June 30, 2020, and have issued our reported thereon dated January 22, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link http://admin.ks.gov/offices/chief-financial-officer/municipal-services. The prior year actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2020 (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 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 2020 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2020, on the basis of accounting described in Note 1.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the High Plains Educational Cooperative, District Number 611's basic financial statement. The accompanying 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 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 themselves, 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 December 20, 2021, 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 the High Plains Educational Cooperative, District Number 611'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 High Plains Educational Cooperative, District Number 611's internal control over financial reporting and compliance.

Dirks, Anthony & Duncan L.L.C

DIRKS, ANTHONY & DUNCAN, LLC
Certified Public Accountants

December 20, 2021

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, 2021

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
General Fund:						
General Fund	$ 727,706	$ 9,027,576	$ 8,655,282	$ 1,100,000	$ -	$ 1,100,000
Special Purpose Funds:						
Staff Development	23,254	46,097	10,780	58,571	-	58,571
Audiology/Donations	1,835	5,000	-	6,835	-	6,835
Alternative Assessment Project	144,105	-	-	144,105	-	144,105
Early Intervention	219,968	-	-	219,968	-	219,968
Targeted Improvement Plan	-	76,130	76,130	-	1,199	1,199
Community Based Curriculum	274,764	20,000	23,880	270,884	-	270,884
Building & Equipment	565,445	40,000	-	605,445	-	605,445
Board Meal Catering	10,659	-	3,518	7,141	-	7,141
Coordinated Early Intervening Services	-	33,517	51,783	(18,266)	-	(18,266)
FY 2019 VI B Federal Flow Thru	-	-	-	-	-	-
FY 2020 VI B Federal Flow Thru	-	156,591	156,591	-	-	-
FY 2021 VI B Federal Flow Thru	-	1,672,700	1,672,700	-	-	-
ESSERII School District	-	92,828	98,078	(5,250)	-	(5,250)
Total Reporting Entity (Excluding Agency Funds)	$ 1,967,736	$ 11,170,439	$ 10,748,742	$ 2,389,433	$ 1,199	$ 2,390,632

Composition Of Cash	
Cooperative Accounts	$ 2,390,632
Self-Insurance Accounts	1,744,211
Total Cash	4,134,843
Agency Funds - Per Schedule 3	(1,744,211)
Total Reporting Entity (Excluding Agency Funds)	$ 2,390,632

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, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Financial Reporting Entity

High Plains Educational Cooperative, District Number 611 (Cooperative), Ulysses, Kansas operates as a municipal corporation in accordance with the laws of the State of Kansas. The Cooperative is governed by a seventeen-member board of directors. The governing board is composed of one school Cooperative board member from each of the member Cooperatives. Board members are elected by member school Cooperative. Member school Cooperatives 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 Cooperative 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 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

High Plains Educational Cooperative, District Number 611 prepares a budget under the Kansas cash basis and budget laws to determine assessments to member Cooperatives and other financial planning purposes.

The Kansas cash basis and budget laws permit transferring budgeted amounts between line items within an individual fund. However, such laws prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the Cooperative for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

A legal operating budget is not required for the following special purpose funds:

Staff Development Fund	Audiology/Donations Fund
Alternative Assessment Project Fund	Federal Funds
Community Based Curriculum Fund	Building & Equipment Fund
Board Meal Catering Fund	

High Plains Educational Cooperative, District Number 611 does not have authority to levy taxes. The District is funded by member assessments approved by the Cooperative's Board of Directors.

NOTE 2 – 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 its 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.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a 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 except during designated "peak periods" when required coverage is 50%. The Cooperative does not use designated "peak periods".

At June 30, 2021 the carrying amount of the Cooperative's deposits, including certificates of deposit, was $2,390,632 and the bank balance was $4,823,094. The bank balance was held by two (2) banks resulting in a concentration of credit risk. Of the bank balance, $500,000 was covered by federal depository insurance, and the remaining $4,323,094 was collateralized with securities held by the pledging financial institution's agents in the Cooperative'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 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. The Cooperative had no investments of this type at June 30, 2021.

NOTE 3 – RETIREMENT PLAN

General Information about the 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.

NOTE 3 – RETIREMENT PLAN, CONTINUED

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 16.15% and 14.41%, respectively, for the fiscal year ended June 30, 2020. The actuarially determined employer contribution rate and the statutory contribution rate was 15.59% and 14.23% for the fiscal year ended June 30, 2021.

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. The 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 schedule 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 funding for the KPERS School Group in fiscal year 2020 of $51 million.

The State of Kansas is required to contribute the statutory required employer's share except for retired Cooperative employees. The Cooperative is responsible for the employer's portion of the cost of retired Cooperative employees. Since, the Cooperative is considered a special funding situation, the Cooperative was not required to contribute amounts equal to the statutory contribution rate for the year ended June 30, 2021.

Net Pension Liability

At June 30, 2021, the District's proportionate share of the collective net pension liability reported by KPERS was $310,309. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. 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, 2020. 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 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 premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

NOTE 4 – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS, CONTINUED

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) *Emergency Leave.* The Cooperative'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.

NOTE 5 – CLAIMS, JUDGEMENTS AND RISK MANAGEMENT

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 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 Cooperative.

During the ordinary course of its operation 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 2019 to 2021, and there were no settlements that exceeded insurance coverage in the past three years.

NOTE 6 – SELF-FUNDED HEALTH INSURANCE FUND

High Plains Cooperative, 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 Cooperative. 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 Cooperative and is receiving retirement or disability benefit for services to the Cooperative when employment is terminated.

Premiums from the employees and the Cooperative 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 Cooperative will be self-sustaining through member's premiums. The Cooperative 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, 2021.

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, 2021

Fund	Certified Budget	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	$ 12,223,181	$ 12,223,181	$ 8,655,282	$ (3,567,899)

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, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
District Revenue	$ 8,276,504	$ 8,763,195	$ 9,004,502	$ (241,307)
Interest	18,138	4,477	15,000	(10,523)
Transfer In	3,600	2,651	-	2,651
State Medicaid Reimbursement	131,780	189,990	235,000	(45,010)
SPARKS Money	-	32,602	-	32,602
Miscellaneous	31,408	34,661	-	34,661
Total Receipts	8,461,430	9,027,576	$ 9,254,502	$ (226,926)
Expenditures				
Instruction	8,172,629	7,485,327	10,957,797	$ (3,472,470)
Administration	773,191	911,772	1,034,121	(122,349)
Accounting	83,656	86,874	89,063	(2,189)
Plant Operations/Maintenance	30,464	38,623	64,600	(25,977)
Central Support Services	32,644	18,588	64,600	(46,012)
Capital Outlay	-	8,000	13,000	(5,000)
Transfers Out	-	106,098	-	106,098
Total Expenditures	9,092,584	8,655,282	$ 12,223,181	(3,567,899)
Receipts Over (Under) Expenditures	(631,154)	372,294		$ 3,340,973
Unencumbered Cash, July 1	1,358,860	727,706		
Unencumbered Cash, June 30	$ 727,706	$ 1,100,000		

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, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year	Current Year
Receipts		
Transfers In	$ 1,300	$ 46,097
Total Receipts	1,300	46,097
Expenditures		
Staff Development Materials	19,888	10,780
Total Expenditures	19,888	10,780
Receipts Over (Under) Expenditures	(18,588)	35,317
Unencumbered Cash, July 1	41,842	23,254
Unencumbered Cash, June 30	$ 23,254	$ 58,571

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, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year	Current Year
Receipts		
Donations	$ -	$ 5,000
Total Receipts	-	5,000
Expenditures		
Supplies	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	5,000
Unencumbered Cash, July 1	1,835	1,835
Unencumbered Cash, June 30	$ 1,835	$ 6,835

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, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year	Current Year
Receipts		
Transfer In	$ -	$ -
Total Receipts	-	-
Expenditures		
Equipment	1,222	-
Total Expenditures	1,222	-
Receipts Over (Under) Expenditures	(1,222)	-
Unencumbered Cash, July 1	145,327	144,105
Unencumbered Cash, June 30	$ 144,105	$ 144,105

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, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year	Current Year
Receipts		
Miscellaneous	$ -	$ -
Total Receipts	-	-
Expenditures		
Supplies/Materials	290	-
Total Expenditures	290	-
Receipts Over (Under) Expenditures	(290)	-
Unencumbered Cash, July 1	220,258	219,968
Unencumbered Cash, June 30	$ 219,968	$ 219,968

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
Targeted Improvement Plan Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year	Current Year
Receipts		
Federal Grant	$ 76,130	$ 76,130
Total Receipts	76,130	76,130
Expenditures		
Travel	667	1,868
Stipends/Substitutes	-	-
LOD	3,000	3,000
General Office/Administration	40,143	36,774
Supervisor/Coordinator	8,708	8,435
Equipment	23,612	26,053
Total Expenditures	76,130	76,130
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	$ -	$ -

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
Community Based Curriculum Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year	Current Year
Receipts		
Transfer In	$ -	$ 20,000
Total Receipts	-	20,000
Expenditures		
Workstudy	-	23,037
Supplies	754	843
Total Expenditures	754	23,880
Receipts Over (Under) Expenditures	(754)	(3,880)
Unencumbered Cash, July 1	275,518	274,764
Unencumbered Cash, June 30	$ 274,764	$ 270,884

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, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year	Current Year
Receipts		
Transfer In	$ -	$ 40,000
Total Receipts	-	40,000
Expenditures		
Equipment	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	40,000
Unencumbered Cash, July 1	565,445	565,445
Unencumbered Cash, June 30	$ 565,445	$ 605,445

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, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year	Current Year
Receipts		
Transfer In	$ 4,080	$ -
Total Receipts	4,080	-
Expenditures		
Catered Food Services	3,080	3,518
Total Expenditures	3,080	3,518
Receipts Over (Under) Expenditures	1,000	(3,518)
Unencumbered Cash, July 1	9,659	10,659
Unencumbered Cash, June 30	$ 10,659	$ 7,141

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
Coordinated Early Intervening Services (CEIS) Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year	Current Year
Receipts		
CEIS Funds	$ -	$ 33,517
Total Receipts	-	33,517
Expenditures		
Instruction	-	50,480
ESL Testing	-	1,303
Total Expenditures	-	51,783
Receipts Over (Under) Expenditures	-	(18,266)
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	$ -	$ (18,266)

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
FY 2019 VI B Federal Flow Thru Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year	Current Year
Receipts		
Title VI-B Federal Funds	$ 14,247	$ -
Early Childhood Federal Funds	-	-
Total Receipts	14,247	-
Expenditures		
Instruction	528	-
Contractual Service	62	-
Materials/Supplies	180	-
Workshop Expenses	13,261	-
Equipment	216	-
Proportionate Private Share	-	-
Total Expenditures	14,247	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	$ -	$ -

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
FY 2020 VI B Federal Flow Thru Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year	Current Year
Receipts		
Title VI-B Federal Funds	$ 1,669,486	$ 156,591
Early Childhood Federal Funds	63,282	-
Total Receipts	1,732,768	156,591
Expenditures		
Instruction	1,644,615	156,591
Contractual Service	32,908	-
Materials/Supplies	2,007	-
Workshop Expenses	38,315	-
Equipment	1,905	-
Proportionate Private Share	13,018	-
Total Expenditures	1,732,768	156,591
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	$ -	$ -

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
FY 2021 VI B Federal Flow Thru Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year	Current Year
Receipts		
Title VI-B Federal Funds	$ -	$ 1,609,180
Early Childhood Federal Funds	-	63,520
Total Receipts	-	1,672,700
Expenditures		
Instruction	-	1,610,388
Training/Tuition	-	-
Contractual Service	-	25,264
Materials/Supplies	-	3,736
Workshop Expenses	-	21,282
Equipment	-	12,030
Proportionate Private Share	-	-
Total Expenditures	-	1,672,700
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	$ -	$ -

Schedule 2-14

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
ESSER II School District Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021

	USD 476	USD 216	USD 218	USD 363	USD 210	USD 452	USD 215	USD 467	USD 371
Receipts									
Miscellaneous	$ 1,272	$ 2,191	$ 4,595	$ 9,997	$ 10,174	$ 4,558	$ 6,786	$ 4,270	$ 2,274
Total Receipts	1,272	2,191	4,595	9,997	10,174	4,558	6,786	4,270	2,274
Expenditures									
Instruction	1,120	1,928	4,043	8,797	9,531	4,011	5,972	3,758	1,401
Materials/Supplies	152	263	552	1,200	1,220	547	814	512	873
Total Expenditures	1,272	2,191	4,595	9,997	10,751	4,558	6,786	4,270	2,274
Receipts Over (Under) Expenditures	-	-	-	-	(577)	-	-	-	-
Unencumbered Cash, July 1	-	-	-	-	-	-	-	-	-
Unencumbered Cash, June 30	$ -	$ -	$ -	$ -	$ (577)	$ -	$ -	$ -	$ -

Schedule 2-14

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
ESSER II School District Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021

	USD 209	USD 217	USD 507	USD 466	USD 374	USD 494	USD 200	USD 214	Totals
Receipts									
Miscellaneous	$ 2,098	$ 1,457	$ 3,091	$ 10,044	$ 4,688	$ 5,904	$ 2,887	$ 16,542	$ 92,828
Total Receipts	2,098	1,457	3,091	10,044	4,688	5,904	2,887	16,542	92,828
Expenditures									
Instruction	1,844	1,283	3,433	8,839	4,125	9,155	2,541	14,557	86,338
Materials/Supplies	254	174	371	1,205	563	709	346	1,985	11,740
Total Expenditures	2,098	1,457	3,804	10,044	4,688	9,864	2,887	16,542	98,078
Receipts Over (Under) Expenditure	-	-	(713)	-	-	(3,960)	-	-	(5,250)
Unencumbered Cash, July 1	-	-	-	-	-	-	-	-	-
Unencumbered Cash, June 30	$ -	$ -	$ (713)	$ -	$ -	$ (3,960)	$ -	$ -	$ (5,250)

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
Agency Funds
Summary of Receipts and Disbursements
For the Year Ended June 30, 2021

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Health Insurance Reserve	$ 1,550,118	$ 4,280,505	$ 4,086,413	$ 1,744,211
	$ 1,550,118	$ 4,280,505	$ 4,086,413	$ 1,744,211

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 STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board Members and Management
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 statement 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, 2021, and the related notes to the financial statement, which collectively comprise High Plains Educational Cooperative, District Number 611's basic financial statement and have issued our report thereon dated December 20, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered High Plains Educational Cooperative, District Number 611'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 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether High Plains Educational Cooperative, District Number 611'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2021-001.

High Plains Educational Cooperative, District Number 611's Response to Findings

High Plains Educational Cooperative, District Number 611's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. High Plains Educational Cooperative, District Number 611's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of this Report

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

Dirks, Anthony & Duncan LLC

DIRKS, ANTHONY & DUNCAN, LLC
Certified Public Accountants

December 20, 2021

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

Board Members and Management
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, 2021. 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; 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, [Name of Governmental Entity or Nonprofit Organization] complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001. Our opinion on each major federal program is not modified with respect to these matters.

High Plains Educational Cooperative, District Number 611's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. High Plains Educational Cooperative, District Number 611's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

High Plains Educational Cooperative, District Number 611's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. High Plains Educational Cooperative, District Number 611's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Dirks, Anthony & Duncan LLC

DIRKS, ANTHONY & DUNCAN, LLC
Certified Public Accountants

December 20, 2021

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Titile	Federal Assistance Listing Numbers	Pass Through Identifying Number	Expenditures
U.S. Department of Education			
Passed Through State of Kansas Department of Education			
Special Education Cluster (IDEA)			
Special Education - Title VI-B	84.027	DO611	$ 1,817,554
Special Education - Preschool Grants	84.173	DO611	63,520
Special Education - Title VI-B Discretionary	84.027	DO611	76,130
Total Special Education Cluster (IDEA)			1,957,204
Total U.S. Department of Education			1,957,204
Total Expenditures of Federal Awards			$ 1,957,204

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

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, Kanas (the District) under programs of the federal government for the year ended June 30, 2021. The information in this schedule if 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 Kanas 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:

Fund:	Amount:
Targeted Improvement Plan	$ 76,130
Coordinated Early Intervening Services (CEIS)	51,783
FY 2020 VI B Federal Flow Thru	156,591
FY 2021 VI B Federal Flow Thru	1,672,700
Total	$ 1,957,204

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I – Summary of Auditor's Results

Financial Statement:

Type of audit report issued	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
• Noncompliance which is material to the financial statement noted?	No

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for IDEA programs:	Unmodified
Any audit findings disclosed that are required to be reported in Accordance with 2 CFR 200.516(a)?	Yes

Identification of Major Programs

Federal Assistance Listing Numbers	Name of Federal Program or Cluster
84.027; 84.173	Special Education Cluster (IDEA)
Dollar threshold to distinguish between Type A and Type B Programs	$750,000
Auditee qualifies as a low-risk auditee?	No

Section II – Financial Statement Findings

None Noted

Section III – Federal Award Findings and Questioned Costs

U.S. Department of Education
Passed Through Kansas State Department of Education
Program Name: Special Education Cluster (IDEA)
Federal Assistance Listing Numbers: 84.027; 84.173

Finding 2021-001
SIGNIFICANT DEFICENCY
Internal Controls

Criteria: Pursuant to the Code of Federal Regulations (CFR), Title 2 *Grants and Agreements*, Subpart D *Post Federal Award Requirements*, Section 200.318 "the non-federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property and services required under a Federal award or subaward."

Condition: The internal controls related to procurement and suspension and debarment are non-existent.

Cause: The District does not have a written policy for procurement and suspension and debarment.

Effect: Staff was unaware of the federal guidelines related to procurement and suspension and debarment. Expenses that happened over the micro-purchase threshold did not undergo the additional procedures before purchase.

Recommendations: The Board of Directors, the Director and key positions of management should adequately document internal control procedures relating to procurement and suspension and debarment and adopt board policies related to such. The Board should then periodically check for changes in federal guidelines and update the board policy and needed.

Views of Responsible Officials and Planned Corrective Actions: The Cooperative agrees with the finding. See separate document for planned corrective actions.

High Plains Educational Cooperative

"High Plains Educational Cooperative will assist and support the member districts in providing educational services which will maximize opportunities for all children to live, learn, and work in society." *HPEC Mission Statement*

621 E Oklahoma
Ulysses KS 67880
620-356-5577
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CORRECTIVE ACTION PLAN

December 20, 2021

Kansas State Department of Education and Kansas State Department of Administration

High Plains Educational Cooperative, District Number 611 respectfully submits the following corrective action plan for the year ended June 30, 2021.

Dirks, Anthony & Duncan, LLC
Po Box 885
Ulysses, KS 67880

Audit Period: June 30, 2021

FINDINGS – FEDERAL AWARD PROGRAMS AUDIT
U.S. Department of Education
Passed Through Kansas State Department of Education
Program Name: Special Education Cluster (IDEA)
Assistance Listing Number: 84.027; 84.173

Finding 2018-001 – Internal Controls

Recommendations: The Board of Directors, the Director and key positions of management should adequately document internal control procedures relating to procurement and suspension and debarment and adopt board policies related to such. The Board should then periodically check for changes in federal guidelines and update the board policy and needed.

Action Taken: We agree with the recommendation and will adopt the board policies at the next meeting. We will also have a meeting to enhance and document stronger internal controls with board members, the Director, Board Treasurer, Technology Facilitator and Finance Clerk. Our targeted implementation date is March 2022.

If the Kansas State Department of Education and/or Kansas State Department of Administration has questions regarding this plan, please call Shelly Harris at 620-356-5577.

Sincerely yours,

Shelly Harris

Shelly Harris
Director