

# **Mountain Board of Cooperative Educational Services**

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**Schedule of Expenditures of Federal Awards  
and  
Independent Auditor's Reports**

**For the Year Ended June 30, 2023**




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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Mountain Board of Cooperative Educational Services  
Buena Vista, CO

### Report on the Audit of the Schedule of Expenditures of Federal Awards

#### *Opinion*

We have audited the accompanying schedule of expenditures of federal awards of Mountain Board of Cooperative Educational Services (the Mountain BOCES) for the year ended June 30, 2023, and the related notes (the schedule).

In our opinion, the accompanying schedule of expenditures of federal awards presents fairly, in all material respects, the expenditures of federal awards of the Mountain BOCES for the year ended June 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report.

We are required to be independent of Mountain BOCES and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Schedule*

Management is responsible for the preparation and fair presentation of the schedule in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

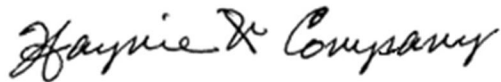
#### *Auditor's Responsibilities for the Audit of the Schedule*

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule, whether due to fraud, or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mountain BOCES's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule.


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

A handwritten signature in cursive script that reads "Haynie & Company".

Littleton, CO  
November 21, 2023



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

Board of Directors  
Mountain Board of Cooperative Educational Services  
Buena Vista, CO

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Mountain Board of Cooperative Education Services' (the Mountain BOCES) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Mountain BOCES' major federal programs for the year ended June 30, 2023. The Mountain BOCES' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Mountain BOCES complied, in all material respects, with the 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, 2023.

#### ***Basis for Opinion on Special Education Cluster - Grants to States***

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 Award* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Mountain BOCES and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Mountain BOCES' compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

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

#### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Mountain BOCES' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Mountain BOCES' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Mountain BOCES' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Mountain BOCES's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Mountain BOCES' internal control over compliance. Accordingly, no such opinion is expressed.

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

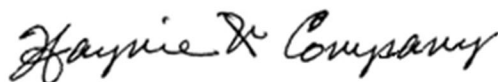
### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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



Littleton, CO  
November 21, 2023

**Mountain BOCES**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2023**

<b>Federal Agency/Pass-through Entity/Program</b>	<b>Assistance Listing Number</b>	<b>Amount</b>
<b>Special Education Cluster (IDEA)-Cluster</b>		
<i>Department of Education</i>		
Special Education - Grants to States (4027 IDEA, Part B)	84.027	\$ 684,176
Special Education - Preschool Grants (4173 IDEA Preschool)	84.173	<u>21,043</u>
<i>Total U.S. Department of Education</i>		<u>705,219</u>
<b>Total Special Education Cluster (IDEA)-Cluster</b>		<u>705,219</u>
<b>Other Programs</b>		
<i>Department of Education</i>		
Education Stabilization Fund (ESF)		
Education Stabilization Fund (ESF) 4419 ESSER II	84.425	\$ 26,543
Education Stabilization Fund (ESF) 4418 ESSER III	84.425	<u>70,587</u>
Total Education Stabilization Fund (ESF)		<u>97,130</u>
<i>Total U.S. Department of Education</i>		<u>97,130</u>
<b>Total Other Programs</b>		<u>97,130</u>
<b>Total Expenditures of Federal Awards</b>		<u>\$ 802,349</u>

**Mountain BOCES**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2023**

***Notes to the Schedule***

NOTE A—BASIS OF PRESENTATION

The schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Mountain BOCES under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Mountain BOCES it is not intended to and does not present the financial position, changes in equity, or cash flows of Mountain BOCES

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

# Mountain BOCES

## Supplemental Information

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### Schedule of Findings and Questioned Costs for the Year Ended June 30, 2023

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#### 1. Summary of Auditor's Results

Type of report issued on the schedule of expenditures of federal awards: **Unmodified**

Material weaknesses in financial reporting internal control noted: **None**

Significant deficiency(s) identified that are not considered to be material weaknesses in financial reporting: **None identified**

Material noncompliance noted: **None**

Material weaknesses in internal control over the federal program: **None**

Significant deficiency(s) identified that are not considered to be material weaknesses over federal programs: **None identified**

Type of report issued on compliance for the federal program: **Unmodified**

Audit findings required to be reported: **None**

The following programs are reported herein:

**Special Education Cluster (IDEA) – 84.027 Special Education – Grants to States (4027 IDEA), Part B), 84.173 Special Education – Preschool grants (4173 IDEA Preschool)**

Dollar threshold used to distinguish Type A and Type B programs: **\$750,000**

Risk type qualification: **Not low-risk**

#### 2. Findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

None

#### 3. Findings and questioned costs for Federal Awards

None

#### **4. Summary Schedule of Prior Audit Findings**

##### **Finding No. 2022-01**

*Statement of Condition:* The review of Mountain Board of Cooperative Education's procurement policy noted it did not include all the required language to ensure full compliance with 2CFR §§ 200.318 through 200.327, particularly the requirements discussing the allowable procurement methods, dollar thresholds, and the requirements for each allowable method.

*Recommendation:* Mountain Board of Cooperative Education update their procurement policy to encompass all requirements set by 2 CFR §§200.318 through 200.327.

*Current Status:* Mountain BOCES improvements have been put into place in their procurement procedures document and encompass all requirements set forth in 2 CFR §§200.318 through 200.327. The finding has been remediated.