INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER

Ozawkie, Kansas

Independent Auditors' Reports and
Financial Statement with
Supplementary Information

For the Fiscal Year Ended June 30, 2021

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas

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Ozawkie, Kansas

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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Education
Interlocal No. 608
Northeast Kansas Education Service Center
Ozawkie, Kansas

Report on the Financial Statement
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Interlocal No. 608, Northeast Kansas Education Service Center, Ozawkie, Kansas, a municipality, 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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on 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 District'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 District'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 statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles
As described in Note 1 of the financial statement, the financial statement is prepared by Interlocal No. 608, Northeast Kansas Education Service Center on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Interlocal No. 608, Northeast Kansas Education Service Center as of June 30, 2021, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Interlocal No. 608, Northeast Kansas Education Service Center 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 individual fund schedules of regulatory basis receipts and expenditures-actual and budget and schedule of regulatory basis receipts and disbursements-agency funds (Schedules 1 and 2 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 The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. 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 Interlocal No. 608, Northeast Kansas Education Service Center as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated January 23, 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 https://admin.ks.gov/offices/oar/municipal-services. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2021 (Schedule 1 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 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 fiscal year ended June 30, 2020 basic financial statement. The fiscal year ended June 30, 2020 comparative information was subjected to the auditing procedures applied in the audit of the fiscal year ended June 30, 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 fiscal year ended June 30, 2020 basic financial statement or to the fiscal year

ended June 30, 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 fiscal year ended June 30, 2020 comparative information is fairly stated in all material respects in relation to the fiscal year ended June 30, 2020 basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2022, on our consideration of the Interlocal No. 608, Northeast Kansas Education Service Center'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 Interlocal No. 608, Northeast Kansas Education Service Center'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 Interlocal No. 608, Northeast Kansas Education Service Center's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
January 18, 2022

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balances	Prior Year Cancelled Encumbrance	Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Ending Cash Balances June 30, 2021
General	$ 769,268.42	$ 19.50	$ 9,238,987.59	$ 8,747,980.35	$ 1,260,295.16	$ 712,624.75	$ 1,972,919.91
Special Purpose Funds:							
Professional Development	-	-	4,338.09	4,338.09	-	180.53	180.53
Regional Service Center	352,456.35	-	333,519.98	322,774.56	363,201.77	27,133.08	390,334.85
Technology Support Services	192.15	-	191,131.94	183,780.68	7,543.41	18,914.96	26,458.37
Marshall County Tiny K	203,229.39	-	326,997.33	314,628.03	215,598.69	26,698.62	242,297.31
Parents as Teachers	85,723.07	-	875,985.06	832,304.06	129,404.07	88,975.64	218,379.71
Kansas Instructional Support State and Local	1,292,964.52	-	607,077.64	194,293.40	1,705,748.76	80,709.91	1,786,458.67
Alternative School - JDLA	-	-	104,766.90	104,766.90	-	9,088.53	9,088.53
Kansas Individualized Data System for Students (KIDSS)	-	-	110,706.42	110,706.42	-	8,737.26	8,737.26
Continuous Improvement	-	-	42,460.00	42,460.00	-	41,660.00	41,660.00
Medicaid	170,798.73	-	54,201.27	-	225,000.00	-	225,000.00
Infant/Toddler Program	348,787.27	-	867,800.06	693,172.17	523,415.16	1,353.12	524,768.28
Operations and Facilities	144.59	-	1,940.71	2,085.30	-	24.60	24.60
ATBS Stickle Grant	(71,970.50)	-	71,970.50	-	-	-	-
ATBS Stickle 2021 - 2025 Grant	-	-	1,448,580.95	1,890,227.00	(441,646.05)	78,922.73	(362,723.32)
MTSS	(470,471.22)	-	470,471.22	-	-	-	-
MTSS 2021 - 2025	-	-	1,763,560.64	2,386,795.57	(623,234.93)	189,951.19	(433,283.74)
MTSS State and Local	2,343,252.17	-	68,593.70	1,909.01	2,409,936.86	-	2,409,936.86

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

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balances	Prior Year Cancelled Encumbrance	Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Ending Cash Balances June 30, 2021
Special Purpose Funds: (Continued)							
GSTAD Berens Grant	$ (79,153.97)	$ -	$ 79,153.97	$ -	$ -	$ -	$ -
GSTAD Berens 2021 - 2025 Grant	-	-	424,304.88	713,567.97	(289,263.09)	73,265.27	(215,997.82)
GSTAD Local	6,921.36	-	28,925.02	10,850.76	24,995.62	-	24,995.62
TASN Coordination Team Grant	(56,687.02)	-	56,687.02	-	-	-	-
TASN Coordination Local Grant	-	-	1,856.20	-	1,856.20	-	1,856.20
TASN Grant	-	-	59,793.53	59,793.53	-	3,871.64	3,871.64
SMHI State Prof Dev Grant Year 3	(277,315.88)	-	576,055.50	298,739.62	-	-	-
SMHI State Prof Dev Grant Year 4	-	-	314,260.18	715,585.30	(401,325.12)	101,670.93	(299,654.19)
SMHI State Prof Dev Grant Local	7,002.50	-	-	-	7,002.50	-	7,002.50
Elementary and Secondary School Emergency Relief II	-	-	-	14,672.66	(14,672.66)	13,040.75	(1,631.91)
Food Service and Catering	-	-	34,813.45	34,813.45	-	2,756.51	2,756.51
Total Reporting Entity	$ 4,625,141.93	$ 19.50	$ 18,158,939.75	$ 17,680,244.83	$ 5,103,856.35	$ 1,479,580.02	$ 6,583,436.37

Composition of Cash	
Cash on Hand	$ 8.38
Petty Cash	1,500.00
Checking	2,215,068.77
Money Market Account	3,066,928.89
Certificates of Deposit	1,300,000.00
Total Cash	6,583,506.04
Less Agency Funds per Schedule 2	(69.67)
Total Reporting Entity	$ 6,583,436.37

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

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas

Notes to the Financial Statement
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of Interlocal No. 608, Northeast Kansas Education Service Center, Ozawkie, Kansas (the Interlocal), have been prepared in order to show compliance with the cash basis laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Interlocal's accounting policies follow. Note 1 describes how the Interlocal's accounting policies differ from accounting principles generally accepted in the United States of America.

Financial Reporting Entity

The Interlocal is an Interlocal agency organized pursuant to K.S.A. 72-8230 and is governed by an appointed eight-member board. The board consists of members of participating Unified School District's Boards. Those Districts are USD No.'s 338, 339, 340, 341, 342, 343, 377, and 449.

Related Municipal Entities: A related municipal entity is determined by the following criteria. Whether the Interlocal exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the Interlocal. Related municipal entities are not required to be included in the Interlocal's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG).

The Interlocal has determined that no outside agency meets the above criteria and, therefore, no outside agency has been included as a related municipal entity in this financial statement.

Regulatory Basis Fund Types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the, for the year ended June 30, 2020:

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 revenue 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 account, etc.).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Regulatory Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The (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 revenues 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 municipality 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 municipality to use the regulatory basis of accounting.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as revenues. In the financial statement and budget comparison schedules presented in this report, reimbursements and refunds are recorded as revenues. The reimbursements are recorded as cash receipts when received by the Interlocal Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Pension Plan

Substantially all full-time Interlocal employees are members of the State of Kansas Public Employees Retirement System which is a multi-employer state-wide pension plan. The Interlocal's policy is the State of Kansas will fund all pension costs accrued; such costs to be funded are actuarially determined annually by the State.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

All budgets are prepared for internal use only, therefore, expenditures exceeding budgeted amounts do not constitute a violation in accordance with Kansas statutes.

Statement 1 has been prepared in order to show compliance with the cash basis laws of Kansas. As shown in Statement 1, the Interlocal was in apparent violation of K.S.A. 10-1113. The Interlocal has obligated expenditures in excess of available monies in the ATBS Stickle 2021 – 2025 Grant Fund, MTSS 2021 – 2025 Fund, GSTAD Berens 2021 – 2025 Grant Fund, SMHI State Professional Development Grant Year 4 Fund, and the Elementary and Secondary School Emergency Relief II Fund. However, K.S.A 10-1116 provides that under certain situations, the fund can end the year with a negative unencumbered cash balance and therefore, exempt from the cash basis laws of the State of Kansas. The funds all met the criteria under the statutes and therefore, are not deemed to be in violation of the Kansas cash basis laws.

3. DEPOSITS AND INVESTMENTS

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

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

Concentration of credit risk. State statutes place no limit on the amount the Interlocal 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 Interlocal's deposits may not be returned to it. State statutes require the Interlocal's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2021.

At year-end, the Interlocal's carrying amount of deposits was $6,583,497.66, and the bank balance was $6,003,027.91. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $250,061.29 was covered by FDIC insurance and $5,752,966.62 was collateralized with securities held by the pledging financial institution's agents in the Interlocal's name.

4. OPERATING LEASES

As of June 30, 2021, the Interlocal has entered operating leases for space. Total payments for the year ended June 30, 2021, was $10,800.00. Under the current lease agreements, there are no future minimum lease rentals.

5. LONG-TERM DEBT

Changes in long-term liabilities for the Interlocal for the year ended June 30, 2021, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balances Beginning of Year	Additions/ New Debt	Reductions/ Principal Paid	Balances End of Year	Interest Paid
Capital Leases									
Canon Copiers	3.10%	March 29, 2017	$ 20,000.00	March 29, 2021	$ 2,616.85	$ -	$ 2,616.85	$ -	$ 140.38
Total Contractual Indebtedness					$ 2,616.85	$ -	$ 2,616.85	$ -	$ 140.38

6. DEFINED BENEFIT PENSION PLAN

Plan description. The Interlocal participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% 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 2050 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of $19.4 million starting in fiscal year 2020.

House Substitute for Senate Bill 109 from the 2018 Legislative session provided for additional funding for the KPERS School Group. A payment of $56 million was paid in fiscal year 2018. This bill also authorized a payment of $82 million in fiscal year 2019. The 2019 legislative session authorized an additional fiscal year payment for the KPERS School Group. 2019 Senate Bill 9 authorized a payment of $115 million for the KPERS School Group. House Substitute for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in fiscal year 2020 of $51 million.

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 of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $1,782,593.02 for the year ended June 30, 2021.

6. DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability

At June 30, 2021, the District's proportionate share of the collective net pension liability reported by KPERS was $753,096.00. 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 contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2020. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this 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 publically available on the website at www.kpers.org or can be obtained as described above.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Death and Disability Other Post-Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2021.

Compensated Absences

It is the policy of the Interlocal that certified employees working nine months out of the year will earn ten sick/discretionary days per year, five discretionary and five sick, of leave will be allocated for each full time certified/licensed teacher on the first day of their contract available for use anytime. These days will be prorated for certified/licensed teachers contracted after the start of said school year. Teachers whom work less than full time will have their leave days prorated in a ratio equivalent to the amount of their contract time. At the end of the school year, any unused leave will be accumulated to seventy sick days or placed in a sick leave bank to pay back days borrowed. Unused sick leave at termination is lost.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (Continued)

Office, support staff, and paraprofessional accumulate vacation days based on years of service and are pro-rated for staff working less than full time, based on the following schedule:

One Year of Service	5 Days
Second through Fourth Year of Service	10 Days
Fifth through Ninth Year of Service	15 Days
Tenth through Fourteenth Year of Service	20 Days
Fifteenth Year of Service and on	25 Days

Unused vacation time may be carried over to the next fiscal year, but must be used before September 1.

Office, support staff, and paraprofessional accumulate sick days at a rate of one day per month of contract. At the end of the school year any unused leave will be accumulated to seventy sick days or placed in a sick leave bank to pay back days borrowed. Unused sick leave at termination is lost.

The Interlocal accrues a liability for compensated absences which meet the following criteria:

1) The Interlocal's obligation relating to employees' rights to receive compensation for future absences is attributed to employee's services already rendered.
2) The obligation relates to rights that vest or accumulate.
3) Payment of the compensation is probable.
4) The amount can be reasonably estimated.

In accordance with the above criteria, the Interlocal has estimated a liability for vacation pay, which has been earned, but not taken by Interlocal employees of $29,855.56. The Interlocal has not accrued a liability for sick leave earned, but not taken, by Interlocal employees, as the amounts cannot be reasonably estimated at this time.

Early Retirement

Certified staff of the Interlocal are able to retire from the Interlocal upon qualification under current KPERS formula guidelines and has completed ten or more years of service to the Interlocal and/or one of its participating districts. Early retirement fringe benefit amounts for a single health plan with continued coverage of the group health insurance plan for five years from the anniversary date of such actual retirement, until Medicare eligible or upon death.

None of the retirees who qualified for continued coverage under the group health insurance plan have opted to continue the coverage, therefore the future liability as of June 30, 2021 is $0.00.

Health Insurance

As provided by K.S.A. 12-5040, the Interlocal allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the Interlocal is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government 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. The American Recovery and Reinvestment Act of 2009 (ARRA) reduces the COBRA premium for the eligible employees in some cases. There is no cost to the government under the COBRA programs.

8. RISK MANAGEMENT

The Interlocal is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The Interlocal manages these risks of loss through the purchase of various insurance policies.

The Interlocal has joined together with other school boards in the State to participate in Kansas Association of School Boards Workers Compensation Fund, Inc (FUND), a public entity risk pool currently operating as a common risk management and insurance program for participating members. The Interlocal pays annual premium to the FUND for its workers' compensation insurance coverage. The agreement to participate provides that FUND will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by the FUND management.

9. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and state grantors. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Interlocal expects such amounts, if any, to be immaterial.

10. INTERFUND TRANSFERS

Operating transfers to allocate expenditures between funds were as follows:

From Fund:	To Fund:	Amount
General	Food Service and Catering	$ 10,430.80
General	Medicaid	54,201.27
General	Alternative School – JDLA	15,585.25
General	Professional Development	3,379.09
Regional Service Center	Operations and Facilities	405.81
Alternative School – JDLA	Food Service and Catering	1,499.44
KIDSS	Technology Support Services	8,325.37

11. CONTINGENCIES

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risk to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021. Our results of operations for full year 2022 may be materially adversely affected.

12. CRF AND CARES ACT FUNDING

As a result of COVID-19, the State of Kansas has received Coronavirus Relief Funds (CRF) under the Coronavirus Aid, Relief and Economic Securities (CARES) Act. The CRF were passed through to the counties of Kansas through Strengthening People and Revitalizing Kansas (SPARK). SPARK's first round distribution was to local governments in the amount of $400 million. The District received CRF in the amount of $56,035.49 during 2021. The CRF are to be used to strengthen health, to allow the economy to reopen safely and to remain open. The goals are to be fair, impactful and timely. Additional information and updates on SPARK, the CARES Act, and CRF, which includes audit requirements, can be found at https://covid.ks.gov/.

13. SUBSEQUENT EVENTS

The District evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition in the financial statement. The District did receive a grant to pay for supplies and salaries to perform on-site COVID testing at the Districts they provide services for in the amount of $1,378,307.00.

SUPPLEMENTARY INFORMATION

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Assessments from Districts	$ 2,445,055.00	$ 2,602,889.51	$ 2,610,055.00	$ (7,165.49)
Interest on Idle Funds	34,702.21	20,478.41	30,000.00	(9,521.59)
State Sources				
General State Aid	5,478,745.04	5,136,281.91	5,515,435.00	(379,153.09)
Federal Sources				
Special Education Aid	1,021,899.00	1,046,140.00	1,046,073.00	67.00
ESSER Grant	-	129,360.00	129,360.00	-
SPARK Grant	-	10,936.95	-	10,936.95
Other Receipts				
Reimbursed Expense	197,613.15	252,446.01	240,000.00	12,446.01
Miscellaneous Receipts	23,935.22	40,454.80	89,000.00	(48,545.20)
Donations	260.00	-	-	-
Total Receipts	9,202,209.62	9,238,987.59	$ 9,659,923.00	$ (420,935.41)
Expenditures				
Instruction	5,929,374.84	5,409,686.94	$ 6,110,909.98	$ (701,223.04)
Support Services				
Student Support	2,772,430.53	2,554,315.34	2,816,985.89	(262,670.55)
Instructional Support	4,496.01	24,603.63	-	24,603.63
General Administration	417,273.55	383,835.83	404,309.10	(20,473.27)
School Administration	63,143.14	62,246.56	83,796.00	(21,549.44)
Central Services	65,577.87	68,741.66	56,131.00	12,610.66
Operations and Maintenance	105,468.42	139,792.17	117,320.00	22,472.17
Transportation Services	28,775.48	20,154.74	35,302.00	(15,147.26)
Operation of Non-Instruction Services				
Food Service Operations	-	1,007.07	6,550.00	(5,542.93)

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
Operating Transfers to:				
Alternative School - JDLA	$ 66,872.27	$ 15,585.25	$ 49,768.00	$ (34,182.75)
Professional Development	22,118.06	3,379.09	13,500.00	(10,120.91)
Medicaid	-	54,201.27	-	54,201.27
Food Service and Catering	18,776.03	10,430.80	10,000.00	430.80
Total Certified Budget			9,704,571.97	(956,591.62)
Adjustments to Budget				
Adjustment for Qualifying Budget Credits			252,446.01	(252,446.01)
Total Expenditures	9,494,306.20	8,747,980.35	$ 9,957,017.98	$ (1,209,037.63)
Receipts Over (Under) Expenditures	(292,096.58)	491,007.24		
Unencumbered Cash, Beginning	1,061,365.00	769,268.42		
Cancelled Encumbrance	-	19.50		
Unencumbered Cash, Ending	$ 769,268.42	$ 1,260,295.16		

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
PROFESSIONAL DEVELOPMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
State Sources				
General State Aid	$ 2,230.00	$ 959.00	$ 1,500.00	$ (541.00)
Operating Transfers from General	22,118.06	3,379.09	13,500.00	(10,120.91)
Total Receipts	24,348.06	4,338.09	$ 15,000.00	$ (10,661.91)
Expenditures				
Support Services				
Instructional Support	21,179.05	3,334.82	$ 15,000.00	$ (11,665.18)
General Administration	3,169.01	1,003.27	-	1,003.27
Total Expenditures	24,348.06	4,338.09	$ 15,000.00	$ (10,661.91)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
REGIONAL SERVICE CENTER FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Federal Sources				
SPARK Grant	$ -	$ 2,418.54	$ -	$ 2,418.54
Other Receipts				
Cooperative Purchasing	317,599.79	321,058.84	368,873.00	(47,814.16)
Reimbursed Expense	2,136.74	314.56	2,600.00	(2,285.44)
Miscellaneous Receipts	4,588.64	9,728.04	-	9,728.04
Total Receipts	324,325.17	333,519.98	$ 371,473.00	$ (37,953.02)
Expenditures				
Support Services				
General Administration	206,547.19	147,440.83	$ 167,460.00	$ (20,019.17)
School Administration	22,106.50	15,734.41	18,145.00	(2,410.59)
Central Services	86,151.13	71,427.32	69,974.00	1,453.32
Operations and Maintenance	121,197.23	86,561.99	87,240.00	(678.01)
Transportation Services	711.72	1,204.20	1,000.00	204.20
Operating Transfers to Operations and Facilities	-	405.81	-	405.81
Total Expenditures	436,713.77	322,774.56	$ 343,819.00	$ (21,044.44)
Receipts Over (Under) Expenditures	(112,388.60)	10,745.42		
Unencumbered Cash, Beginning	464,844.95	352,456.35		
Unencumbered Cash, Ending	$ 352,456.35	$ 363,201.77		

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
TECHNOLOGY SUPPORT SERVICES FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Other Receipts				
Charges for Services	$ 188,003.06	$ 182,806.57	$ 199,637.85	$ (16,831.28)
Operating Transfers from Kansas Inividualized Data System for Students	8,265.28	8,325.37	-	8,325.37
Total Receipts	196,268.34	191,131.94	$ 199,637.85	$ (8,505.91)
Expenditures				
Support Services				
Central Services	-	3,532.77	$ -	$ 3,532.77
Operations and Maintenance	196,076.19	180,247.91	199,830.00	(19,582.09)
Total Expenditures	196,076.19	183,780.68	$ 199,830.00	$ (19,582.09)
Receipts Over (Under) Expenditures	192.15	7,351.26		
Unencumbered Cash, Beginning	-	192.15		
Unencumbered Cash, Ending	$ 192.15	$ 7,543.41		

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
MARSHALL COUNTY TINY K FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Federal Sources				
Infant - Toddler Grant	$ 43,755.61	$ 1,908.60	$ -	$ 1,908.60
State Sources				
General State Aid	203,343.94	205,272.88	220,960.00	(15,687.12)
Infant - Toddler Grant	79,867.00	100,731.00	129,866.00	(29,135.00)
Other Receipts				
Reimbursed Expense	20,361.18	19,084.85	19,825.00	(740.15)
Miscellaneous Receipts	-	-	5,269.00	(5,269.00)
Total Receipts	347,327.73	326,997.33	$ 375,920.00	$ (48,922.67)
Expenditures				
Instruction	100,468.93	86,638.43	$ 118,352.00	$ (31,713.57)
Support Services				
Student Support	203,938.35	227,989.60	257,565.00	(29,575.40)
Total Expenditures	304,407.28	314,628.03	$ 375,917.00	$ (61,288.97)
Receipts Over (Under) Expenditures	42,920.45	12,369.30		
Unencumbered Cash, Beginning	160,308.94	203,229.39		
Unencumbered Cash, Ending	$ 203,229.39	$ 215,598.69		

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
PARENTS AS TEACHERS FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Assessments from Districts	$ 240,500.00	$ 280,000.00	$ 259,750.00	$ 20,250.00
Miscellaneous Grants	650.00	-	14,097.00	(14,097.00)
State Sources				
Parent Education Grant	534,217.00	530,158.00	530,158.00	-
Federal Sources				
Coronavirus Relief Funds Grant	-	28,760.00	-	28,760.00
Other Receipts				
Miscellaneous Receipts	2,383.68	37,067.06	-	37,067.06
Total Receipts	777,750.68	875,985.06	$ 804,005.00	$ 71,980.06
Expenditures				
Support Services				
Instructional Support	804,330.70	832,304.06	$ 804,005.00	$ 28,299.06
Total Expenditures	804,330.70	832,304.06	$ 804,005.00	$ 28,299.06
Receipts Over (Under) Expenditures	(26,580.02)	43,681.00		
Unencumbered Cash, Beginning	112,303.09	85,723.07		
Unencumbered Cash, Ending	$ 85,723.07	$ 129,404.07		

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
KANSAS INSTRUCTIONAL SUPPORT STATE AND LOCAL FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
State Sources		
General State Aid	$ 486,084.74	$ 597,994.18
Other Receipts		
Miscellaneous Receipts	3,334.58	8,166.46
Reimbursed Expense	172,502.19	917.00
Total Receipts	661,921.51	607,077.64
Expenditures		
Support Services		
Instructional Support	431,117.41	194,293.40
Total Expenditures	431,117.41	194,293.40
Receipts Over (Under) Expenditures	230,804.10	412,784.24
Unencumbered Cash, Beginning	1,062,160.42	1,292,964.52
Unencumbered Cash, Ending	$ 1,292,964.52	$ 1,705,748.76

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
ALTERNATIVE SCHOOL - JDLA FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Assessments from District	$ 41,729.28	$ 31,465.00	$ 58,350.00	$ (26,885.00)
Charges for Services	-	57,544.65	-	57,544.65
Other Receipts				
Miscellaneous Receipts	150.80	172.00	-	172.00
Operating Transfers from				
General	66,872.27	15,585.25	49,768.00	(34,182.75)
Total Receipts	108,752.35	104,766.90	$ 108,118.00	$ (3,351.10)
Expenditures				
Instruction	12,938.25	8,583.26	$ 12,000.00	$ (3,416.74)
Support Services				
General Administration	91,933.35	93,784.20	93,118.00	666.20
Operations and Maintenance	880.75	900.00	-	900.00
Operating Transfers to				
Food Service and Catering	3,000.00	1,499.44	3,000.00	(1,500.56)
Total Expenditures	108,752.35	104,766.90	$ 108,118.00	$ (3,351.10)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
KANSAS INDIVIDUALIZED DATA SYSTEM FOR STUDENTS (KIDSS) FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Charges for Services	$ 110,706.42	$ 110,706.42
Total Receipts	110,706.42	110,706.42
Expenditures		
Support Services		
Instructional Support	102,193.97	102,156.09
General Administration	247.17	224.96
Operating Transfer to		
Technology Support Services Fun	8,265.28	8,325.37
Total Expenditures	110,706.42	110,706.42
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
CONTINUOUS IMPROVEMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Federal Sources				
Federal Grant	$ 43,710.00	$ 42,460.00	$ 43,710.00	$ (1,250.00)
Total Receipts	43,710.00	42,460.00	$ 43,710.00	$ (1,250.00)
Expenditures				
Support Services				
Instructional Support	43,710.00	42,460.00	$ 43,710.00	$ (1,250.00)
Total Expenditures	43,710.00	42,460.00	$ 43,710.00	$ (1,250.00)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
MEDICAID FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Miscellaneous Receipts	$ 4,000.00	$ -
Operating Transfers from General	-	54,201.27
Total Receipts	4,000.00	54,201.27
Expenditures		
Operating Transfers to General Fund	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	4,000.00	54,201.27
Unencumbered Cash, Beginning	166,798.73	170,798.73
Unencumbered Cash, Ending	$ 170,798.73	$ 225,000.00

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
KETC FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Charges for Services	$ 30,523.66	$ -	$ -	$ -
Total Receipts	30,523.66	-	$ -	$ -
Expenditures				
Support Services				
Instructional Support	207,378.12	-	$ -	$ -
Total Expenditures	207,378.12	-	$ -	$ -
Receipts Over (Under) Expenditures	(176,854.46)	-		
Unencumbered Cash, Beginning	176,854.46	-		
Unencumbered Cash, Ending	$ -	$ -		

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
INFANT/TODDLER PROGRAM FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Cottonwood Grant	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ -
Prairie Band Services	10,500.00	10,500.00	10,500.00	-
Miscellaneous Grants	-	129.00	-	129.00
State Sources				
General State Aid	413,785.43	408,383.88	408,000.40	383.48
Infant - Toddler Grant	220,260.00	271,161.00	349,591.00	(78,430.00)
Federal Sources				
Infant - Toddler Grant	147,899.97	78,430.00	-	78,430.00
Coronavirus Relief Grant	-	13,920.00	-	13,920.00
Other Receipts				
Reimbursed Expense	55,395.72	80,276.18	45,815.16	34,461.02
Miscellaneous Receipts	30.00	-	-	-
Total Receipts	852,871.12	867,800.06	$ 818,906.56	$ 48,893.50
Expenditures				
Instruction	156,261.41	147,328.40	$ 184,000.66	$ (36,672.26)
Support Services				
Student Support	525,248.52	525,626.16	609,010.12	(83,383.96)
General Administration	24,688.61	20,217.61	25,895.78	(5,678.17)
Total Expenditures	706,198.54	693,172.17	$ 818,906.56	$ (125,734.39)
Receipts Over (Under) Expenditures	146,672.58	174,627.89		
Unencumbered Cash, Beginning	202,114.69	348,787.27		
Unencumbered Cash, Ending	$ 348,787.27	$ 523,415.16		

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
OPERATIONS AND FACILITIES FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services	$ 6,962.15	$ 1,534.90	$ 6,125.00	$ (4,590.10)
Operating Transfer from Regional Service Center	-	405.81	-	405.81
Total Receipts	6,962.15	1,940.71	$ 6,125.00	$ (4,184.29)
Expenditures				
Support Services				
General Administration	8,387.96	1,731.82	$ 5,632.00	$ (3,900.18)
School Administration	-	-	125.00	(125.00)
Operations and Maintenance	183.20	202.98	-	202.98
Operation of Non-Instruction Services				
Enterprise Operations	561.52	150.50	500.00	(349.50)
Total Expenditures	9,132.68	2,085.30	$ 6,257.00	$ (4,171.70)
Receipts Over (Under) Expenditures	(2,170.53)	(144.59)		
Unencumbered Cash, Beginning	2,315.12	144.59		
Unencumbered Cash, Ending	$ 144.59	$ -		

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
ATBS STICKLE GRANT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Federal Sources				
Title IV- Part B IDEA	$ 918,198.03	$ 71,970.50	$ 71,970.50	$ -
Preschool Grants - IDEA Preschool	585,500.00	-	-	-
Total Receipts	1,503,698.03	71,970.50	$ 71,970.50	$ -
Expenditures				
Support Services				
Instructional Support	1,513,956.34	-	$ -	$ -
Total Expenditures	1,513,956.34	-	$ -	$ -
Receipts Over (Under) Expenditures	(10,258.31)	71,970.50		
Unencumbered Cash, Beginning	(61,712.19)	(71,970.50)		
Unencumbered Cash, Ending	$ (71,970.50)	$ -		

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
ATBS STICKLE 2021 - 2025 GRANT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Federal Sources				
Title IV- Part B IDEA	$ -	$ 1,448,580.95	$ 1,890,227.00	$ (441,646.05)
Total Receipts	-	1,448,580.95	$ 1,890,227.00	$ (441,646.05)
Expenditures				
Support Services				
Instructional Support	-	1,890,227.00	$ 1,890,227.00	$ -
Total Expenditures	-	1,890,227.00	$ 1,890,227.00	$ -
Receipts Over (Under) Expenditures	-	(441,646.05)		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ (441,646.05)		

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
MTSS FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Federal Sources				
Title IV- Part B IDEA	$ 2,881,126.67	$ 470,471.22	$ 470,471.22	$ -
Total Receipts	2,881,126.67	470,471.22	$ 470,471.22	$ -
Expenditures				
Support Services				
Instructional Support	2,917,398.74	-	$ -	$ -
Total Expenditures	2,917,398.74	-	$ -	$ -
Receipts Over (Under) Expenditures	(36,272.07)	470,471.22		
Unencumbered Cash, Beginning	(434,199.15)	(470,471.22)		
Unencumbered Cash, Ending	$ (470,471.22)	$ -		

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
MTSS 2021 - 2025 FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Federal Sources				
Title IV- Part B IDEA	$ -	$ 1,763,560.64	$ 3,762,326.00	$ (1,998,765.36)
Total Receipts	-	1,763,560.64	$ 3,762,326.00	$ (1,998,765.36)
Expenditures				
Support Services				
Instructional Support	-	2,386,795.57	$ 3,762,326.00	$ (1,375,530.43)
Total Expenditures	-	2,386,795.57	$ 3,762,326.00	$ (1,375,530.43)
Receipts Over (Under) Expenditures	-	(623,234.93)		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ (623,234.93)		

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
MTSS STATE AND LOCAL FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
State Sources		
General State Aid	$ 564,188.00	$ 68,593.70
Other Receipts		
Miscellaneous Receipts	100.00	-
Total Receipts	564,288.00	68,593.70
Expenditures		
Support Services		
Instructional Support	2,128.76	1,909.01
Total Expenditures	2,128.76	1,909.01
Receipts Over (Under) Expenditures	562,159.24	66,684.69
Unencumbered Cash, Beginning	1,781,092.93	2,343,252.17
Unencumbered Cash, Ending	$ 2,343,252.17	$ 2,409,936.86

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
GSTAD BERENS GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Charges for Services	$ (6,921.36)	$ -
Reimbursement	-	47,079.83
Federal Sources		
Title IV- Part B IDEA	525,941.47	32,074.14
Total Receipts	519,020.11	79,153.97
Expenditures		
Support Services		
Instructional Support	326,652.45	-
General Administration	154,042.83	-
Total Expenditures	480,695.28	-
Receipts Over (Under) Expenditures	38,324.83	79,153.97
Unencumbered Cash, Beginning	(117,478.80)	(79,153.97)
Unencumbered Cash, Ending	$ (79,153.97)	$ -

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
GSTAD BERENS 2021 - 2025 GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Title IV- Part B IDEA	$ -	$ 424,304.88
Total Receipts	-	424,304.88
Expenditures		
Support Services		
Instructional Support	-	543,675.51
General Administration	-	169,892.46
Total Expenditures	-	713,567.97
Receipts Over (Under) Expenditures	-	(289,263.09)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ (289,263.09)

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
GSTAD LOCAL FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Other Sources		
Miscellaneous Receipts	$ 8,363.96	$ -
Other Receipts		
Reimbursed Expenses	36,685.23	28,925.02
Total Receipts	45,049.19	28,925.02
Expenditures		
Support Services		
Instructional Support	55,215.04	10,850.76
Total Expenditures	55,215.04	10,850.76
Receipts Over (Under) Expenditures	(10,165.85)	18,074.26
Unencumbered Cash, Beginning	17,087.21	6,921.36
Unencumbered Cash, Ending	$ 6,921.36	$ 24,995.62

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
TASN COORDINATION TEAM GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Title IV- Part B IDEA	$ 209,099.05	$ 56,687.02
Total Receipts	209,099.05	56,687.02
Expenditures		
Support Services		
Instructional Support	228,887.88	-
Total Expenditures	228,887.88	-
Receipts Over (Under) Expenditures	(19,788.83)	56,687.02
Unencumbered Cash, Beginning	(36,898.19)	(56,687.02)
Unencumbered Cash, Ending	$ (56,687.02)	$ -

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
TASN COORDINATION LOCAL GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Miscellaneous Income	$ -	$ 1,856.20
Total Receipts	-	1,856.20
Expenditures		
Support Services		
Instructional Support	14,708.98	-
Total Expenditures	14,708.98	-
Receipts Over (Under) Expenditures	(14,708.98)	1,856.20
Unencumbered Cash, Beginning	14,708.98	-
Unencumbered Cash, Ending	$ -	$ 1,856.20

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
TASN GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Miscellaneous Receipts	$ 44,838.10	$ 29,780.25
State Sources		
General State Aid	25,399.87	30,013.28
Total Receipts	70,237.97	59,793.53
Expenditures		
Support Services		
General Administration	70,237.97	59,793.53
Total Expenditures	70,237.97	59,793.53
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
SCHOOL MENTAL HEALTH INITIATIVE (SMHI) STATE PROF DEV GRANT YEAR 2 (SPDG) FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
SMHI Grant	$ 634,826.01	$ -
Total Receipts	634,826.01	-
Expenditures		
Support Services		
Instructional Support	144,430.47	-
Total Expenditures	144,430.47	-
Receipts Over (Under) Expenditures	490,395.54	-
Unencumbered Cash, Beginning	(490,395.54)	-
Unencumbered Cash, Ending	$ -	$ -

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
SCHOOL MENTAL HEALTH INITIATIVE (SMHI) STATE PROF DEV GRANT YEAR 3 (SPDG) FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
SMHI Grant	$ 443,885.01	$ 576,055.50
Total Receipts	443,885.01	576,055.50
Expenditures		
Support Services		
Instructional Support	721,200.89	298,739.62
Total Expenditures	721,200.89	298,739.62
Receipts Over (Under) Expenditures	(277,315.88)	277,315.88
Unencumbered Cash, Beginning	-	(277,315.88)
Unencumbered Cash, Ending	$ (277,315.88)	$ -

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
SCHOOL MENTAL HEALTH INITIATIVE (SMHI) STATE PROF DEV GRANT YEAR 4 (SPDG) FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
SMHI Grant	$ -	$ 314,260.18
Total Receipts	-	314,260.18
Expenditures		
Support Services		
Instructional Support	-	715,585.30
Total Expenditures	-	715,585.30
Receipts Over (Under) Expenditures	-	(401,325.12)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ (401,325.12)

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
SCHOOL MENTAL HEALTH INITIATIVE (SMHI) STATE PROF DEV GRANT LOCAL FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Other Sources		
Miscellaneous Receipts	$ -	$ -
Total Receipts	-	-
Expenditures		
Support Services		
Instructional Support	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	7,002.50	7,002.50
Unencumbered Cash, Ending	$ 7,002.50	$ 7,002.50

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
ELEMENTARY AND SECONDARY SCHOOL EMERGERCY RELIEF II FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
SMHI Grant	$ -	$ -
Total Receipts	-	-
Expenditures		
Instruction	-	13,172.66
Support Services		
Instructional Support	-	1,500.00
Total Expenditures	-	14,672.66
Receipts Over (Under) Expenditures	-	(14,672.66)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ (14,672.66)

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
FOOD SERVICE AND CATERING FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Food Service Sales	$ 2,555.91	$ 298.80	$ 4,500.00	$ (4,201.20)
Assessments from Districts	4,801.60	3,904.17	-	3,904.17
Miscellaneous- Catering	4,622.10	188.00	2,500.00	(2,312.00)
State Sources				
Food Service Aid	192.09	179.46	230.00	(50.54)
Federal Sources				
Child Nutrition Aid	17,024.27	18,312.78	26,000.00	(7,687.22)
Operating Transfers from				
General	18,776.03	10,430.80	30,500.00	(20,069.20)
Alternative School - JDLA	3,000.00	1,499.44	-	1,499.44
Total Receipts	50,972.00	34,813.45	$ 63,730.00	$ (28,916.55)
Expenditures				
Operation of Non-Instruction Services				
Food Service Operations	50,972.00	34,813.45	$ 63,730.00	$ (28,916.55)
Total Expenditures	50,972.00	34,813.45	$ 63,730.00	$ (28,916.55)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
AGENCY FUNDS
Schedule of Receipts and Disbursement
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

	Beginning Cash Balances	Receipts	Disbursements	Ending Cash Balances
Agency Funds				
John Dewey Learning Academy	$ 69.67	$ -	$ -	$ 69.67

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Provided to Sub Recipients	Cash Receipts	Disbursements Expenditures
U.S. DEPARTMENT OF EDUCATION					
Passed through the Kansas Department of Education					
Special Education Cluster (IDEA)					
Grants to States - IDEA, Part B	3234-3050	84.027	$ -	$ 1,010,223.00	$ 1,010,223.00
Grants to States - IDEA, Part B - Discretionary	652-15-2859	84.027	-	456,379.02	713,567.97
Grants to States - IDEA, Part B - Discretionary	652-16-1872	84.027	-	2,234,031.86	2,386,795.57
Grants to States - IDEA, Part B - Discretionary	652-15-1861	84.027	-	56,687.02	-
Grants to States - IDEA, Part B - Discretionary	652-15-1865	84.027	-	620,551.45	990,227.00
Grants to States - IDEA, Part B - Discretionary	20754	84.027	-	42,460.00	42,460.00
		Total 84.027	-	4,420,332.35	5,143,273.54
Preschool Grants - IDEA Preschool	3550-1000	84.173	-	35,917.00	35,917.00
Preschool Grants - IDEA Preschool	652-15-1865	84.173	-	900,000.00	900,000.00
		Total 84.173	-	935,917.00	935,917.00
	Total Special Education Cluster (IDEA)		-	5,356,249.35	6,079,190.54
State Personnel Development Grant - SPDG Year 3	44582	84.323	-	576,055.50	298,739.62
State Personnel Development Grant - SPDG Year 4	44582	84.323	-	314,260.18	715,585.30
		Total 84.323	-	890,315.68	1,014,324.92
COVID - 19 - Elementary and Secondary School Emergency Relief	D0608	84.425	-	129,360.00	144,032.66
Passed through the Kansas Department of Health and Environment					
Grants for Infants and Families - Marshall Co.	SFY2021	84.181	-	1,206.60	1,206.60
Grants for Infants and Families - Marshall Co.	SFY2020	84.181	-	702.00	-
Grants for Infants and Families - NEKITS	SFY2021	84.181	-	78,430.00	78,430.00
		Total 84.181	-	80,338.60	79,636.60
Total U.S. Department of Education			-	6,456,263.63	7,317,184.72
U.S. DEPARTMENT OF AGRICULTURE					
Passed through the Kansas Department of Education					
Child USDA Nutrition Cluster:					
Summer Food Service Prorgam for Children	D0608	10.559	-	18,312.78	18,312.78
	Total Child USDA Nutrition Cluster		-	18,312.78	18,312.78
Total U.S. Department of Agriculture			-	18,312.78	18,312.78

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas
Schedule of Expenditures of Federal Awards
(Continued)
For the Year Ended June 30, 2021

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Provided to Sub Recipients	Cash Receipts	Disbursements Expenditures
U.S. DEPARTMENT OF THE TREASURY					
Passed through Jefferson County, Kansas					
COVID - 19 - Coronavirus Relief Fund (SPARKS)	DO608	21.019	$ -	$ 13,355.49	$ 7,249.06
Passed through the Kansas Department of Education					
COVID - 19 - Coronavirus Relief Funds (SPARKS)	DO608	21.019	-	42,680.00	42,680.00
		Total 21.019	-	56,035.49	49,929.06
Total U.S. Department of the Treasury			-	56,035.49	49,929.06
TOTAL FEDERAL AWARDS			$ -	$ 6,530,611.90	$ 7,385,426.56

Note to the Schedule of Expenditures of Federal Awards:

NOTE A -- BASIS OF PRESENTATION

Federal expenditures are recorded on the accrual basis of accounting, which records expenses when the goods or services are received, and not necessarily when paid.

NOTE B --INDIRECT COST RATE

Interlocal No. 608, Northeast Kansas Education Service Center did not elect to use the 10% de minimis cost rate.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Interlocal No. 608
Northeast Kansas Education Service Center
Ozawkie, Kansas

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 Interlocal No. 608, Northeast Kansas Education Service Center, Ozawkie, Kansas, as of and for the year ended June 30, 2021, and the related notes to the financial statement, which collectively comprise the Interlocal No. 608, Northeast Kansas Education Service Center's basic financial statement, and have issued our report thereon dated January 18, 2022.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statement, we considered the Interlocal No. 608, Northeast Kansas Education Service Center'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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Interlocal No. 608, Northeast Kansas Education Service Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Interlocal No. 608, Northeast Kansas Education Service Center'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 District's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Interlocal No. 608, Northeast Kansas Education Service Center's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
January 18, 2022

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

Board of Education
Interlocal No. 608
Northeast Kansas Education Service Center
Ozawkie, Kansas

Report on Compliance for Each Major Federal Program
We have audited the Interlocal No. 608, Northeast Kansas Education Service Center, Ozawkie, Kansas' compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Interlocal No. 608, Northeast Kansas Education Service Center's major federal programs for the year ended June 30, 2021. Interlocal No. 608, Northeast Kansas Education Service Center's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility
Our responsibility is to express an opinion on compliance for each of the Interlocal No. 608, Northeast Kansas Education Service Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Interlocal No. 608, Northeast Kansas Education Service Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Interlocal No. 608, Northeast Kansas Education Service Center's compliance.

Opinion on Each Major Federal Program
In our opinion, the Interlocal No. 608, Northeast Kansas Education Service Center, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance
Management of the Interlocal No. 608, Northeast Kansas Education Service Center, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Interlocal No. 608, Northeast Kansas Education Service Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Interlocal No. 608, Northeast Kansas Education Service Center's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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.

Purpose of this Report
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.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
January 18, 2022

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

I. SUMMARY OF AUDITORS' RESULTS

Financial Statement:
The auditors' report expresses an adverse opinion on the basic financial statement of Interlocal No. 608, Northeast Kansas Education Service Center on the Generally Accepted Accounting Principles (GAAP) basis of accounting and an unmodified opinion on the regulatory basis of accounting.

Internal Control over Financial Reporting:

Material weakness(es) identified?	____ Yes	__X__	No
Significant deficiencies 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 major programs:			
Material weakness(es) identified?	____ Yes	__X__	No
Significant deficiencies identified?	____ Yes	__X__	None Reported

The auditors' report on compliance for the major federal award programs for Interlocal No. 608, Northeast Kansas Education Service Center expresses an unmodified opinion.

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:

U.S. DEPARTMENT OF EDUCATION	
Special Education Cluster (IDEA)	
Grants to States – IDEA Part B	CFDA No. 84.027
Preschool Grants – IDEA Preschool	CFDA No. 84.173

The threshold for distinguishing Types A and B programs was $750,000.00.

Auditee qualified as a low risk auditee?	____ Yes	__X__	No

II. FINANCIAL STATEMENT FINDINGS

NONE

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

INTERLOCAL NO. 608
NORTHEAST KANSAS EDUCATION SERVICE CENTER
Ozawkie, Kansas

Summary of Resolution of Prior Audit Findings and Questioned Costs
For the Year Ended June 30, 2021

NONE