

DATE:

TO: ESU #1 Board of Directors

FROM: Bill Heimann, Administrator

RE: Tuesday, January 11, 2022 Board Meeting

There will be a meeting of the ESU #1 Board of Directors, on Tuesday, January 11, 2022, at 5:30 PM in the

ESU #1 Conference Room
211 Tenth Street
Wakefield, NE 68784-5014

Consideration, discussion and any action necessary will be taken on the following items.

- A. Notification of Open Meetings Law
- B. Roll Call
- C. Board Re-Organization
- D. Consent Agenda*
 - 1. Previous Minutes (copy attached)
 - 2. Financial Reports
 - a. Revenue Report/Treasurer's Report
 - b. Cash Summary/Expenditure Report
 - 3. Bills for January
 - 4. Administrator's Monthly Report
 - a. Mileage Reimbursement Rate
 - b. Legislative Update
 - c. COVID-19 Guidance
 - d. Parental Complaint
- E. Public Comment
- F. Board Member Code of Ethics*
- G. ESU #1 Committee Assignments
- H. Position Appointments*
- I. Designate Newspapers of Record*
- J. Government Relations Network*
- K. Job Description - Technology School Support, Teaching and Learning Team Specialist*
- L. Facility Projects*
- M. ESU #1 2020-21 Financial Audit*
- N. Personnel*
 - 1. Consider, discuss, and take necessary action on employee contracts and personnel changes.
 - a. Resignation(s)
 - b. New Hire(s)
 - c. Contract Change(s)
 - d. Termination(s)
- O. Adjournment

This agenda contains a list of subjects known at the time of its distribution on . A copy of the agenda reflecting any changes will be kept in the ESU #1 Administrative office and will be readily available for public inspection during normal office hours. Except for items of emergency nature, the agenda will not be enlarged later than twenty-four hours before the scheduled commencement of the meeting. The Board reserves the right to change the order of business discussed.

*Action Items

Nebraska Open Meetings Act

84-1407. Act, how cited. Sections 84-1407 to 84-1414 shall be known and may be cited as the Open Meetings Act.

84-1408. Declaration of intent; meetings open to public. It is hereby declared to be the policy of this state that the formation of public policy is public business and may not be conducted in secret. Every meeting of a public body shall be open to the public in order that citizens may exercise their democratic privilege of attending and speaking at meetings of public bodies, except as otherwise provided by the Constitution of Nebraska, federal statutes, and the Open Meetings Act.

84-1409. Terms, defined. For purposes of the Open Meetings Act, unless the context otherwise requires:

(1)(a) Public body means (i) governing bodies of all political subdivisions of the State of Nebraska, (ii) governing bodies of all agencies, created by the Constitution of Nebraska, statute, or otherwise pursuant to law, of the executive department of the State of Nebraska, (iii) all independent boards, commissions, bureaus, committees, councils, subunits, or any other bodies created by the Constitution of Nebraska, statute, or otherwise pursuant to law, (iv) all study or advisory committees of the executive department of the State of Nebraska whether having continuing existence or appointed as special committees with limited existence, (v) advisory committees of the bodies referred to in subdivisions (i), (ii), and (iii) of this subdivision, and (vi) instrumentalities exercising essentially public functions; and

(b) Public body does not include (i) subcommittees of such bodies unless a quorum of the public body attends a subcommittee meeting or unless such subcommittees are holding hearings, making policy, or taking formal action on behalf of their parent body, except that all meetings of any subcommittee established under section 81-15,175 are subject to the Open Meetings Act, and (ii) entities conducting judicial proceedings unless a court or other judicial body is exercising rulemaking authority, deliberating, or deciding upon the issuance of administrative orders;

(2) Meeting means all regular, special, or called meetings, formal or informal, of any public body for the purposes of briefing, discussion of public business, formation of tentative policy, or the taking of any action of the public body; and

(3) Videoconferencing means conducting a meeting involving participants at two or more locations through the use of audio-video equipment which allows participants at each location to hear and see each meeting participant at each other location, including public input. Interaction between meeting participants shall be possible at all meeting locations.

84-1410. Closed session; when; purpose; reasons listed; procedure; right to challenge; prohibited acts; chance meetings, conventions, or workshops.

(1) Any public body may hold a closed session by the affirmative vote of a majority of its voting members if a closed session is clearly necessary for the protection of the public interest or for the prevention of needless injury to the reputation of an individual and if such individual has not requested a public meeting. The subject matter and the reason necessitating the closed session shall be identified in the motion to close. Closed sessions may be held for, but shall not be limited to, such reasons as:

(a) Strategy sessions with respect to collective bargaining, real estate purchases, pending litigation, or litigation which is imminent as evidenced by communication of a claim or threat of litigation to or by the public body;

(b) Discussion regarding deployment of security personnel or devices;

(c) Investigative proceedings regarding allegations of criminal misconduct;

(d) Evaluation of the job performance of a person when necessary to prevent needless injury to the reputation of a person and if such person has not requested a public meeting;

(e) For the Community Trust created under section 81-1801.02, discussion regarding the amounts to be paid to individuals who have suffered from a tragedy of violence or natural disaster; or

(f) For public hospitals, governing board peer review activities, professional review activities, review and discussion of medical staff investigations or disciplinary actions, and any strategy session concerning transactional negotiations with any referral source that is required by federal law to be conducted at arms length.

Nothing in this section shall permit a closed meeting for discussion of the appointment or election of a new member to any public body.

(2) The vote to hold a closed session shall be taken in open session. The entire motion, the vote of each member on the question of holding a closed session, and the time when the closed session commenced and concluded shall be recorded in the minutes. If the motion to close passes, then the presiding officer immediately prior to the closed session shall restate on the record the limitation of the subject matter of the closed session. The public body holding such a closed session shall restrict its consideration of matters during the closed portions to only those purposes set forth in the motion to close as the reason for the closed session. The meeting shall be reconvened in open session before any formal action may be taken. For purposes of this section, formal action shall mean a collective decision or a collective commitment or promise to make a decision on any question, motion, proposal, resolution, order, or ordinance or formation of a position or policy but shall not include negotiating guidance given by members of the public body to legal counsel or other negotiators in closed sessions authorized under subdivision (1) (a) of this section.

(3) Any member of any public body shall have the right to challenge the continuation of a closed session if the member determines that the session has exceeded the reason stated in the original motion to hold a closed session or if the member contends that the closed session is neither clearly necessary for (a) the protection of the public interest or (b) the prevention of needless injury to the reputation of an individual. Such challenge shall be overruled only by a majority vote of the members of the public body. Such challenge and its disposition shall be recorded in the minutes.

(4) Nothing in this section shall be construed to require that any meeting be closed to the public. No person or public body shall fail to invite a portion of its members to a meeting, and no public body shall designate itself a subcommittee of the whole body for the purpose of circumventing the Open Meetings Act. No closed session, informal meeting, chance meeting, social gathering, email, fax, or other electronic communication shall be used for the purpose of circumventing the requirements of the act.

(5) The act does not apply to chance meetings or to attendance at or travel to conventions or workshops of members of a public body at which there is no meeting of the body then intentionally convened, if there is no vote or other action taken regarding any matter over which the public body has supervision, control, jurisdiction, or advisory power.

84-1411. Meetings of public body; notice; method; contents; when available; right to modify; duties concerning notice; videoconferencing or telephone conferencing authorized; emergency meeting without notice; appearance before public body.

(1)(a) Each public body shall give reasonable advance publicized notice of the time and place of each meeting as provided in this subsection. Such notice shall be transmitted to all members of the public body and to the public.

(b)(i) Except as provided in subdivision (1)(b)(ii) of this section, in the case of a public body described in subdivision (1)(a)(i) of section 84-1409 or such body's advisory committee, such notice shall be published in a newspaper of general circulation within the public body's jurisdiction and, if available, on such newspaper's web site. (ii) In the case of the governing body of a city of the second class or village or such body's advisory committee, such notice shall be published by: (A) Publication in a newspaper of general circulation within the public body's jurisdiction and, if available, on such newspaper's web site; or (B) Posting written notice in three conspicuous public places in such city or village. Such notice shall be posted in the same three places for each meeting. (iii) In the case of a public body not described in subdivision (1)(b)(i) or (ii) of this section, such notice shall be given by a method designated by the public body.

(c) In addition to a method of notice required by subdivision (1)(b)(i) or (ii) of this section, such notice may also be provided by any other appropriate method designated by such public body or such advisory committee.

(d) Each public body shall record the methods and dates of such notice in its minutes.

(e) Such notice shall contain an agenda of subjects known at the time of the publicized notice or a statement that the agenda, which shall be kept continually current, shall be readily available for public inspection at the principal office of the public body during normal business hours. Agenda items shall be sufficiently descriptive to give the public reasonable notice of the matters to be considered at the meeting. Except for items of

an emergency nature, the agenda shall not be altered later than (i) twenty-four hours before the scheduled commencement of the meeting or (ii) forty-eight hours before the scheduled commencement of a meeting of a city council or village board scheduled outside the corporate limits of the municipality. The public body shall have the right to modify the agenda to include items of an emergency nature only at such public meeting.

(2) A meeting of a state agency, state board, state commission, state council, or state committee, of an advisory committee of any such state entity, of an organization created under the Interlocal Cooperation Act, the Joint Public Agency Act, or the Municipal Cooperative Financing Act, of the governing body of a public power district having a chartered territory of more than one county in this state, of the governing body of a public power and irrigation district having a chartered territory of more than one county in this state, of a board of an educational service unit, of the Educational Service Unit Coordinating Council, of the governing body of a risk management pool or its advisory committees organized in accordance with the Intergovernmental Risk Management Act, or of a community college board of governors may be held by means of videoconferencing or, in the case of the Judicial Resources Commission in those cases specified in section 24-1204, by telephone conference, if:

(a) Reasonable advance publicized notice is given as provided in subsection (1) of this section;

(b) Reasonable arrangements are made to accommodate the public's right to attend, hear, and speak at the meeting, including seating, recodation by audio or visual recording devices, and a reasonable opportunity for input such as public comment or questions to at least the same extent as would be provided if videoconferencing or telephone conferencing was not used;

(c) At least one copy of all documents being considered is available to the public at each site of the videoconference or telephone conference;

(d) At least one member of the state entity, advisory committee, board, council, or governing body is present at each site of the videoconference or telephone conference, except that a member of an organization created under the Interlocal Cooperation Act that sells electricity or natural gas at wholesale on a multistate basis, an organization created under the Municipal Cooperative Financing Act, or a governing body of a risk management pool or an advisory committee of such organization or pool may designate a nonvoting designee, who shall not be included as part of the quorum, to be present at any site; and

(e)(i) Except as provided in subdivision (2)(e)(ii) of this section, no more than one-half of the state entity's, advisory committee's, board's, council's, or governing body's meetings in a calendar year are held by videoconference or telephone conference; or (ii) In the case of an organization created under the Interlocal Cooperation Act that sells electricity or natural gas at wholesale on a multistate basis or an organization created under the Municipal Cooperative Financing Act, such organization holds at least one meeting each calendar year that is not by videoconferencing or telephone conferencing.

Videoconferencing, telephone conferencing, or conferencing by other electronic communication shall not be used to circumvent any of the public government purposes established in the Open Meetings Act.

(3) A meeting of a board of an educational service unit, of the Educational Service Unit Coordinating Council, of the governing body of an entity formed under the Interlocal Cooperation Act, the Joint Public Agency Act, or the Municipal Cooperative Financing Act, of the governing body of a risk management pool or its advisory committees organized in accordance with the Intergovernmental Risk Management Act, of a community college board of governors, of the governing body of a public power district, of the governing body of a public power and irrigation district, or of the Nebraska Brand Committee may be held by telephone conference call if:

(a) The territory represented by the educational service unit, member educational service units, community college board of governors, public power district, public power and irrigation district, Nebraska Brand Committee, or member public agencies of the entity or pool covers more than one county;

(b) Reasonable advance publicized notice is given as provided in subsection (1) of this section which identifies each telephone conference location at which there will be present: (i) A member of the educational service unit board, council, community college board of governors, governing body of a public power district, governing body of a public power and irrigation district, Nebraska Brand Committee, or entity's or pool's governing body; or (ii) A nonvoting designee designated under subdivision (3)(f) of this section;

(c) All telephone conference meeting sites identified in the notice are located within public buildings used by members of the educational service unit board, council, community college board of governors, governing body of the public power district, governing body of the public power and irrigation district, Nebraska Brand Committee, or entity or pool or at a place which will accommodate the anticipated audience;

(d) Reasonable arrangements are made to accommodate the public's right to attend, hear, and speak at the meeting, including seating, recodation by audio recording devices, and a reasonable opportunity for input such as public comment or questions to at least the same extent as would be provided if a telephone conference call was not used;

(e) At least one copy of all documents being considered is available to the public at each site of the telephone conference call;

(f) At least one member of the educational service unit board, council, community college board of governors, governing body of the public power district, governing body of the public power and irrigation district, Nebraska Brand Committee, or governing body of the entity or pool is present at each site of the telephone conference call identified in the public notice, except that a member of an organization created under the Interlocal Cooperation Act that sells electricity or natural gas at wholesale on a multistate basis, an organization created under the Municipal Cooperative Financing Act, or a governing body of a risk management pool or an advisory committee of such organization or pool may designate a nonvoting designee, who shall not be included as part of the quorum, to be present at any site;

(g) The telephone conference call lasts no more than five hours; and

(h) No more than one-half of the board's, council's, governing body's, committee's, entity's, or pool's meetings in a calendar year are held by telephone conference call, except that: (i) The governing body of a risk management pool that meets at least quarterly and the advisory committees of the governing body may each hold more than one-half of its meetings by telephone conference call if the governing body's quarterly meetings are not held by telephone conference call or videoconferencing; and (ii) An organization created under the Interlocal Cooperation Act that sells electricity or natural gas at wholesale on a multistate basis or an organization created under the Municipal Cooperative Financing Act may hold more than one-half of its meetings by telephone conference call if the organization holds at least one meeting each calendar year that is not by videoconferencing or telephone conference call.

Nothing in this subsection shall prevent the participation of consultants, members of the press, and other nonmembers of the governing body at sites not identified in the public notice. Telephone conference calls, emails, faxes, or other electronic communication shall not be used to circumvent any of the public government purposes established in the Open Meetings Act.

(4) The secretary or other designee of each public body shall maintain a list of the news media requesting notification of meetings and shall make reasonable efforts to provide advance notification to them of the time and place of each meeting and the subjects to be discussed at that meeting.

(5) When it is necessary to hold an emergency meeting without reasonable advance public notice, the nature of the emergency shall be stated in the minutes and any formal action taken in such meeting shall pertain only to the emergency. Such emergency meetings may be held by means of electronic or telecommunication equipment. The provisions of subsection (4) of this section shall be complied with in conducting emergency meetings. Complete minutes of such emergency meetings specifying the nature of the emergency and any formal action taken at the meeting shall be made available to the public by no later than the end of the next regular business day.

(6) A public body may allow a member of the public or any other witness other than a member of the public body to appear before the public body by means of video or telecommunications equipment.

84-1412. Meetings of public body; rights of public; public body; powers and duties.

(1) Subject to the Open Meetings Act, the public has the right to attend and the right

to speak at meetings of public bodies, and all or any part of a meeting of a public body, except for closed sessions called pursuant to section 84-1410, may be videotaped, televised, photographed, broadcast, or recorded by any person in attendance by means of a tape recorder, camera, video equipment, or any other means of pictorial or sonic reproduction or in writing.

(2) It shall not be a violation of subsection (1) of this section for any public body to make and enforce reasonable rules and regulations regarding the conduct of persons attending, speaking at, videotaping, televising, photographing, broadcasting, or recording its meetings. A body may not be required to allow citizens to speak at each meeting, but it may not forbid public participation at all meetings.

(3) No public body shall require members of the public to identify themselves as a condition for admission to the meeting nor shall such body require that the name of any member of the public be placed on the agenda prior to such meeting in order to speak about items on the agenda. The body may require any member of the public desiring to address the body to identify himself or herself.

(4) No public body shall, for the purpose of circumventing the Open Meetings Act, hold a meeting in a place known by the body to be too small to accommodate the anticipated audience.

(5) No public body shall be deemed in violation of this section if it holds its meeting in its traditional meeting place which is located in this state.

(6) No public body shall be deemed in violation of this section if it holds a meeting outside of this state if, but only if:

(a) A member entity of the public body is located outside of this state and the meeting is in that member's jurisdiction;

(b) All out-of-state locations identified in the notice are located within public buildings used by members of the entity or at a place which will accommodate the anticipated audience;

(c) Reasonable arrangements are made to accommodate the public's right to attend, hear, and speak at the meeting, including making a telephone conference call available at an instate location to members, the public, or the press, if requested twenty-four hours in advance;

(d) No more than twenty-five percent of the public body's meetings in a calendar year are held out-of-state;

(e) Out-of-state meetings are not used to circumvent any of the public government purposes established in the Open Meetings Act;

(f) Reasonable arrangements are made to provide viewing at other instate locations for a videoconference meeting if requested fourteen days in advance and if economically and reasonably available in the area; and

(g) The public body publishes notice of the out-of-state meeting at least twenty-one days before the date of the meeting in a legal newspaper of statewide circulation.

(7) The public body shall, upon request, make a reasonable effort to accommodate the public's right to hear the discussion and testimony presented at the meeting.

(8) Public bodies shall make available at the meeting or the instate location for a telephone conference call or videoconference, for examination and copying by members of the public, at least one copy of all reproducible written material to be discussed at an open meeting. Public bodies shall make available at least one current copy of the Open Meetings Act posted in the meeting room at a location accessible to members of the public. At the beginning of the meeting, the public shall be informed about the location of the posted information.

84-1413. Meetings; minutes; roll call vote; secret ballot; when.

(1) Each public body shall keep minutes of all meetings showing the time, place, members present and absent, and the substance of all matters discussed.

(2) Any action taken on any question or motion duly moved and seconded shall be by roll call vote of the public body in open session, and the record shall state how each member voted or if the member was absent or not voting. The requirements of a roll call or viva voce vote shall be satisfied by a public body which utilizes an electronic voting device which allows the yeas and nays of each member of such public body to be readily seen by the public.

(3) The vote to elect leadership within a public body may be taken by secret ballot, but the total number of votes for each candidate shall be recorded in the minutes.

(4) The minutes of all meetings and evidence and documentation received or disclosed in open session shall be public records and open to public inspection during normal business hours.

(5) Minutes shall be written, except as provided in subsection (6) of this section, and available for inspection within ten working days or prior to the next convened meeting, whichever occurs earlier, except that cities of the second class and villages may have an additional ten working days if the employee responsible for writing the minutes is absent due to a serious illness or emergency.

(6) Minutes of the meetings of the board of a school district or educational service unit may be kept as an electronic record.

84-1414. Unlawful action by public body; declared void or voidable by district court; when; duty to enforce open meeting laws; citizen's suit; procedure; violations; penalties.

(1) Any motion, resolution, rule, regulation, ordinance, or formal action of a public body made or taken in violation of the Open Meetings Act shall be declared void by the district court if the suit is commenced within one hundred twenty days of the meeting of the public body at which the alleged violation occurred. Any motion, resolution, rule, regulation, ordinance, or formal action of a public body made or taken in substantial violation of the Open Meetings Act shall be voidable by the district court if the suit is commenced more than one hundred twenty days after but within one year of the meeting of the public body in which the alleged violation occurred. A suit to void any final action shall be commenced within one year of the action.

(2) The Attorney General and the county attorney of the county in which the public body ordinarily meets shall enforce the Open Meetings Act.

(3) Any citizen of this state may commence a suit in the district court of the county in which the public body ordinarily meets or in which the plaintiff resides for the purpose of requiring compliance with or preventing violations of the Open Meetings Act, for the purpose of declaring an action of a public body void, or for the purpose of determining the applicability of the act to discussions or decisions of the public body. It shall not be a defense that the citizen attended the meeting and failed to object at such time. The court may order payment of reasonable attorney's fees and court costs to a successful plaintiff in a suit brought under this section.

(4) Any member of a public body who knowingly violates or conspires to violate or who attends or remains at a meeting knowing that the public body is in violation of any provision of the Open Meetings Act shall be guilty of a Class IV misdemeanor for a first offense and a Class III misdemeanor for a second or subsequent offense.

Revised
10/2020



PERRY, GUTHERY, HAASE & GESSFORD, P.C., L.L.O.
233 SOUTH 13TH STREET, SUITE 1400, LINCOLN, NE 68508
(402) 476-9200
jgessford@perrylawfirm.com
rschultze@perrylawfirm.com
gperry@perrylawfirm.com



Nebraska Council
of School Administrators

455 South 11th Street, Suite A
Lincoln, NE 68508
(402) 476-8055
ncsa.org

**ESU #1 Board Meeting
Tuesday, December 14, 2021**

A meeting of the ESU #1 Board of Directors convened in open and public session on Tuesday, December 14, 2021, at 5:30 PM, via videoconferencing. **Present:** Traci Haglund, Tucker Hight, AJ Johnson, Shannon Johnson, Sally Reinert, Helen Sorensen, Susan Strahm, Grant Torpin, Josh Weber, **Absent:** Lana Oswald, Benjamin Schultz..

Notice of the meeting was given in advance by publication and/or posting, as shown below, in accordance with the Board approved method for giving notice of meetings. Notice of this meeting was given in advance to all members of the Board of Directors. The Recording Secretary maintains a list of news media requesting notification of meetings and advance notification to the listed media of the time and place of the meeting and the subjects to be discussed at this meeting was provided. Availability of the agenda was communicated in the publicized notice and current copy of the Agenda was maintained as stated in the publicized notice. All proceedings of the Board of Directors, except as may be hereinafter noted, were taken while the convened meeting was open to the attendance of the public.

Published and/or Posted Locations:

- Wayne Herald (Thursday before meeting date)
- Central Office Front Door (Friday before meeting date)
- Sparq (Friday before meeting date)

A. Notification of Open Meetings Law

At the beginning of this meeting, President AJ Johnson announced and informed the public that a current copy of the Open Meetings Act is available at the meeting site and included electronically in the E-meeting agenda.

B. Roll Call*

Motion by Tucker Hight, seconded by Traci Haglund, to excuse the absence of members: Ben Schultz and Lana Oswald. After discussion and on roll call vote, the Board voted as follows:

Motion Carried:

Lana Oswald: Absent, Benjamin Schultz: Absent, Traci Haglund: For, Tucker Hight: For, AJ Johnson: For, Shannon Johnson: For, Sally Reinert: For, Helen Sorensen: For, Susan Strahm: For, Grant Torpin: For, Josh Weber: For
For: 9, Against: 0, Absent: 2

C. Consent Agenda*

Motion by Sally Reinert, seconded by Shannon Johnson, to approve all items on the consent agenda as provided (November 9 Minutes, November Financial Reports, December bills of \$918,927.26, and the Administrator's Report. After discussion and on roll call vote, the Board voted as follows:

Motion Carried:

Lana Oswald: Absent, Benjamin Schultz: Absent, Traci Haglund: For, Tucker Hight: For, AJ Johnson: For, Shannon Johnson: For, Sally Reinert: For, Helen Sorensen: For, Susan Strahm: For, Grant Torpin: For, Josh Weber: For
For: 9, Against: 0, Absent: 2

C.1. Previous Minutes (copy attached)

C.2. Financial Reports

C.2.a. Revenue Report/Treasurer's Report

C.2.b. Cash Summary/Expenditure Report

C.3. Bills for December

C.4. Administrator's Monthly Report

C.4.a. Rule 84 Meeting

On November 17, the ESUCC met with NDE officials for our Rule 84 meeting.

C.4.b. Financial Audit

The ESU 1 financial audit for the fiscal year (Sept. 1 2020 - Aug. 31, 2021) was conducted virtually December 1-3 and the final report is expected to be completed in January.

C.4.c. AESA Conference

Administrator Heimann summarized his attendance at the AESA Conference held in Houston December 1-4.

D. Public Comment

E. Proposed ESU #1 Election Districts*

EDUCATIONAL SERVICE UNIT 1 REDISTRICTING RESOLUTION

WHEREAS, NEB. RE. STAT. § 79-1217.01 requires each Educational Service Unit (ESU) to divide its territory into at least five and up to twelve numbered districts after each decennial census for the purpose of electing members to the board in compliance with section NEB. REV. STAT. § 32-553; and

WHEREAS, NEB. REV. STAT. § 32-553(2) requires the ESU governing board to draw its own district boundaries and requires the board to follow the precinct lines created by the election commissioner or county clerk after each federal decennial census as nearly as possible; and

WHEREAS, the numbered districts must be compact, contiguous, and substantially equal in population; and

WHEREAS, the results of the 2020 decennial census have been reviewed and considered by the ESU Board, Election Commissioners and County Clerks, and the public at large; and

WHEREAS, during the redistricting process the ESU provided notice to the public of its proposed discussions and development of a redistricting plan in compliance with the Nebraska Open Meetings Act.

WHEREAS, the ESU Board considered the proposed redistricting plan at board meetings and has considered any testimony, written comments, written reports as received;

WHEREAS, the ESU Board finds the attached redistricting plan to be in the best interest of its patrons and desires to implement such redistricting plan, effective as of the next general election, and until otherwise modified in accordance with law the next decennial census, whichever occurs first in time;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED AS FOLLOWS:

1. The existing Educational Service Unit 1 district boundaries are amended as shown on the map attached and adopted to define ESU 1's district boundaries. The exhibits are incorporated herein and made a part of this Resolution.
2. The ESU 1 Administrator is authorized and directed to submit this Resolution with the attachments to the election commissioner or county clerk.
3. The newly established districts shall apply beginning with the nomination and election of Educational Service Unit board members in 2022.

Member Tucker Hight moved that the Resolution be adopted. Board member Susan Strahm seconded the motion. After discussion and on roll call vote, the following members voted in favor of adopting the resolution: Traci Haglund, Tucker Hight, AJ Johnson, Shannon Johnson, Sally Reinert, Helen Sorensen, Susan Strahm, Grant Torpin, Josh Weber.

The following members voted against the resolution:

The following members were absent or not voting:
Lana Oswald, Benjamin Schultz.

After this resolution was approved, by a majority of the members of the ESU 1 Board at a duly held, properly publicized and lawfully convened meeting, the board president declared it passed and adopted.

Dated this 14th day of December 2021.

EDUCATIONAL SERVICE UNIT 1

By: _____, Board President

ATTEST:

By: _____, Board Secretary

F. 2022 Mileage Rate*

Motion by Helen Sorensen, seconded by Traci Haglund, to approve the ESU1 mileage rate effective January 1 to coincide with the IRS rate. After discussion and on roll call vote, the Board voted as follows:

Motion Carried:

Lana Oswald: Absent, Benjamin Schultz: Absent, Traci Haglund: For, Tucker Hight: For, AJ Johnson: For, Shannon Johnson: For, Sally Reinert: For, Helen Sorensen: For, Susan Strahm: For, Grant Torpin: For, Josh Weber: For
For: 9, Against: 0, Absent: 2

G. Tower School Hot Lunch Program*

Motion by Grant Torpin, seconded by Sally Reinert, to approve Nicole Haglund as the hot lunch program manager at Tower School. After discussion and on roll call vote, the Board voted as follows:

Motion Carried:

Lana Oswald: Absent, Benjamin Schultz: Absent, Traci Haglund: For, Tucker Hight: For, AJ Johnson: For, Shannon Johnson: For, Sally Reinert: For, Helen Sorensen: For, Susan Strahm: For, Grant Torpin: For, Josh Weber: For
For: 9, Against: 0, Absent: 2

H. Consider, discuss, and take all necessary action regarding the performance evaluation of ESU #1 Administrator*

Motion by Tucker Hight, seconded by Helen Sorensen, to approve the performance evaluation of Dr. Bill Heimann, ESU1 Administrator. After discussion and on roll call vote, the Board voted as follows:

Motion Carried:

Lana Oswald: Absent, Benjamin Schultz: Absent, Traci Haglund: For, Tucker Hight: For, AJ Johnson: For, Shannon Johnson: For, Sally Reinert: For, Helen Sorensen: For, Susan Strahm: For, Grant Torpin: For, Josh Weber: For
For: 9, Against: 0, Absent: 2

I. Consider, discuss, and take all necessary action regarding the ESU #1 Education Association Master Agreement for contract years 2022-23 and 2023-24.*

Motion by Sally Reinert, seconded by Helen Sorensen, to approve the Master Agreement as presented for the 2022-23 and 2023-24 contract years. This includes a 4% total compensation increase in 2022-23 (base \$39,805) with a \$3,500 dollar non-index wage. The 3% total compensation increase in 2023-24 includes a base salary at \$40,310 with a \$3,500 non-index wage. After discussion and on roll call vote, the Board voted as follows:

Motion Carried:

Lana Oswald: Absent, Benjamin Schultz: Absent, Traci Haglund: For, Tucker Hight: For, AJ Johnson: For, Shannon Johnson: For, Sally Reinert: For, Helen Sorensen: For, Susan Strahm: For, Grant Torpin: For, Josh Weber: For
For: 9, Against: 0, Absent: 2

J. Tower School Classified Staff Compensation*

Motion by Traci Haglund, seconded by Sally Reinert, to approve a \$3 increase in Tower School hourly wages for classified staff effective January 1, 2022. After discussion and on roll call vote, the Board voted as follows:

Motion Carried:

Lana Oswald: Absent, Benjamin Schultz: Absent, Traci Haglund: For, Tucker Hight: For, AJ Johnson: For, Shannon Johnson: For, Sally Reinert: For, Helen Sorensen: For, Susan Strahm: For, Grant Torpin: For, Josh Weber: For
For: 9, Against: 0, Absent: 2

K. Teaching and Learning Team and Technology Team Positions

Administrator Heimann proposed hiring an additional Teaching & Learning Team member and a Technology Staff member to meet the needs of our districts. Both positions were budgeted for this year.

L. ESU #1 Board Committees

Board committees will be reviewed in January. Board members were asked to notify President Johnson if they had an interest in a specific committee.

M. Nebraska Association of School Boards State Conference

Administrator Heimann reported on his attendance at the November 18-19 meeting in Omaha.

N. Personnel*

N.1. Consider, discuss, and take necessary action on employee contracts and personnel changes.

N.1.a. Resignation(s)

Amanda Newton, Finance Clerk, effective December 21st 2021.

N.1.b. New Hire(s)

N.1.c. Contract Change(s)

N.1.d. Termination(s)

O. Adjournment

As there were no other agenda items to discuss, President AJ Johnson declared the meeting adjourned at 6:26pm.

Lisa Salmon, Recording Secretary

Helen Sorensen, Board Secretary



107th Legislature, 1st Session

YOUR 2021 EDUCATION COMMITTEE

SEN. LYNNE WALZ, CHAIR
SEN. TOM BRANDT (NEW)
SEN. JEN DAY (NEW)
SEN. LOU ANN LINEHAN
SEN. TERRELL MCKINNEY (NEW)
SEN. ADAM MORFELD
SEN. DAVE MURMAN
SEN. PATTY PANSING BROOKS

DURING SESSION, THE EDUCATION COMMITTEE MEETS ON MONDAYS AND TUESDAYS IN ROOM 1525 ON THE 1ST FLOOR OF THE CAPITOL

JOIN US ONLINE!

LEGISLATIVE ISSUES CONFERENCE
FEBRUARY 1 | 9:00 AM TO 1:00 PM
"WE LIVE HERE!"

REGISTER NOW AT
<https://nasb.envisiams.com/>

STAY UP TO DATE WITH THE LATEST ON ALL BILLS NASB IS FOLLOWING & DOWNLOAD YOUR COPY OF THE 'ADVOCACY HANDBOOK' UNDER THE GOVERNMENT RELATIONS TAB OF WWW.NASBONLINE.ORG

SHARE YOUR STORY

KNOW YOUR DISTRICT'S DATA

UNDERSTAND THE DATA THAT WILL MAKE A DIFFERENCE

NASB LEGISLATIVE TEAM

COLBY COASH, JOHN SPATZ,
MATT BELKA & VICKI WALTER-WINTERS

IT HAS BEGUN ...

Day 1 of this year's 90-day session took place Wednesday as 49 Senators were sworn in by the Chief Justice to begin the day. The election of leadership followed.

Senator Mike Hilgers of Lincoln was elected to serve as the Speaker of the Legislature for the next two-years. He ran unopposed.

Your Education Committee Chair for the next two years will be Senator Lynne Walz of Fremont who won a close vote over Sen. Mike Groene of North Platte. The remaining seven members of the committee were decided in the afternoon and are listed to the left with three new members to the Committee.

The Government, Military and Veteran Affairs Committee will continue to be Chaired by Sen. Tom Brewer of Gordon, who ran unopposed.

Sen. Mark Kolterman of Seward will continue to be the Chair of the Nebraska Retirement Systems as he ran unopposed.

The Chair of the Revenue Committee for the 107th Legislative Session will again be Sen. Lou Ann Linehan of Elkhorn who ran unopposed.

OTHER COMMITTEE CHAIRS INCLUDE:

- Agriculture: Sen. Steve Halloran of Hastings
- Appropriations: Sen. John Stinner of Gering
- Banking, Commerce and Insurance: Sen. Matt Williams of Gothenburg
- Business and Labor: Sen. Ben Hansen of Blair
- General Affairs: Sen. Tom Briese of Albion
- Health and Human Services: Sen. John Arch of Papillion
- Judiciary: Sen. Steve Lathrop of Omaha
- Natural Resources: Sen. Bruce Bostelman of Brainard
- Transportation and Telecommunications: Sen. Curt Friesen of Henderson
- Urban Affairs: Sen. Justin Wayne of Omaha

KEY DATES OF NOTE:

- Senators are allowed to introduce bills for the first 10 working days, which is January 20
- The NASB Legislation Committee meeting is scheduled for January 22
- The annual NASB Legislative Issues Conference is February 1, and will be held virtually
- The final day of the 107th Legislature, 1st Session is currently scheduled for June 10

Throughout the course of this 90-day session, look to NASB to keep you informed on pertinent information regarding key bills and topics important to your schools, public education, advocacy, and local school governance through these *Legislative Notes* updates, on social media at our Twitter and Facebook pages, and always online at www.NASBonline.org!



SPEAKER MIKE HILGERS



SEN. LYNNE WALZ



SEN. TOM BREWER



SEN. MARK KOLTERMAN



SEN. LOU ANN LINEHAN

EDUCATIONAL SERVICE UNIT NO. 1

WAKEFIELD, NEBRASKA

FINANCIAL STATEMENTS

AUGUST 31, 2021



**DANA F. COLE
& COMPANY** LLP
CERTIFIED PUBLIC ACCOUNTANTS

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1 - 3
FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement Net Position - Cash Basis	4
Statement of Activities - Cash Basis	5
Fund Financial Statements	
Statement of Assets, Liabilities, and Fund Balances - Cash Basis - Governmental Fund	6
Statement of Receipts, Disbursements, and Changes in Fund Balances - Cash Basis - Governmental Fund	7
Fiduciary Financial Statements	
Statement of Fiduciary Net Position - Cash Basis	8
Statement of Changes in Fiduciary Net Position - Cash Basis	9
NOTES TO FINANCIAL STATEMENTS	10 - 19
SUPPLEMENTARY INFORMATION	
Schedule of Receipts, Disbursements, and Changes in Fund Balance - Cash Basis - Budget and Actual - General Fund (Unaudited)	20 - 22
Notes to Budgetary Schedule	23
Schedule of Expenditures of Federal Awards	24
Notes to Schedule of Expenditures of Federal Awards	25
REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS AND THE UNIFORM GUIDANCE	
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 <i>Government Auditing Standards</i>	26 - 27
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	28 - 29
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	30 - 31
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	32



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Educational Service Unit No. 1
Wakefield, Nebraska

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Educational Service Unit No. 1, Wakefield, Nebraska, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the Service Unit's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements 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. 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 statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - cash basis of the governmental activities, the major fund, and the aggregate remaining fund information of Educational Service Unit No. 1, Wakefield, Nebraska, as of August 31, 2021, and the respective changes in financial position thereof for the year then ended in conformity with the cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Educational Service Unit No. 1, Wakefield, Nebraska's basic financial statements. The supplementary information on pages 20 - 23 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on pages 24 - 25 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.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of receipts, disbursements, and changes in fund balance - cash basis - budget and actual on pages 20 - 23 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2022, on our consideration of Educational Service Unit No. 1, Wakefield, Nebraska'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 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 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 Educational Service Unit No. 1, Wakefield, Nebraska's internal control over financial reporting and compliance.

Dana F Cole + Company, LLP

Lincoln, Nebraska
January 4, 2022

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
STATEMENT NET POSITION - CASH BASIS
AUGUST 31, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	7,748,749
Cash at county treasurer	<u>387,778</u>
TOTAL ASSETS	<u>8,136,527</u>
LIABILITIES	<u>- 0 -</u>
NET POSITION	
Unrestricted	<u><u>8,136,527</u></u>

See accompanying notes to financial statements.

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED AUGUST 31, 2021

		Program Receipts		Net (Disbursements)
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Receipts and Changes in Net Position
FUNCTIONS/PROGRAMS				
Governmental activities				
Instruction	2,024,311	296,950		(1,727,361)
Support services	7,561,372	7,425,135	16,615	(119,622)
Operation of noninstructional services	207,587	964	185,775	(20,848)
Facilities acquisitions and construction	530			(530)
Federally funded programs	880,238		984,402	104,164
Total governmental activities	10,674,038	7,723,049	1,186,792	(1,764,197)
GENERAL RECEIPTS				
Property taxes				1,523,148
Unrestricted state funds				538,106
Interest income				28,415
Other				135,533
Total general receipts				2,225,202
CHANGE IN NET POSITION				461,005
NET POSITION, beginning of year				7,675,522
NET POSITION, end of year				8,136,527

See accompanying notes to financial statements.

EDUCATIONAL SERVICE UNIT NO. 1
 WAKEFIELD, NEBRASKA
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES -
 CASH BASIS
 GOVERNMENTAL FUND
 AUGUST 31, 2021

	General Fund
ASSETS	
ASSETS	
Cash and cash equivalents	7,748,749
Cash at county treasurer	<u>387,778</u>
 TOTAL ASSETS	 <u>8,136,527</u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	<u>- 0 -</u>
FUND BALANCES	
Assigned	
Unemployment expenses	21,769
Unassigned	<u>8,114,758</u>
Total fund balances	<u>8,136,527</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>8,136,527</u>

See accompanying notes to financial statements.

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
CASH BASIS
GOVERNMENTAL FUND
YEAR ENDED AUGUST 31, 2021

	General Fund
RECEIPTS	
Local	9,410,145
State	740,496
Federal	984,402
Total receipts	<u>11,135,043</u>
DISBURSEMENTS	
Instruction	2,024,311
Support services	7,561,372
Operation of noninstructional services	207,587
Facilities acquisitions and construction	530
Federally funded programs	880,238
Total disbursements	<u>10,674,038</u>
NET CHANGE IN FUND BALANCES	461,005
FUND BALANCE, beginning of year	<u>7,675,522</u>
FUND BALANCE, end of year	<u><u>8,136,527</u></u>

See accompanying notes to financial statements.

EDUCATIONAL SERVICE UNIT NO. 1
 WAKEFIELD, NEBRASKA
 STATEMENT OF FIDUCIARY NET POSITION
 CASH BASIS
 FIDUCIARY FUND
 AUGUST 31, 2021

	Cafeteria Plan Fund
ASSETS	
Cash and cash equivalents	<u>39,417</u>
LIABILITIES	<u>- 0 -</u>
NET POSITION	
Held in trust for General Fund	400
Held in trust for employees	<u>39,017</u>
TOTAL NET POSITION	<u>39,417</u>

See accompanying notes to financial statements.

EDUCATIONAL SERVICE UNIT NO. 1
 WAKEFIELD, NEBRASKA
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CASH BASIS
 FIDUCIARY FUND
 YEAR ENDED AUGUST 31, 2021

	Cafeteria Plan Fund
RECEIPTS	
Local	
Interest	158
Participant contributions	<u>108,045</u>
Total receipts	<u>108,203</u>
DISBURSEMENTS	
Payments to participants	<u>108,074</u>
NET CHANGE IN FUND BALANCES	129
FUND BALANCE, beginning of year	<u>39,288</u>
FUND BALANCE, end of year	<u><u>39,417</u></u>

See accompanying notes to financial statements.

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies of Educational Service Unit No. 1, Wakefield, Nebraska (the Service Unit).

Organization

Educational Service Unit No. 1 is a governmental entity established under and governed by the laws of the state of Nebraska and administrative regulations of the Nebraska Department of Education. Educational Service Unit No. 1 serves as an educational service provider to its member school districts.

Reporting Entity

Educational Service Unit No. 1, Wakefield, Nebraska, has given consideration to potential component units for which it is financially accountable. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of the organization's governing body and the ability of Educational Service Unit No. 1 to impose its will on that organization to provide specific financial benefits to, or impose specific financial burdens on, Educational Service Unit No. 1. The Service Unit did not have any component units.

Basic Financial Statements - Government-Wide Statements

The statement of activities and statement of net position report information on the Service Unit as a whole. They include all funds of the Service Unit except for fiduciary funds. The effects of interfund activity have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Service Unit does not report any business-type activities.

The statement of activities and the statement of net position demonstrate the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general receipts.

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements - Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements as applicable.

The financial transactions of the Service Unit are reported in individual funds in the fund financial statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, receipts, and disbursements.

Fund Types

The accounts of the Service Unit are organized on the basis of funds, which are grouped into the following fund types:

Governmental Fund Types

General Fund - Used to account for current financial resources, not accounted for in other funds, related to general operations.

Fiduciary Fund Types

Cafeteria Plan Fund - This fund accounts for contributions and disbursements related to certain employee benefits.

Major Funds

The Service Unit reports all governmental funds as major funds.

Measurement Focus and Basis of Accounting

Educational Service Unit No. 1 prepares its financial statements on the cash basis, which is in conformity with the accounting practices prescribed or permitted by the State of Nebraska Department of Education; consequently, these statements represent a summary of the cash activity of the various funds of Educational Service Unit No. 1 and do not include certain transactions that would be included if Educational Service Unit No. 1 prepared its financial statements in accordance with accounting principles generally accepted in the United States of America, as applicable to governmental units. Under the cash basis, receipts are recognized when collected rather than when earned, and disbursements are recognized when paid rather than when incurred. Consequently, these financial statements are not intended to present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America, as applicable to governmental units.

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Taxes and other revenues collected by the county treasurers are included in revenues of Educational Service Unit No. 1 in the year collected by the counties, and Educational Service Unit No. 1 funds held by the county treasurers at year end are included as assets of Educational Service Unit No. 1. This is in accordance with the requirements of the State of Nebraska Department of Education.

Capital Assets

Capital assets are not recorded as assets on the government-wide or fund financial statements, and depreciation is not recognized. Purchases or capital assets are recorded as disbursements by function in the financial statements.

Long-Term Obligations

Long-term debt is not reported as a liability in the government-wide or fund financial statements. Proceeds from long-term debt are reported as receipts, and payments of principal are reported as disbursements in both the government-wide and fund financial statements.

Budget Process and Property Taxes

The Service Unit is required by state law to hold public hearings and adopt annual budgets for all funds on the cash basis of accounting. Total disbursements for each fund may not exceed the total budgeted disbursements. The General Fund is also subject to a total non-special education disbursement limit. Appropriations for disbursements lapse at year end. Any revisions to the adopted budget of total disbursements to any fund require a public hearing. State statutes of the Nebraska Budget Act provide the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various disbursements and/or tax levy limitations.

The property tax requirement resulting from the budget process is utilized to establish the tax levy in accordance with state statutes, which tax levy attaches as an enforceable lien on property within the Service Unit as of January 1. Taxes are due as of that date. One-half of the real estate taxes due January 1, become delinquent after the following May 1, with the second one-half becoming delinquent after September 1.

Equity Classification

Government-Wide Statements

Equity is classified as net position and displayed in two components:

Restricted net position consists of net assets with constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or through constitutional provision or enabling legislation.

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification (Continued)

Government-Wide Statements (Continued)

Unrestricted net position consists of net assets that do not meet the definition of restricted.

It is the Service Unit's policy to use restricted net assets first, prior to the use of unrestricted net assets, when a disbursement is paid for purposes in which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Service Unit is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable

This classification includes amounts that cannot be spent because they either (a) are not in spendable form or (b) are legally or contractually required to be maintained intact. The Service Unit currently has no amounts classified in this category.

Restricted

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. The Service Unit currently has no amounts classified in this category.

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Service Unit currently has no amounts classified in this category.

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification (Continued)

Fund Financial Statements (Continued)

Fund Balance Classification (Continued)

Assigned

This classification includes amounts that are constrained by the Service Unit's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board delegating this responsibility to the Service Unit manager through the budgetary process.

Unassigned

This classification includes the residual fund balance for the General Fund.

The Service Unit would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Compensated Absences

Employees of Educational Service Unit No. 1 earn paid sick days, personal days, and other time off depending on the length of service and position. Educational Service Unit No. 1 maintains records of cumulative days of sick and personal leave. Sick leave is cumulative for up to 65 days. Employees are not paid for any unused leave upon closure of Educational Service Unit No. 1 employment.

Use of Estimates

The preparation of financial statements in conformity with the cash basis of accounting used by the Service Unit requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

New Accounting Pronouncements

In January 2017, GASB issued Statement 84, *Fiduciary Activities*. This statement is effective for fiscal years beginning after December 15, 2019. The Service Unit did not early implement this statement. GASB 84 establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Certain fiduciary activities meeting the new criteria will be reported as custodial funds and a statement of changes will be a required financial statement. When adopted, GASB 84 had no significant effect on the Service Unit's financial reporting.

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS

For the following disclosures, deposits - including checking accounts, savings accounts, money market accounts, and certificates of deposit - are all classified as cash or cash and cash equivalents on the financial statements.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Service Unit's deposits may not be returned to it. As of August 31, 2021, the Service Unit held bank deposits and also held funds in certificates of deposit.

Cash per the books of Educational Service Unit No. 1, Wakefield, Nebraska, at August 31, 2021, consisted of the following:

The Service Unit's cash and investments are reported as follows:

Governmental activities	7,748,749
Fiduciary funds	<u>39,417</u>
Total cash and investments	<u><u>7,788,166</u></u>

The carrying value (fair value) of the cash and investments consisted of the following:

Demand deposits	5,670,932
Certificates of deposit	<u>2,117,234</u>
Total cash and investments	<u><u>7,788,166</u></u>

Maturities of certificates of deposit are as follows:

One to five years	<u><u>2,117,234</u></u>
-------------------	-------------------------

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Service Unit's deposits may not be returned to it. As of August 31, 2021, all of the Service Unit's deposits with financial institutions were fully insured or collateralized by securities held in the Service Unit's name in the form of joint safekeeping receipts. State law requires all funds in depositories to be fully insured or collateralized, and the Service Unit's policy is to require depositories to provide pledged securities to cover deposits in excess of FDIC limits.

Investments

Nebraska statutes allow the Service Unit to make any investment allowed by the State Investment Officer. This includes bank certificates of deposit.

As defined by Governmental Accounting Standards Board Statement 3, the Service Unit had no investments as of August 31, 2021.

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. RETIREMENT PLAN

Plan Description

The Educational Service Unit No. 1 contributes to the Nebraska School Employees Retirement System, a cost-sharing, multiple-employer defined benefit pension plan administered by the Nebraska Public Employees Retirement System (NPERS). NPERS provides retirement and disability benefits to plan members and beneficiaries. The School Employees Retirement Act establishes benefit provisions.

In 1945, the Nebraska Legislature enacted the law establishing a retirement plan for school employees of the State. During the NPERS fiscal year ended June 30, 2020, there were 265 participating school districts. These were the districts that had contributions during the fiscal year. All regular public-school employees in Nebraska, other than those who have their own retirement plans (Class V school districts, Nebraska State Colleges, University of Nebraska, and Nebraska Community Colleges), are members of the plan.

Benefits Provided

Normal retirement is at age 65. For an employee who became a member before July 1, 2013, the monthly benefit is equal to the greater of the following: (1) the sum of a savings annuity, which is the actuarial equivalent of the member's accumulated contributions and a service annuity equal to \$3.50 per year of service or (2) the average of the three 12-month periods of service as a school employee in which such compensation was the greatest, multiplied by total years of creditable service, multiplied by a formula factor (currently 2%) set by statute, and an actuarial factor based on age.

For an employee who became a member on or after July 1, 2013, the monthly benefit is equal to the greater of the following: (1) the sum of a savings annuity, which is the actuarial equivalent of the member's accumulated contributions and a service annuity equal to \$3.50 per year of service or (2) the average of the five 12-month periods of service as a school employee in which such compensation was the greatest, multiplied by total years of creditable service, multiplied by a formula factor (currently 2%) set by statute, and an actuarial factor based on age.

Benefit calculations vary with early retirement. Employees' benefits are vested after five years of plan participation or when termination occurs at age 65 or later.

For school employees who became members prior to July 1, 2013, the benefit paid to a retired member or beneficiary receives an annual cost of living adjustment, which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers, or two and one-half percent. The current benefit paid to a retired member or beneficiary is adjusted so that the purchasing power of the benefit being paid is not less than 75 percent of the purchasing power of the initial benefit.

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. RETIREMENT PLAN (Continued)

For school employees who became members on or after July 1, 2013, the benefit paid to a retired member or beneficiary receives an annual cost-of-living adjustment, which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers, or one percent.

Contributions

Contribution provisions are established by state law and may be amended only by the Nebraska legislature. The state contribution is considered a nonemployer contribution since school employees are not employees of the state. The contribution rates (as a percentage of covered payroll for the year) were as follows:

- Members (employees): Each member contributed 9.78% of monthly salary.
- Service Unit: The Service Unit contributed 101% of the member contributions.
- State: The State contributed 2% of estimated payroll for the plan year.

Educational Service Unit No. 1's contribution to the Plan for its year ended August 31, 2021, was \$676,993. The Service Unit's total payroll for all employees was \$7,149,599. Total covered payroll was \$6,853,675. Covered payroll refers to all compensation paid by the Service Unit to active employees covered by the Plan.

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Nebraska Public Employees Retirement Systems Plan financial report. NPERS issues a publicly available financial report that includes financial statements and required supplementary information for NPERS. That report may be obtained by writing the NPERS, P.O. Box 94816, Lincoln, NE 68509-4816, by calling 1.800.245.5712 or via the internet at http://www.auditors.nebraska.gov/APA_Reports.

NOTE 4. UNEMPLOYMENT COMPENSATION INSURANCE

Educational Service Unit No. 1 has adopted the reimbursable option of the State's Unemployment Compensation Insurance Program. Under this option, a claimant would receive unemployment compensation from the State. Educational Service Unit No. 1 is obligated to reimburse to the State the amount of any claim.

Educational Service Unit No. 1 has not established a reserve for this contingent liability. However, the expense is included as a line item on the budget each year, at an estimated amount based on factors including past experience.

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 5. LEASE COMMITMENTS

Educational Service Unit No. 1 leases a postage machine under an operating lease. The lease is for a 60-month term at \$178 per month expiring in August 2023.

The Service Unit also leases copiers under an operating lease. The lease calls for 48 payments at \$249 per month expiring in June 2024.

Minimum lease payments as of August 31, 2021, are as follows:

Year Ending August 31,	
2023	5,025
2024	<u>1,777</u>
	<u><u>6,802</u></u>

NOTE 6. RISK MANAGEMENT

The Service Unit is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Service Unit has purchased commercial insurance to offset these certain risks. Settled claims have not significantly exceeded this commercial coverage in any of the past three fiscal years.

NOTE 7. CONTINGENCIES

Educational Service Unit No. 1 participates in a variety of federally funded programs. Federal expenditures are subject to audit by the U.S. government and pass-through agencies. In the opinion of management, disallowed costs, if any, will not have a material effect on the financial position of Educational Service Unit No. 1 or its federal grant programs.

NOTE 8. TAX ABATEMENTS

Educational Service Unit No. 1 is subject to property tax abatements granted by various cities in the area through Tax Incremental Financing (TIF) agreements with various developers. The incremental increase in valuation from the development is not included in Educational Service Unit No. 1's available valuation base until the TIF agreement has expired which is generally 15 years. The incremental taxes, including Educational Service Unit No. 1's share is returned to the developer, effectively rebating the taxes on the increased valuation.

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 8. TAX ABATEMENTS (Continued)

Information relevant to the tax abatements impacting the Service Unit for the year ending August 31, 2021, are as follows:

Total TIF valuation 2020	2,630,814
Service Unit's total levy	.015
Service Unit's share of tax abatement	22,032

NOTE 9. RISKS & UNCERTAINTIES

The COVID-19 pandemic continues to impact the Educational Service Unit No. 1 and member districts. Funding from the state, for grants, and from districts has held steady. The use of Zoom meetings helps to continue adaptive work in a safe environment.

NOTE 10. RECENTLY ISSUED AND ADOPTED ACCOUNTING PRONOUNCEMENTS

In June 2017, GASB issued Statement 87, *Leases*. This statement is effective for fiscal years beginning after June 15, 2021. The District did not early implement this statement. When adopted, GASB 87 will require disclosure of the timing, significance, and purpose of a government's leasing arrangements. When adopted, GASB 87 will not have a material effect on the financial statements other than possible disclosures in the notes.

NOTE 11. SUBSEQUENT EVENT

In preparing the financial statements, the Service Unit has evaluated events and transactions for potential recognition or disclosure through, January 4, 2022, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
(UNAUDITED)
YEAR ENDED AUGUST 31, 2021

	Original and Final Budget	Actual
RECEIPTS		
Local sources		
Local property taxes		1,519,717
Penalties and interest on taxes		3,431
SPED Contracts		7,425,135
Regular education contracts		87,505
Interest		28,415
Local tuition		146,445
Distance education		63,000
Other local sources		136,497
Total local sources		9,410,145
State sources		
Homestead exemption		15,778
Property tax relief		138,326
Personal property tax credit		972
Nameplate capacity tax		24,412
Pro-rate motor vehicle		4,126
State early childhood		185,775
Core services and technology		354,492
Other state sources		16,615
Total state sources		740,496
Federal sources		
Title I, Part A		11,623
IDEA Part B, PEaK		81,463
Carl Perkins		92,500
Title I, Part C		239,668
Medicaid in Public Schools		173,667
Medicaid Administrative Activities		99,025
Other federal sources		286,456
Total federal sources		984,402
TOTAL RECEIPTS	11,811,985	11,135,043

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
(UNAUDITED)
YEAR ENDED AUGUST 31, 2021

	Original and Final Budget	Actual
DISBURSEMENTS		
Instruction		
Early childhood educational programs		42,882
Special education instructional programs - school age		1,402,521
Special education instructional programs - below age 5		578,908
Support services - students		
Attendance and social work services		65,500
Health services - SPED school age		44,737
Psychological services - SPED school age		2,123,651
Psychological services - SPED below age 5		56,177
Speech pathology and audiology services - SPED school age		1,905,638
Speech pathology and audiology services - SPED below age 5		394,510
Occupational therapy - related services - SPED school age		273,743
Occupational therapy - related services - SPED below age 5		121,408
Physical therapy - related services - SPED school age		76,996
Physical therapy - related services - SPED ages 0 - 5		154,191
Visually impaired - related services - SPED school age		163,632
Visually impaired - related services - SPED ages 0 - 5		17,953
Support services - other		46,047
Support services - instruction		
School improvement		106,182
Instructional staff training		621,009
Audio/visual services		10,112
Support services - other		20,934
Support services - general administration		
Board of education		8,405
Executive administration		241,830
Legal services		4,661
Central services		
Fiscal services		292,944
Public information services		2,414
Personnel services		25,093
Administrative technology services		482,312
Central services - other		110,701

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
(UNAUDITED)
YEAR ENDED AUGUST 31, 2021

	Original and Final Budget	Actual
DISBURSEMENTS (Continued)		
Operation and maintenance of plant		
Operation of buildings		167,508
Care and upkeep of grounds		18,967
Student transportation		
Other student transportation services - school age 5 SPED		249
Other support services		3,868
Operation of noninstructional services		
Food service operations		1,539
Private and state categorical programs		
State early childhood		206,048
Facilities acquisitions and construction		
Building improvements		530
Federal programs		
IDEA special projects		165,459
IDEA Part C Planning Region Team		18,496
IDEA Part B PEaK Projects		84,019
Federal vocational and applied technology		97,370
Federal nutrition programs		8,810
Title I, Part C - education of migratory children		320,754
Other federal programs		185,330
TOTAL DISBURSEMENTS	<u>14,061,985</u>	<u>10,674,038</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS		461,005
FUND BALANCE, beginning of year		<u>7,675,522</u>
FUND BALANCE, end of year		<u>8,136,527</u>

See accompanying notes to budgetary schedules.

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
NOTES TO BUDGETARY SCHEDULE

NOTE 1. SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL

Basis of Accounting

The accompanying schedule of receipts, disbursements, and changes in fund balance - cash basis - budget and actual is presented on the cash basis of accounting. This basis is consistent with the basis of accounting used in preparing the basic financial statements. All undisbursed appropriations lapse at the end of the budget year.

Budget Law

The Service Unit is required by state law to hold public hearings and adopt annual budgets for all funds on the cash basis of accounting. Total disbursements for each fund may not exceed the total budgeted disbursements. The General Fund is also subject to a total non-special education disbursement limit. Appropriations for disbursements lapse at year end. Any revisions to the adopted budget of total disbursements to any fund require a public hearing.

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Pass-Through Entity Identifying Number	CFDA Number	Expendi- tures
<u>U.S. Department of Education</u>			
Passed through Nebraska Department of Education			
Special Education Cluster			
Promoting Engagement and Knowledge (PEaK)			
	21-00-0001-4418-P-145	84.027	84,019
MTSS	21-00-0001-4418-M-132	84.027	113,461
BIRSST Regional Grant	21-00-0001-4523-B-153	84.027	2,867
MTSS Facilitator	2000-0001-4523-M-161	84.027	20,297
Total program			<u>220,644</u>
Pyramid Facilitator	21-00-0001-4523-PY-164	84.173	28,833
Total Special Education Cluster			<u>249,477</u>
Special education grants for infants and families			
	21-6416-00-01-000-0001	84.181	18,496
Migrant Education State Grant Program	21-6915-00-01-000-0001	84.011	320,754
Career and Technical Education			
Career Academy			
		84.048	11,738
Basic grants to states (Perkins)	21-6700-00-01-000-0001	84.048	97,370
Total U.S. Department of Education			<u>697,835</u>
<u>U.S. Department of Agriculture</u>			
Passed through Nebraska Department of Education			
Child Nutrition Cluster - National School Lunch Program			
		10.559	<u>8,810</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Nebraska Department of Health and Human Services			
Medicaid Cluster - Medical Assistance Program			
		93.778	99,025
Passed through Nebraska Department of Education			
CCDF Cluster - Child Care and Development Block Grant			
	21-4990-00-001-000-0001	93.575	149,045
Student Succeeds Act/Preschool	21-00-0001-4523-PY-164	93.434	24,547
Total U.S. Department of Health and Human Services			<u>272,617</u>
TOTAL			<u>979,262</u>

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED August 31, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Educational Service Unit No. 1 under programs of the federal government for the year ended August 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Educational Service Unit No. 1 it is not intended to and does not present the financial position, changes in net assets, or cash flows of Educational Service Unit No. 1.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash 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.

NOTE 3. SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, Educational Service Unit No. 1 provided no federal awards to subrecipients.

NOTE 4. INDIRECT COST RATE

Educational Service Unit No. 1 has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors
Educational Service Unit No. 1
Wakefield, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Educational Service Unit No. 1, Wakefield, Nebraska, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise Educational Service Unit No. 1, Wakefield, Nebraska's basic financial statements, and have issued our report thereon dated January 4, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Educational Service Unit No. 1, Wakefield, Nebraska's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Educational Service Unit No. 1, Wakefield, Nebraska's internal control. Accordingly, we do not express an opinion on the effectiveness of Educational Service Unit No. 1, Wakefield, Nebraska's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Educational Service Unit No. 1, Wakefield, Nebraska's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Dana F Cole + Company, LLP

Lincoln, Nebraska
January 4, 2022



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors
Educational Service Unit No. 1
Wakefield, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Educational Service Unit No. 1, Wakefield, Nebraska's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Educational Service Unit No. 1, Wakefield, Nebraska's major federal programs for the year ended August 31, 2021. Educational Service Unit No. 1, Wakefield, Nebraska'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 the requirements of 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 Educational Service Unit No. 1, Wakefield, Nebraska'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* (CFR) 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 Educational Service Unit No. 1, Wakefield, Nebraska'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 Educational Service Unit No. 1, Wakefield, Nebraska's compliance.

Opinion on Each Major Federal Program

In our opinion, Educational Service Unit No. 1, Wakefield, Nebraska, 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 August 31, 2021.

Report on Internal Control Over Compliance

Management of Educational Service Unit No. 1, Wakefield, Nebraska, 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 Educational Service Unit No. 1, Wakefield, Nebraska'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 Educational Service Unit No. 1, Wakefield, Nebraska'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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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


Dana F. Cole + Company, LLP

Lincoln, Nebraska
January 4, 2022

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED August 31, 2021

SECTION I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness identified: ___Yes X No

Significant deficiencies identified that are not considered to be material weaknesses: ___Yes X None reported

Noncompliance matter to the financial statements disclosed: ___Yes X No

Federal Awards

Internal control over major programs:

Material weakness identified: ___Yes X No

Significant deficiencies identified that are not considered to be material weakness: ___Yes X None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a): ___Yes X No

Identification of major programs:

Migrant Education State Grant Program	84.011
Child Care and Development Block Grant	93.575

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee: ___Yes X No

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED August 31, 2021

SECTION II. FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

EDUCATIONAL SERVICE UNIT NO. 1
WAKEFIELD, NEBRASKA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED August 31, 2021

There were no prior audit findings for the year ended August 31, 2020.