UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

FINANCIAL STATEMENT
AND INDEPENDENT AUDITORS' REPORT

For the Year Ended June 30, 2024

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

For the Year Ended June 30, 2024

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Independent Auditors' Report

To the Board of Education
Unified School District No. 403
Otis, KS

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 403, Otis, Kansas, as of and for the year ended June 30, 2024, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 403, Otis, Kansas, as of June 30, 2024, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 403, Otis, Kansas, as of June 30, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide.* Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note A of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide,* which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, included any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance

with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Unified School District No. 403, Otis, Kansas as of and for the year ended June 30, 2023 (not presented herein), and have issued our report thereon dated October 31, 2023, which contained an unmodified opinion on the basis financial statement. The 2023 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link http://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2024 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2023 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 basic financial statement or to the 2023 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 comparative information is fairly stated in all material respects in relation to the 2023 basic financial statement as a whole for the year ended June 30, 2023, on the basis of accounting described in Note A.

Gudenkauf & Malone, Inc.
October 30, 2024

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2024

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds						
General	$ 194	$ 2,576,274	$ 2,576,468	$ -	$ 206,017	$ 206,017
Supplemental General	72,815	773,340	774,893	71,262	17,238	88,500
Total General Funds	73,009	3,349,614	3,351,361	71,262	223,255	294,517
Special Purpose Funds						
Capital Outlay	734,188	291,828	308,674	717,342	268,676	986,018
Driver Training	14,703	3,360	3,119	14,944	-	14,944
Food Service	63,006	200,342	200,651	62,697	104	62,801
Professional	25,070	11,826	13,496	23,400	1,260	24,660
Special Education	196,984	452,972	488,545	161,411	-	161,411
Vocational Education	125,391	182,413	148,967	158,837	16,503	175,340
Textbook Rental	16,992	11,370	3,182	25,180	-	25,180
Contingency Reserve	246,451	19,526	-	265,977	-	265,977
At-Risk (K-12)	170,080	315,353	290,178	195,255	3,259	198,514
At-Risk (4 Yr. Old)	43,681	75,000	58,169	60,512	9,766	70,278
Bilingual Education	338	1,107	566	879	-	879
KPERS	-	226,729	226,729	-	-	-
South Wind Virtual	40,847	107,019	87,140	60,726	4,765	65,491
KDHE COVID Testing	(23,433)	329,458	305,800	225	-	225
ESSER	(17,745)	339,895	469,696	(147,546)	144,184	(3,362)
Title I	-	68,904	68,904	-	9,831	9,831
Title II A - Teacher Improvement	-	6,286	6,286	-	-	-
Title IV - ESSA Student Support	-	12,895	12,895	-	-	-
Gifts and Grant	18,298	145,229	136,852	26,675	-	26,675
Small Rural Schools Grant	(10,360)	26,736	16,376	-	-	-
Carl Perkins Grant	-	5,997	5,997	-	-	-
District Activity	11,963	28,982	26,663	14,282	-	14,282
Total Special Purpose Funds	1,656,454	2,863,227	2,878,885	1,640,796	458,348	2,099,144
Total Reporting Entity (Excluding Agency Funds)	$ 1,729,463	$ 6,212,841	$ 6,230,246	$ 1,712,058	$ 681,603	$ 2,393,661

Checking	$ 478,836
Money Market	1,757,477
Certificates of Deposit	200,532
Total Cash	2,436,845
Agency Funds Per Schedule 3	(43,184)
Total Reporting Entity (Excluding Agency Funds)	$ 2,393,661

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity

Unified School District No. 403 is a municipal corporation governed by an elected seven-member board. This financial statement presents USD No. 403, Otis, Kansas.

The regulatory financial statement presents USD 403 of Otis, KS (the municipality) and does not include any related municipal entities.

Regulatory Basis Fund Types

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

The following funds comprise of the regulatory cash basis of accounting:

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.).

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, student activity funds, etc.).

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Accounting and Auditing Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligation to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The municipality did hold a revenue neutral rate hearing for this year.

The statues allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the district for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

Textbook Rental, Contingency Reserve, ESSER, Title I, Title II A – Teacher Improvement, Title IV – ESSA Student Support, Title V & Federal Funds, Gifts and Grants, Small Rural Schools Grant, Carl Perkins Grant, and District Activity

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statues, or by the use of internal spending limits established by the governing body.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Reimbursements

A reimbursement is an expenditure initially made in one fund, but properly attributable to another fund. For example, it is common for the general fund to pay a vendor's bill and have portions of it reimbursed by other funds. In accounting for such reimbursements, the district records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement.

Property Tax

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County appraiser annually determines assessed valuations based on real estate transactions recorded by the Register of Deeds and personal property transactions reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are assessed on a calendar year basis and become a lien on property on November 1 of each year. The taxes are due one-half on December 20th and one-half the following May 10th. Any taxes unpaid at the due dates are considered delinquent.

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current operation of the school district and therefore are not susceptible to accrual.

Undistributed taxes from the prior year levy are recognized as income in the current year. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material to the financial statements taken as a whole.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statute

K.S.A. 10-1113 requires that expenditures be made in compliance with the cash basis law which states that no indebtedness be created in a fund in excess of available monies in that fund. The ESSER Fund appears to be in violation of this statute. A fund can end the year with a negative unencumbered cash balance due to waiting on grant reimbursements/loan proceeds. The Funds meet the criteria for this exemption.

K.S.A. 10-815 requires checks outstanding for two or more years to be canceled and restored to the fund originally charged. There are checks outstanding in the district checking account that are over two years old.

USD 403 is not aware of any other statutory violations.

NOTE C – DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for

NOTE C – DEPOSITS AND INVESTMENTS - CONTINUED

deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during the designated "peak periods," when required coverage is 50%. The District has not designated any "peak periods." All deposits were legally secured at June 30, 2024.

At June 30, 2024, the District's carrying amount of deposits was $2,435,844 and the bank balance was $2,801,277. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by 2 banks resulting in a concentration of credit risk. Of the bank balance, $507,598 was covered by federal depository insurance, $2,293,679 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE D – INTERFUND TRANSACTIONS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	At Risk (4 Yr. Old)	K.S.A. 72-5167	$190,800
General	Bilingual	K.S.A. 72-5167	100
General	Special Education	K.S.A. 72-5167	392,819
General	Capital Outlay	K.S.A. 72-5167	42,611
General	Virtual School	K.S.A. 72-5167	86,569
General	Vocational Education	K.S.A. 72-5167	135,000
General	Contingency	K.S.A. 72-5167	19,525
General	Food Service	K.S.A. 72-5167	25,000
General	Professional Development	K.S.A. 72-5167	10,000
Supplemental General	Food Service	K.S.A. 72-5143	45,000
Supplemental General	Special Education	K.S.A. 72-5143	56,504
Supplemental General	At Risk (4 Yr. Old)	K.S.A. 72-5143	75,000
Supplemental General	At Risk (K-12)	K.S.A. 72-5143	124,553
Supplemental General	Bilingual	K.S.A. 72-5143	1,007
Supplemental General	Virtual School	K.S.A. 72-5143	20,000
Supplemental General	Vocational Education	K.S.A. 72-5143	45,000

NOTE E – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS/COMMITMENTS

Other Post-Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kanas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2024.

Compensated Absences

Discretionary Leave
Certified Staff will be granted 15 days annually, per year accumulative leave maximum of 85 days. The USD will buy back unused leave time over 70 days at half the substitute teacher rate.

Discretionary Leave
Classified employees will be granted 12 days annually, per year accumulative leave maximum of 85 days. The USD will buy back unused leave time over 73 days at half the classified substitute rate. The annual amount of sick leave will be credited to the employee annually on July 1. Employees hired for summer help are not eligible for sick leave benefits. Termination of employment shall automatically void all accumulated days of sick leave.

Vacation If granted, classified employees with one to nine years of experience in the district will be granted ten days of vacation per year. Employees with ten years or more experience in the district will be granted fifteen days of vacation per year. Employees with twenty years or more experience in the district will be granted twenty days of vacation per year. The additional days of vacation will commence on July 1 following the anniversary date of employment. Vacation days will not be accumulative.

NOTE F – DEFINED BENEFIT PENSION PLAN

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its

Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A 74-49,210 establishes the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1,

NOTE F – DEFINED BENEFIT PENSION PLAN – CONTINUED

2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 13.88% and 13.11%, respectively, for the fiscal year ended June 30, 2023. The actuarially determined employer contribution rate and the statutory contribution rate was 13.38% and 12.57% for the fiscal year ended June 30, 2024.

The 2015 Legislature passed and the Governor approved Senate Bill 228 authorizing the issuance of $1.0 billion in pension obligation bonds to fund a portion of the School -Group's unfunded actuarial liability. The bonds were successfully issued in August 2015 and the proceeds transferred to the System.

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue pension obligation bonds, series 2021K, net proceeds of $500 million to fund a portion of the School-Group's unfunded actuarial liability. The bond proceeds were received by KPERS on August 26, 2021.

The 2022 Legislature passed Senate Bill 421, which authorized the State of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first $253.9 million paid off outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019 while the remaining $871.1 million was applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600 million was transferred in May/June 2022.

In addition, Senate Bill 421 authorizes two additional transfers in Fiscal Year 2023 which totaled $271.1 million. The first transfer of $146.1 million was received on August 1, 2022. The second transfer of $125 million was received on December 1, 2022.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $99,948 for the year ended June 30, 2024.

Net Pension Liability

At June 30, 2024, the District's proportionate share of the collective net pension liability reported by KPERS was $2,354,236. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup with KPERS for the fiscal year ended June 30, 2023. Since KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

NOTE G – CLAIMS AND JUDGMENTS

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the district may be required to reimburse the grantor government.

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for these potential risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

NOTE H– RELATED PARTY TRANSACTIONS

In a governmental entity, related parties include members of the governing body, board members, administrative officials, and immediate families of administrative officials, board members, and members of the governing body. Required disclosures on related party transactions do not include compensation arrangements, expense allowance and similar items incurred in the ordinary course of operations. The following are not required to be reported, but are presented for information only.

	2023-2024
Fort Hays State University	$ 8,250
Brenda Hoopingarner, spouse of a board member, is an employee	
University of Kansas Health	2,340
Kelsey Kelly, spouse of a board member, is an employee	

NOTE I – SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

Schedule 1

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024

	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Funds:						
General	$ 2,720,653	$ (178,775)	$ 34,590	$ 2,576,468	$ 2,576,468	$ -
Supplemental General	814,287	(39,894)	500	774,893	774,893	-
Special Purpose Funds:						
Capital Outlay	775,000	-	-	775,000	308,674	(466,326)
Driver Training	11,525	-	-	11,525	3,119	(8,406)
Food Service	246,000	-	-	246,000	200,651	(45,349)
Professional	30,000	-	-	30,000	13,496	(16,504)
Special Education	609,405	-	-	609,405	488,545	(120,860)
Vocational Education	198,000	-	-	198,000	148,967	(49,033)
At Risk (K-12)	486,000	-	-	486,000	290,178	(195,822)
At Risk (4 Yr. Old)	81,600	-	-	81,600	58,169	(23,431)
Bilingual Education	1,052	-	-	1,052	566	(486)
KPERS	249,747	-	-	249,747	226,729	(23,018)
South Wind Virtual	269,000	-	-	269,000	87,140	(181,860)
Total Budgeted Funds	$ 6,492,269	$ (218,669)	$ 35,090	$ 6,308,690	$ 5,177,595	$ (1,131,095)

Schedule 2-1

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

GENERAL FUND

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Receipts				
Intergovernmental Revenues				
State Equalization Aid	$ 2,144,354	$ 2,236,087	$ 2,335,751	$ (99,664)
Mineral Production Tax	3,536	2,778	-	2,778
Special Education Aid	340,877	302,819	384,709	(81,890)
Other Local Sources				
Miscellaneous	11,201	7,036	-	7,036
Daycare Tuition	19,856	24,967	-	24,967
Preschool Tuition	1,115	2,587	-	2,587
Total Receipts	2,520,939	2,576,274	$ 2,720,460	$ (144,186)
Expenditures Subject To Legal Max				
Instruction				
Certified Salaries	444,901	574,135	455,000	119,135
Non-Certified Salaries	92,933	38,994	100,000	(61,006)
Employee Insurance	109,828	123,768	112,000	11,768
Social Security	63,105	56,846	65,000	(8,154)
Other Employee Benefit	10,087	11,519	12,000	(481)
Purchased Professional/Technical Services	4,138	-	3,852	(3,852)
General Supplies (Teaching)	47,917	42,787	500	42,287
Supplies (Technology Related)	80,166	55,078	90,050	(34,972)
Miscellaneous Supplies	5,953	830	5,000	(4,170)
Property	49,804	38,520	50,000	(11,480)
Total Instruction	908,832	942,477	893,402	49,075
Student Support Services				
Certified Salaries	61,243	73,094	65,000	8,094
Employee Insurance	7,668	7,958	2,700	5,258
Social Security	3,645	4,631	4,000	631
Other Employee Benefit	382	465	500	(35)
Insurance	1,195	1,324	10,000	(8,676)
Purchased Professional/Technical Services	3,340	500	12,000	(11,500)
Supplies	-	957	500	457
Other	1,748	165	-	165
Total Student Support Services	79,221	89,094	94,700	(5,606)

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

GENERAL FUND - CONTINUED

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Expenditures - Continued				
Instruction Support Staff				
Certified Salaries	43,652	45,320	45,000	320
Employee Insurance	7,576	8,438	8,000	438
Social Security	3,202	3,345	3,500	(155)
Other Employee Benefit	539	41	600	(559)
Purchased Professional/Technical Services	4,667	2,854	7,500	(4,646)
Books/Periodicals	1,448	814	2,000	(1,186)
Miscellaneous Supplies	599	214	1,010	(796)
Total Instruction Support Staff	61,683	61,026	67,610	(6,584)
General Administration				
Certified Salaries	77,452	49,333	83,000	(33,667)
Non-Certified Salaries	66,152	66,303	70,000	(3,697)
Employee Insurance	23,479	9,411	24,000	(14,589)
Social Security	10,662	8,731	10,000	(1,269)
Other Employee Benefit	1,278	7,682	1,000	6,682
Purchased Professional/Technical Services	26,255	39,604	15,000	24,604
Insurance	60,811	80,042	67,000	13,042
Communications	3,230	2,929	3,300	(371)
Supplies	6,038	1,741	2,000	(259)
Property	4,244	12,614	5,000	7,614
Other	-	3,510	10,000	(6,490)
Total General Administration	279,601	281,900	290,300	(8,400)
School Administration				
Certified Salaries	76,884	83,291	90,000	(6,709)
Non-Certified Salaries	40,495	41,142	41,000	142
Employee Insurance	22,774	25,391	23,000	2,391
Social Security	7,180	7,775	7,000	775
Other Employee Benefit	1,099	1,115	1,000	115
Communications	6,577	8,831	7,000	1,831
Supplies	3,441	4,336	3,000	1,336
Property	517		500	(500)
Total School Administration	158,967	171,881	172,500	(619)

Schedule 2-1

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

GENERAL FUND - CONTINUED

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Expenditures - Continued				
Other Supplemental Services				
Certified Salaries	31,209	57,162	35,000	22,162
Noncertified salaries	-	20,170	-	20,170
Employee Insurance	7,576	8,438	7,600	838
Social Security	2,355	4,642	2,500	2,142
Other Employee Benefit	29	57	30	27
Purchased Professional/Technical Services	2,083	31,425	2,000	29,425
Heat/Electricity	-	-	78,480	(78,480)
Other	12,042	5,772	700	5,072
Total Other Supplemental Services	55,294	127,666	126,310	1,356
Transfers				
Driver Training	-	-	5,000	(5,000)
Bilingual Education	108	100	100	-
Contingency Fund	-	19,525	24,931	(5,406)
Capital Outlay	-	42,611	-	42,611
Food Service	25,000	25,000	25,000	-
At-Risk (K-12)	224,542	-	190,800	(190,800)
At-Risk (4 Yr. Old)	42,690	190,800	50,000	140,800
Professional Development	-	10,000	10,000	-
Vocational Education	80,000	135,000	125,000	10,000
Special Education	425,000	392,819	425,000	(32,181)
South Wind Virtual	180,000	86,569	220,000	(133,431)
Total Transfers	977,340	902,424	1,075,831	(173,407)
Total Expenditures	2,520,938	2,576,468	2,720,653	(144,185)
Adjustment For Qualifying Budget Credits	-	-	34,590	(34,590)
Adjustment To Comply With Legal Max	-	-	(178,775)	178,775
Total Expenditures and Transfers Subject To Legal Max Budget	2,520,938	2,576,468	$ 2,576,468	$ -
Receipts Over (Under) Expenditures	1	(194)		
Unencumbered Cash, Beginning	193	194		
Unencumbered Cash, Ending	$ 194	$ -		

Schedule 2-2

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

SUPPLEMENTAL GENERAL FUND

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	$ 629,408	$ 589,054	$ 610,285	$ (21,231)
Delinquent Tax	4,294	6,950	5,998	952
Motor Vehicle Tax	37,978	38,949	38,620	329
Recreational Vehicle Tax	749	665	1,158	(493)
Supplemental State Aid	106,627	137,222	144,292	(7,070)
Miscellaneous	200	500	-	500
Total Receipts	779,256	773,340	$ 800,353	$ (27,013)
Expenditures				
Student Support Services				
Certified	-	-	5,388	(5,388)
Other Purchased Services	-	-	7,986	(7,986)
Total Student Support Services	-	-	13,374	(13,374)
Operations and maintenance				
Non-Certified	100,405	107,422	102,000	5,422
Insurance - employees	22,728	18,870	23,000	(4,130)
Social Security	7,759	8,075	8,000	75
Other Employee Benefits	6,025	10,541	7,000	3,541
Water/Sewer/Trash	14,782	14,020	12,000	2,020
Heating	26,247	23,339	30,000	(6,661)
Cleaning	-	-	8,000	(8,000)
Repairs	44,887	37,986	36,796	1,190
Building Repairs	77	95	3,204	(3,109)
Supplies	11,154	22,112	20,000	2,112
Electricity	33,459	29,852	35,000	(5,148)
Property	8,672	735	15,000	(14,265)
Motor Fuel	866	307	5,000	(4,693)
Total Operation and Maintenance	277,061	273,354	305,000	(31,646)

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

SUPPLEMENTAL GENERAL FUND - CONTINUED

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Expenditures - Continued				
Student Transportation Services				
Non-Certified	33,713	33,934	40,000	(6,066)
Insurance	7,576	8,438	10,000	(1,562)
Social Security	2,384	2,417	3,000	(583)
Other Employee Benefits	2,082	2,833	1,713	1,120
Total Student Transportation Services	45,755	47,622	54,713	(7,091)
Vehicle Operating Services				
Insurance	13,648	12,631	15,000	(2,369)
Motor Fuel	24,449	19,092	40,000	(20,908)
Supplies	49,909	36,955	45,000	(8,045)
Other	1,561	-	8,000	(8,000)
Total Vehicle Operating Services	89,567	68,678	108,000	(39,322)
Other Student Transportation Services				
Non-Certified	11,413	6,283	10,000	(3,717)
Social Security	724	450	800	(350)
Other	10,378	11,442	5,000	6,442
Total Other Student Transportation Services	22,515	18,175	15,800	2,375
Transfers				
Bilingual Education	903	1,007	900	107
Southwind Academy	20,000	20,000	20,000	-
Food Service	34,000	45,000	35,000	10,000
At-Risk (K-12)	200,000	124,553	191,500	(66,947)
Vocational Education	24,004	45,000	25,000	20,000
Preschool At-Risk	11,000	75,000	15,000	60,000
Special Education	20,000	56,504	30,000	26,504
Total Transfers	309,907	367,064	317,400	49,664

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

SUPPLEMENTAL GENERAL FUND - CONTINUED

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Expenditures - Continued				
Total Expenditures	744,805	774,893	814,287	(39,394)
Adjustment For Qualifying Budget Credits	-	-	500	(500)
Adjustment To Comply With Legal Max	-	-	(39,894)	39,894
Total Expenditures And Transfers Subject To Legal Max Budget	744,805	774,893	$ 774,893	$ -
Receipts Over Expenditures	34,451	(1,553)		
Unencumbered Cash, Beginning	38,364	72,815		
Unencumbered Cash, Ending	$ 72,815	$ 71,262		

Schedule 2-3

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

CAPITAL OUTLAY FUND

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Receipts				
General Property Tax				
Ad Valorem Tax	$ 236,872	$ 222,450	$ 218,164	$ 4,286
Delinquent Tax	1,597	2,426	3,344	(918)
Motor Vehicle Tax	10,641	3,723	21,427	(17,704)
Recreation Vehicle Tax	1,099	1,718	642	1,076
Interest	2,471	3,478	-	3,478
Miscellaneous	30,925	4,559	-	4,559
State Equalization Aid	-	10,863	10,883	(20)
Transfer from General	-	42,611	-	42,611
Total Receipts	283,605	291,828	$ 254,460	$ 37,368
Expenditures				
Equipment & Buses	7,673	54,986	375,000	(320,014)
Repair And Remodeling Building/Improvements	343,775	253,688	400,000	(146,312)
Total Expenditures	351,448	308,674	$ 775,000	$ (466,326)
Receipts Over (Under) Expenditures	(67,843)	(16,846)		
Unencumbered Cash, Beginning	802,031	734,188		
Unencumbered Cash, Ending	$ 734,188	$ 717,342		

Schedule 2-4

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

DRIVER TRAINING FUND

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ 2,660	$ 1,160	$ 1,350	$ (190)
Other Revenue	1,000	2,200	-	2,200.00
Transfer from General	-	-	5,000	(5,000)
Total Receipts	3,660	3,360	$ 6,350	$ (2,990)
Expenditures				
Instruction				
Certified	3,975	2,661	10,000	(7,339)
Social Security	304	204	500	(296)
Other Employee Benefit	51	49	100	(51)
Supplies	16	28	75	(47)
Total Instruction	4,346	2,942	10,675	(7,733)
Vehicle Operation And Maintenance				
Motor Fuel	415	177	750	(573)
Maintenance	47	-	100	(100)
Total Vehicle Operation And Maintenance	462	177	850	(673)
Total Expenditures	4,808	3,119	$ 11,525	$ (8,406)
Receipts (Under) Expenditures	(1,148)	241		
Unencumbered Cash, Beginning	15,851	14,703		
Unencumbered Cash, Ending	$ 14,703	$ 14,944		

Schedule 2-5

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

FOOD SERVICE FUND

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Receipts				
Intergovernmental Revenues				
State Aid	$ 1,148	$ 1,207	$ 922	$ 285
Federal Aid	86,404	77,196	87,894	(10,698)
Other Revenues				
Lunch/Breakfast - Students	39,985	41,302	46,059	(4,757)
Adult Lunches	6,283	10,552	7,781	2,771
Miscellaneous	9,596	85	10,000	(9,915)
Transfer from General	25,000	25,000	25,000	-
Transfer From Supplemental General	34,000	45,000	35,000	10,000
Total Receipts	202,416	200,342	$ 212,656	$ (12,314)
Expenditures				
Food Service Operation				
Salaries	63,011	68,293	75,000	(6,707)
Employee Insurance	21,542	23,882	25,000	(1,118)
Social Security	4,466	4,904	5,000	(96)
Other Employee Benefits	5,933	9,123	10,000	(877)
Other Purchased Services	565	250	1,000	(750)
Food And Milk	75,956	80,146	95,000	(14,854)
Miscellaneous Supplies	8,052	4,047	10,000	(5,953)
Other	15,978	10,006	25,000	(14,994)
Total Food Service Operation	195,503	200,651	246,000	(45,349)
Total Expenditures	195,503	200,651	$ 246,000	$ (45,349)
Receipts Over (Under) Expenditures	6,913	(309)		
Unencumbered Cash, Beginning	56,093	63,006		
Unencumbered Cash, Ending	$ 63,006	$ 62,697		

Schedule 2-6

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

PROFESSIONAL FUND

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ 1,182	$ 1,826	$ 1,500	$ 326
Transfer From General	-	10,000	10,000	-
Total Receipts	1,182	11,826	$ 11,500	$ 326
Expenditures				
Other	1,300	1,700	-	1,700
Purchased Professional/Technical Services	4,252	9,157	10,000	(843)
Supplies	3,129	2,639	20,000	(17,361)
Total Expenditures	8,681	13,496	$ 30,000	$ (16,504)
Receipts Over (Under) Expenditures	(7,499)	(1,670)		
Unencumbered Cash, Beginning	32,569	25,070		
Unencumbered cash, ending	$ 25,070	$ 23,400		

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

SPECIAL EDUCATION FUND

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Receipts				
Special Education Aid	$ 3,655	$ 3,649	$ 5,000	$ (1,351)
Federal Sources	13,638	-	15,000	(15,000)
Other Revenue	-	-	40,000	(40,000)
Transfer From General	425,000	392,819	425,000	(32,181)
Transfer From Supplemental General	20,000	56,504	30,000	26,504
Total Receipts	462,293	452,972	$ 515,000	$ (62,028)
Expenditures				
Instruction				
Certified	5,500	5,500	10,000	(4,500)
Social Security	421	421	500	(79)
Other Employee Benefits	5	5	-	5
Other Purchased Services	15,690	-	16,000	(16,000)
Payment to Special Education Co-op	457,885	453,126	483,890	(30,764)
Supplies	-	-	25,000	(25,000)
Purchased Professional/Technical Services	-	-	10,000	(10,000)
Total Instruction	479,501	459,052	545,390	(86,338)
General Administration				
Certified Salaries	12,750	12,777	15,000	(2,223)
Social Security	975	977	1,000	(23)
Other Employee Benefits	13	13	15	(2)
Total General Administration	13,738	13,767	16,015	(2,248)

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

SPECIAL EDUCATION FUND - CONTINUED

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Student Transportation Services				
Salaries	11,136	10,228	12,000	(1,772)
Social Security	852	782	1,000	(218)
Other Employee Benefits	1,155	1,377	1,000	377
Total Student Transportation Services	13,143	12,387	14,000	(1,613)
Vehicle Operating Services				
Insurance	1,876	559	2,000	(1,441)
Motor Fuel	2,805	1,724	5,000	(3,276)
Other	2,376	1,056	27,000	(25,944)
Total Vehicle Operating Services	7,057	3,339	34,000	(30,661)
Total Expenditures	513,439	488,545	609,405	(120,860)
Receipts (Under) Expenditures	(51,146)	(35,573)		
Unencumbered Cash, Beginning	248,130	196,984		
Unencumbered Cash, Ending	$ 196,984	$ 161,411		

Schedule 2-8

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

VOCATIONAL EDUCATION FUND

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Receipts				
Other Revenue	$ 7,715	$ 2,413	$ -	$ 2,413
Transfer From Supplemental General	24,004	45,000	25,000	20,000
Transfer From General	80,000	135,000	125,000	10,000
Total Receipts	111,719	182,413	$ 150,000	$ 32,413
Expenditures				
Instruction				
Certified Salaries	78,148	104,624	100,000	4,624
Employee Insurance	6,709	7,518	15,000	(7,482)
Social Security	4,467	7,282	5,000	2,282
Other Employee Benefits	5,175	8,436	6,000	2,436
Purchased Professional/Technical Services	1,081	1,787	2,000	(213)
Supplies	11,766	8,403	45,000	(36,597)
Property	16,614	10,917	25,000	(14,083)
Total Expenditures	123,960	148,967	$ 198,000	$ (49,033)
Receipts Over (Under) Expenditures	(12,241)	33,446		
Unencumbered Cash, Beginning	137,632	125,391		
Unencumbered Cash, Ending	$ 125,391	$ 158,837		

Schedule 2-9

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

TEXTBOOK RENTAL FUND

	2023 Actual	2024 Actual
Receipts		
Textbook Rental Fees	$ 8,415	$ 7,570
Miscellaneous Revenue	4,262	3,800
Total Receipts	12,677	11,370
Expenditures		
Textbooks	31,158	801
Other Expenses	1,747	2,381
Total Expenditures	32,905	3,182
Receipts Over (Under) Expenditures	(20,228)	8,188
Unencumbered Cash, Beginning	37,220	16,992
Unencumbered Cash, Ending	$ 16,992	$ 25,180

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UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

CONTINGENCY RESERVE FUND

	2023 Actual	2024 Actual
Receipts	$ -	$ 19,526
Total Receipts	-	19,526
Expenditures	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	19,526
Prior Year Cancelled Encumbrance	-	-
Unencumbered Cash, Beginning	246,451	246,451
Unencumbered Cash, Ending	$ 246,451	$ 265,977

Schedule 2-11

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

AT RISK FUND (K-12)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Receipts				
Transfer From General	$ 224,542	$ 190,800	$ 190,800	$ -
Transfer From Supplemental General	200,000	124,553	191,500	(66,947)
Total Receipts	424,542	315,353	$ 382,300	$ (66,947)
Expenditures				
Certified Salaries	335,470	185,548	340,000	(154,452)
Non-Certified Salaries	65,909	72,164	70,000	2,164
Insurance	20,903	25,314	25,000	314
Social Security	4,066	4,772	5,000	(228)
Other Employee Benefits	1,075	1,589	1,000	589
Supplies (Teaching)	-	791	45,000	(44,209)
Total Expenditures	427,423	290,178	$ 486,000	$ (195,822)
Receipts Over Expenditures	(2,881)	25,175		
Unencumbered Cash, Beginning	172,961	170,080		
Unencumbered Cash, Ending	$ 170,080	$ 195,255		

Schedule 2-12

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

AT RISK FUND (4 YR. OLD)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Receipts				
Transfer from Supplemental General	$ 11,000	$ 75,000	$ 15,000	$ 60,000
Transfer From General	42,690	-	50,000	(50,000)
Total Receipts	53,690	75,000	$ 65,000	$ 10,000
Expenditures				
Certified Salaries	29,676	39,355	32,000	7,355
Non-Certified Salaries	14,570	14,838	30,000	(15,162)
Social Security	3,132	3,863	3,500	363
Other Employee Benefits	38	47	5,100	(5,053)
Supplies	998	66	11,000	(10,934)
Total Expenditures	48,414	58,169	$ 81,600	$ (23,431)
Receipts Over Expenditures	5,276	16,831		
Unencumbered Cash, Beginning	38,405	43,681		
Unencumbered Cash, Ending	$ 43,681	$ 60,512		

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UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

BILINGUAL EDUCATION FUND

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Receipts				
Transfer From General	$ 108	$ 100	$ 100	$ -
Transfer from Supplemental General	903	1,007	900	107
Total Receipts	1,011	1,107	$ 1,000	$ 107
Expenditures				
Certified Salaries	625	525	1,000	(475)
Social Security	47	40	50	(10)
Other Employee Benefits	1	1	2	(1)
Total Expenditures	673	566	$ 1,052	$ (486)
Receipts Over Expenditures	338	541		
Unencumbered Cash, Beginning	-	338		
Unencumbered Cash, Ending	$ 338	$ 879		

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UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

KPERS FUND

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ 244,850	$ 226,729	$ 249,747	$ (23,018)
Total Receipts	244,850	226,729	$ 249,747	$ (23,018)
Expenditures				
Employee Benefits	244,850	226,729	249,747	(23,018)
Total Expenditures	244,850	226,729	$ 249,747	$ (23,018)
Receipts Over Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

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UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

SOUTH WIND VIRTUAL FUND

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Receipts				
Transfer From General	$ 180,000	$ 86,569	$ 220,000	$ (133,431)
Transfer From Supplemental General	20,000	20,000	20,000	-
Other Revenue	610	-	-	-
Tuition	500	450	-	450
Total Receipts	201,110	107,019	$ 240,000	$ (132,981)
Expenditures				
Instruction				
Certified Salaries	107,388	37,915	130,000	(92,085)
Non-Certified Salaries	-	-	32,000	(32,000)
Employee Insurance	6,937	20,607	10,000	10,607
Social Security	8,061	2,776	5,000	(2,224)
Other Employee Benefits	9,091	3,357	10,000	(6,643)
Telephone	663	763	-	763
Supplies	361	122	350	(228)
Other Purchased Services	-	73	1,650	(1,577)
Equipment/Software	36,681	968	35,000	(34,032)
Mileage	512	399	-	399
Payment to In-House Facility	43,200	20,160	45,000	(24,840)
Total Expenditures	212,894	87,140	$ 269,000	$ (181,860)
Receipts Over (Under) Expenditures	(11,784)	19,879		
Unencumbered Cash, Beginning	52,631	40,847		
Unencumbered Cash, Ending	$ 40,847	$ 60,726		

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UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

KDHE COVID TESTING FUND

	2023 Actual	2024 Actual
Receipts		
Cares Act	$ 36,402	$ 329,458
Total Receipts	36,402	329,458
Expenditures		
Instruction		
Certified Salaries	-	1,976
Non-Certified Salaries	5,570	1,839
Social Security	-	288
Other Employee Benefits	-	4
Supplies	11,024	275
Equipment	43,242	300,452
Travel	-	966
Total Expenditures	59,836	305,800
Receipts Over (Under) Expenditures	(23,434)	23,658
Unencumbered Cash, Beginning	1	(23,433)
Unencumbered Cash, Ending	$ (23,433)	$ 225

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UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

ESSER (ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF) FUND

	2023 Actual	2024 Actual
Receipts		
Cares Act	$ 46,141	$ 339,895
Total Receipts	46,141	339,895
Expenditures		
Instruction		
Certified Salaries	42,633	42,952
Non-Certified Salaries	21,158	10,811
Social Security	4,776	3,947
Other Employee Benefits	244	73
Supplies	14,392	10,996
Equipment	-	400,000
Motor Fuel	568	260
Supplies (Technology)	12,883	657
Total Expenditures	96,654	469,696
Receipts Over (Under) Expenditures	(50,513)	(129,801)
Unencumbered Cash, Beginning	32,768	(17,745)
Unencumbered Cash, Ending	$ (17,745)	$ (147,546)

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UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

TITLE I FUND

	2023 Actual	2024 Actual
Receipts		
Federal Aid	$ 54,742	$ 49,723
Transfer From Title II	6,500	6,286
Transfer From Title IV	13,022	12,895
Total Receipts	74,264	68,904
Expenditures		
Instruction		
Certified Salaries	57,480	55,510
Employee Insurance	7,668	8,592
Social Security	3,260	3,474
Other Employee Benefits	445	485
Supplies	2,348	745
VS Computer & Related Equipment	2,864	98
Workshops	199	-
Total Expenditures	74,264	68,904
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

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UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

TITLE II A - TEACHER IMPROVEMENT FUND

	2023 Actual	2024 Actual
Receipts		
Federal Aid	$ 6,500	$ 6,286
Total Receipts	6,500	6,286
Expenditures		
Transfer to Title I	6,500	6,286
Total Expenditures	6,500	6,286
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

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UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

TITLE IV - ESSA STUDENT SUPPORT FUND

	2023 Actual	2024 Actual
Receipts		
Federal Aid	$ 13,022	$ 12,895
Total Receipts	13,022	12,895
Expenditures		
Transfer to Title I	13,022	12,895
Total Expenditures	13,022	12,895
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

Schedule 2-21

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

GIFTS AND GRANTS FUND

	2023 Actual	2024 Actual
Receipts		
Revenue From Local Sources	$ 73,518	$ 117,269
State Aid	-	12,500
Pre-K Pilot Grant	24,860	15,460
Total Receipts	98,378	145,229
Expenditures		
Wagner Family Scholarships	-	30,000
Patterson Grant Equipment	-	37,000
Professional Services	-	15,612
Supplies	35,420	1,280
Pre-K Pilot Expense	24,860	15,460
Certified Payroll	31,634	37,500
Total Expenditures	91,914	136,852
Receipts Over (Under) Expenditures	6,464	8,377
Unencumbered Cash, Beginning	11,834	18,298
Unencumbered Cash, Ending	$ 18,298	$ 26,675

Schedule 2-22

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

SMALL RURAL SCHOOLS GRANT FUND

	2023 Actual	2024 Actual
Receipts		
Federal Aid	$ 9,481	$ 26,736
Total Receipts	9,481	26,736
Expenditures		
Equipment	10,360	16,376
Total Expenditures	10,360	16,376
Receipts Over (Under) Expenditures	(879)	10,360
Unencumbered Cash, Beginning	(9,481)	(10,360)
Unencumbered Cash, Ending	$ (10,360)	$ -

Schedule 2-23

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the prior Year Ended June 30, 2023)

CARL PERKINS GRANT FUND

	2023 Actual	2024 Actual
Receipts		
Miscellaneous Revenue	$ 1,279	$ 5,997
Total Receipts	1,279	5,997
Expenditures		
Other	1,241	5,997
Total Expenditures	1,241	5,997
Receipts Over (Under) Expenditures	38	-
Unencumbered Cash, Beginning	(38)	-
Unencumbered Cash, Ending	$ -	$ -

Schedule 3

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended June 30, 2024

AGENCY FUNDS

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Student Organization Funds				
High School				
Band Club	$ 5,856	$ 120	$ 3,083	$ 2,893
Cheerleaders - High School	415	7,335	5,959	1,791
Class of 2024	7,135	246	7,022	359
Class of 2025	1,683	5,812	2,911	4,584
Class of 2026	305	4,835	2,671	2,469
Class of 2027	-	351	50	301
Class of 2028	-	33	-	33
Class of 2029	-	68	-	68
Class of 2030	-	128	-	128
Concessions - High School	-	21,777	21,777	-
Concessions - Junior High	-	52	-	52
Dance Club	506	681	892	295
DECA	4,926	7,560	6,415	6,071
Kayettes	1,263	5,107	4,469	1,901
National Honor Society	84	510	385	209
SADD	4,645	4,424	6,490	2,579
Science Club	400	250	-	650
Student Council - High School	4,417	2,177	3,437	3,157
Student Council - Junior High	59	80	-	139
Tech Video	668	100	-	768
Yearbook	7,050	2,357	2,810	6,597
Total Student Organization Funds	39,412	64,003	68,371	35,044
Revolving Insurance Fund	7,764	11,826	11,450	8,140
Total Agency Funds	$ 47,176	$ 75,829	$ 79,821	$ 43,184

Schedule 4

UNIFIED SCHOOL DISTRICT NO. 403, OTIS-BISON
OTIS, KANSAS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2024

DISTRICT ACTIVITY FUNDS

Funds	Beginning Cash Balance	Receipts	Expenditures	Ending Cash Balance
Gate Receipts				
High School & Junior High				
Athletics - High School	$ 1,008	$ 20,465	$ 17,916	$ 3,557
Total Gate Receipts	1,008	20,465	17,916	3,557
School Projects				
High School & Junior High				
General Petty Cash	127	2,270	2,397	-
Joe Peroli Memorial	1,503	250	-	1,753
Library	120	-	-	120
Quiz Bowl - High School	679	360	325	714
Quiz Bowl - Junior High	339	200	305	234
Speech	2,378	-	82	2,296
Junior High Assessment	148	-	-	148
Subtotal High School & Junior High	5,294	3,080	3,109	5,265
Elementary School				
General/Savings Account	224	-	224	-
Trash Bags	5,760	-	675	5,085
Accelerated Reader	1,936	2,142	2,329	1,749
Donations	309	454	-	763
Subtotal Elementary School	8,229	2,596	3,228	7,597
Total School Projects	13,523	5,676	6,337	12,862
Sales Tax	(2,568)	2,841	2,410	(2,137)
Total District Activity Funds	$ 11,963	$ 28,982	$ 26,663	$ 14,282

UNIFIED SCHOOL DISTRICT NO. 403 OTIS-BISON

Single Audit

For the Year Ended June 30, 2024

UNIFIED SCHOOL DISTRICT NO. 403 OTIS-BISON
Single Audit
For the Year Ended June 30, 2024

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INDEPENDENT AUDITORS' REPORT OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS WHEN THE AUDITOR IS ISSUING A STAND-ALONE REPORT UNDER AU-C SECTION 805, *SPECIAL CONSIDERATIONS – AUDITS OF SINGLE FINANCIAL STATEMENTS AND SPECIFIC ELEMENTS, ACCOUNTS, OR ITEMS OF A FINANCIAL STATEMENT*

To the Board of Education
Unified School District No. 403 Otis-Bison
Otis, KS

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

Opinion

We have audited the schedule of expenditures of federal awards of **Unified School District No. 403 Otis-Bison** for the year ended June 30, 2024, and the related notes (the schedule).

In our opinion, the accompanying schedule of expenditures of federal awards presents fairly, in all material respects, the expenditures of federal awards of **Unified School District No. 403 Otis-Bison** for the year ended June 30, 2024, in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 2.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the *Kansas Municipal Audit and Accounting Guide*; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report.

We are required to be independent of **Unified School District No. 403 Otis-Bison** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 2 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is

above+beyond
AdamsBrown, LLC

not a guarantee that an audit conducted in accordance with GAAS, the *Kansas Municipal Audit and Accounting Guide, Government Auditing Standards*, and the Uniform Guidance will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the schedule, whether due to fraud, or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedule.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 403 Otis-Bison's** internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule.

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

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

March 10, 2025

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
Unified School District No. 403 Otis-Bison
Otis, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Unified School District No. 403 Otis-Bison's** compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of **Unified School District No. 403 Otis-Bison's** major federal programs for the year ended June 30, 2024. **Unified School District No. 403 Otis-Bison's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Unified School District No. 403 Otis-Bison** complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **Unified School District No. 403 Otis-Bison** and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of **Unified School District No. 403 Otis-Bison's** compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to **Unified School District No. 403 Otis-Bison's** federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **Unified School District No. 403 Otis-Bison's** compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **Unified School District No. 403 Otis-Bison's** compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **Unified School District No. 403 Otis-Bison's** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of **Unified School District No. 403 Otis-Bison's** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 403 Otis-Bison's** internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Adamsbrown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

March 10, 2025

UNIFIED SCHOOL DISTRICT NO. 403 OTIS-BISON

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2024

Federal Grantor/ Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through Kansas Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	D0403	$ 8,994
National School Lunch Program	10.555	D0403	58,392
Summer Food Service Program for Children	10.559	D0403	6,725
Total U.S. Department of Agriculture			74,111
U.S. Department of Health and Human Services			
Passed Through Kansas Department of Education			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	D0403	310,858
U.S. Department of Education			
Passed Through Kansas Department of Education			
COVID-19 Funding - Education Stabilization Fund			
Elementary and Secondary School Emergency Relief Fund	84.425D	D0403	19,761
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	D0403	362,328
Total Education Stabilization Fund			382,089
Title I Grants to Local Educational Agencies	84.010	D0403	49,723
Supporting Effective Instruction State Grants	84.367	D0403	6,286
Student Support and Academic Enrichment Program	84.424	D0403	12,895
Passed Through the ESSDACK Consortium			
Career and Technical Education - Basic Grants to States	84.048	N/A	5,997
Direct Aid			
Rural Education	84.358	S358A221240	5,676
Rural Education	84.358	S358A231153	10,700
Total U.S. Department of Education			473,366
Total Expenditures of Federal Awards			**$ 858,335**

Note - There were no awards made to subrecipients for the year ended June 30, 2024.

See accompanying notes to schedule of expenditures of federal awards.

UNIFIED SCHOOL DISTRICT NO. 403 OTIS-BISON
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards ("the schedule") includes the federal grant activity of **Unified School District No. 403 Otis-Bison** under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are presented in accordance with the regulatory basis of accounting. This is the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance cost principles, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RATE

The District has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

NOTE 4 – OTHER EXPENDITURES

The District received noncash assistance in the form of COVID testing supplies with a fair market value of $2,493 for the year ended June 30, 2024.

UNIFIED SCHOOL DISTRICT NO. 403 OTIS-BISON
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued by the financial statement auditor, who is separate from the SEFA auditor: Unmodified

Financial Statement Audit Findings

Refer to the audit report prepared by Gudenkauf & Malone, Inc. issued October 30, 2024.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Type of auditors' report issued: Unmodified

Internal control over major programs:

- Material weakness identified? ____ Yes X No
- Significant deficiency identified? ____ 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) of the Uniform Guidance? ____ Yes X No

Identification of major program:

Assistance Listing Number	Name of Federal Program or Cluster
	Education Stabilization Fund
84.425D	Elementary and Secondary School Emergency Relief Fund
84.425U	American Rescue Plan - Elementary and Secondary School Emergency Relief Fund

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

Auditee qualified as low-risk auditee? ____ Yes X No

UNIFIED SCHOOL DISTRICT NO. 403 OTIS-BISON
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

Refer to the audit report prepared by Gudenkauf & Malone, Inc. issued October 30, 2024.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs are required to be disclosed under the Uniform Guidance.

USD 403
Otis-Bison

P.O. Box 227
301 W. Eagle St.
Otis, KS 67565
Phone: (785) 387-2201
Fax: (785) 387-2203

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

Refer to the audit report prepared by Gudenkauf & Malone Inc. issued October 31, 2023.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs are required to be disclosed under Uniform Guidance for the period ended June 30, 2023, as no single audit was required to be performed.