USD 420 - OSAGE CITY

Osage City, Kansas

FINANCIAL STATEMENT

WITH REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

and

INDEPENDENT AUDITOR'S REPORT

June 30, 2023

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

USD 420 - OSAGE CITY
Osage City, Kansas
TABLE OF CONTENTS
June 30, 2023

		Page
INDEPENDENT AUDITOR'S REPORT		1 - 3
FINANCIAL STATEMENT		
Summary Statement Of Receipts, Expenditures And Unencumbered Cash	Statement 1	4 - 5
NOTES TO FINANCIAL STATEMENT		6 - 12
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION		
Summary of Expenditures - Actual and Budget	Schedule 1	14
Schedule of Receipts and Expenditures - Actual and Budget		
General Fund	Schedule 2-1	15
Supplemental General Fund	Schedule 2-2	16
Bilingual Education Fund	Schedule 2-3	17
Virtual Education Fund	Schedule 2-4	18
Capital Outlay Fund	Schedule 2-5	19
Driver Training Fund	Schedule 2-6	20
Food Service Fund	Schedule 2-7	21
Professional Development Fund	Schedule 2-8	22
Special Education Fund	Schedule 2-9	23
Career and Postsecondary Education Fund	Schedule 2-10	24
Gifts and Grants Fund	Schedule 2-11	25
KPERS Special Retirement Contribution Fund	Schedule 2-12	26
Preschool-Aged At-Risk Fund	Schedule 2-13	27
At-Risk - K-12 Fund	Schedule 2-14	28
Bond and Interest Fund	Schedule 2-15	29
Schedule of Receipts and Expenditures - Non-Budgeted Funds	Schedule 2-16	30 - 31
Summary of Receipts and Disbursements - Agency Funds	Schedule 3	32
Schedule of Receipts, Expenditures, and Unencumbered Cash - District Activity Funds	Schedule 4	33
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with *Government Auditing Standards*		34 - 35
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance In Accordance With the Uniform Guidance		36 - 38
Schedule of Expenditures of Federal Awards		39
Notes to Schedule of Expenditures of Federal Awards		40
Schedule of Findings and Questioned Costs		41

November 3, 2023

Board of Education
USD 420 - Osage City
Osage City, Kansas

Independent Auditor's Report

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of USD 420 - Osage City (the District), as of and for the year ended June 30, 2023 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 the District as of June 30, 2023, 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 the District as of June 30, 2023, 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* (KMAAG) described in Note 1.

Basis for Adverse and Unmodified Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), KMAAG and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 requirements relating to our audits. 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 the Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note 1 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the KMAAG, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement
Management is responsible for the preparation and fair presentation of the financial statement in accordance with KMAAG as described in Note 1; this includes determining 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 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, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities 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 auditor's 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 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 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, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, 3 and 4 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 KMAAG. 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 1.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprises the District's basic financial statement. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

USD 420 - OSAGE CITY
Osage City, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2023

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS							
General Funds							
General	$ -	$ -	$ 6,434,659	$ 6,434,659	$ -	$ 333,335	$ 333,335
Supplemental General	20,842	-	1,941,564	1,954,322	8,084	575,840	583,924
Special Purpose Funds							
Bilingual Education	650	-	2,391	850	2,191	-	2,191
Virtual Education	4,739	-	21,000	13,050	12,689	-	12,689
Capital Outlay	776,276	-	543,859	273,872	1,046,263	91,392	1,137,655
Driver Training	5,000	-	-	-	5,000	-	5,000
Food Service	95,419	-	419,234	438,145	76,508	35	76,543
Professional Development	35,235	-	17,450	20,186	32,499	1,899	34,398
Special Education	540,184	-	1,688,622	1,432,030	796,776	80	796,856
Career and Postsecondary Education	85,020	-	96,181	76,181	105,020	683	105,703
Gifts and Grants	7,900	-	37,544	38,760	6,684	-	6,684
KPERS Special Contribution	-	-	647,060	647,060	-	-	-
Preschool-Aged At-Risk	19,500	-	66,540	23,246	62,794	-	62,794
At-Risk (K-12)	162,754	-	1,166,835	1,241,453	88,136	24,464	112,600
District Activity Funds	50,244	-	117,531	106,450	61,325	-	61,325
Contingency Reserve Fund	400,748	-	50,000	-	450,748	-	450,748
Emergency Connectivity	(780)	-	800	2,918	(2,898)	198	(2,700)
ESSER II	(992)	-	10,785	9,793	-	-	-
ESSER III	(26,891)	-	222,387	489,863	(294,367)	-	(294,367)
Jones Fund Grant	24,922	-	190,000	199,049	15,873	77,200	93,073
KHDE CLIA Grant	-	-	7,347	29,969	(22,622)	-	(22,622)
Technology Education	3,236	-	16,450	3,625	16,061	-	16,061
Textbook & Student Revolving	30,000	-	25,000	19,120	35,880	-	35,880
Title I	6,418	-	138,068	144,486	-	-	-
Title IIA - Teacher Quality	3,402	-	20,511	23,913	-	-	-
Title IV	-	-	17,264	17,264	-	5,970	5,970
Bond and Interest Fund							
Bond and Interest Fund	907,173	-	751,103	614,781	1,043,495	-	1,043,495
Total Reporting Entity (Excluding Agency Funds)	$ 3,150,999	$ -	$ 14,650,185	$ 14,255,045	$ 3,546,139	$ 1,111,096	$ 4,657,235

continued

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

USD 420 - OSAGE CITY
Osage City, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2023

Composition of Cash		
Checking Accounts	$	128,536
Savings Accounts		4,582,233
Petty Cash		350
Total Cash	$	4,711,119
Less: Agency funds per Schedule 3		(53,884)
Total Reporting Entity (Excluding Agency Funds)	$	4,657,235

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

Note 1: Summary of Significant Accounting Policies

Financial Reporting Entity

USD 420 - Osage City (the District), is a municipal corporation governed by an elected seven member board. The District as an entity has been defined to include, on a combined basis, (a) the District (b) organizations for which the District is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting District's financial statement to be misleading or incomplete. There are currently no organizations which meet the foregoing criteria for being combined in the District's report.

Fund Description

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

The following types of funds comprise the financial activities of the District:

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

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

Bond and Interest Funds -- Used to account for the accumulation of resources, including tax levies, transfer's from other funds and payment of general long-term debt.

Agency Funds - Funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, activity accounts, etc.).

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United State of America

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

Reimbursed Expenses

Expenditures in the amount of $15,445 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statement meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Note 2: 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) and bond and interest funds. 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 twelve month period on or before August 1st of each year.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget.
3. Public hearing at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the District 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 statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue 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.

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 statements 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 revenues 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 budget expenditure authority lapses at year end.

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

Contingency Reserve	KHDE CLIA Grant	Jones Fund Grant
Emergency Connectivity	Title IV	Title I
ESSER II	Technology Education	District Activity Funds
ESSER III	Textbook & Student Revolving	Title IIA - Teacher Quality

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

Use of Estimates

The process of preparing the financial statement requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statement. Accordingly, upon settlement, actual results may differ from estimated amounts.

Note 3: Deposits and Investments

K.S.A. 9-1401 established 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 deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate or depository risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policies 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. K.S.A. 9-1402 and 9-1405 require the District's deposits in a financial institution be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2023.

At June 30, 2023, the carrying amount of the District's cash and certificates was $4,710,769. The bank balance was $5,006,747. The bank balance was held by one bank resulting in a concentration of deposit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. The bank balance was fully covered by FDIC insurance of $250,000 and bank pledged securities with a fair market value of $4,984,375.

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 4: Pension Plans

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 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

Note 4: Pension Plans (Continued)

Defined Benefit Pension Plan (Continued)

Contributions (Continued): 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 14.20% and 13.33%, respectively, for the fiscal year ended June 30, 2022. The actuarially determined employer contribution rate and the statutory contribution rate was 13.88% and 13.11% for the fiscal year ended June 30, 2023.

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of $19.4 million starting in fiscal year 2020.

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

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue bonds with net proceeds of $500 million to fund a portion of the School unfunded actuarial liability. Senate Bill 159 recertified the State/School contribution rates for Fiscal Years 2022 and 2023. Fiscal Year 2022 was recertified from 14.09% to 13.33% and Fiscal Year 2023 from 13.86% to 13.11%. 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 pays off the outstanding accounts receivable for KPERS-school employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019, discussed previously, while the remaining $871.1 million is applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600 million was transferred to KPERS. In Fiscal Year 2023, Senate Bill 421 authorizes two additional transfers which total $271 million.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $647,060 for the year ended June 30, 2023.

Net Pension Liability: At June 30, 2023, the District's proportionate share of the collective net pension liability reported by KPERS was $6,190,141. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2022. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement. The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Note 5: Risk Management

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the county carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

Note 6: Compensated Absences

Vacation is provided to District office secretaries, building office secretaries, custodians, technical support and principals by using the Vacation Schedule that is on file at the District office based on years of service. The Superintendent will receive twenty days of vacation. All employees receiving vacation time are encouraged to use it timely. Vacation days not used during the year are not carried forward to the next year.

Classified employees receive one day per month worked for sick leave. Sick leave can accumulate as long as the employee is employed by the District. Accumulated sick leave will only be paid when the employee reaches retirement age and retires, or upon completing ten (10) years of employment in the District and leaving the District, or upon the death of the employee, they will be paid one day's pay for each five days of accumulated sick leave up to a maximum of thirty (30) days. An employee can forfeit two days of accumulated sick leave for one day of personal leave. Maximum days that can be forfeited per year is six days.

Each employee receives two days per year for personal leave and each employee shall be granted (2) days of bereavement leave non-accumulative for faculty-staff members and their immediate family. An additional three (3) days will be granted in the death of the employee's immediate family members.

Certified employees receive 12 discretionary days per year, with unused days to accumulate. When an employee reaches retirement age and retires, or upon completing twenty (20) years of employment in the District and leaving the District, or upon the death of the employee, they will be paid one day's pay for each four days of accumulated discretionary leave up to a maximum of forty (40) days. Each employee may use up to five days of bereavement leave at the death of family members.

Note 7: Stewardship, Compliance and Accountability

We noted no violations of Kansas Statutes during the period under examination.

Note 8: 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 of 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 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. There is no cost to the District under this program.

Note 9: Interfund Transfers

Interfund transfers were as follows:

Fund From	Fund To	Authority	Amount
General	Capital Outlay	K.S.A. 72-6428	$ 36,896
General	Food Services	K.S.A. 72-6428	1,648
General	Special Education	K.S.A. 72-6428	1,309,347
General	Bilingual Education	K.S.A. 72-6428	2,000
General	Virtual Education	K.S.A. 72-6428	10,000
General	At-Risk (K-12)	K.S.A. 72-6428	927,040
General	Contingency Reserve	K.S.A. 72-6428	50,000
General	Career and Postsecondary Education	K.S.A. 72-6428	70,987
General	Professional Development	K.S.A. 72-6428	14,869
Supplemental	Bilingual Education	K.S.A. 72-6425	391
Supplemental	Virtual Education	K.S.A. 72-6425	11,000
Supplemental	Special Education	K.S.A. 72-6425	363,592
Supplemental	Preschool-Aged At-Risk	K.S.A. 72-6425	60,000
Supplemental	At-Risk (K-12)	K.S.A. 72-6425	239,795
Supplemental	Textbook & Student Revolving	K.S.A. 72-6425	25,000
		Total Transfers	$ 3,122,565

Note 10: Contingency

The District receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the District's management, such disallowances, if any, will not be significant to the District's financial statement.

Note 11: Subsequent Events

Subsequent events for management's review have been evaluated through November 3, 2023, the date of the Auditor's Report. The date in the prior sentence is the date the financial statement is available to be issued.

Note 12: Long-Term Debt

Changes in long-term liabilities for the District for the year ended June 30, 2023 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning of Year	Additions	Reductions/ Payments	End of Year	Interest Paid
General Obligation Bonds									
2012A Issue	2.00%-2.35%	6/15/2012	$ 3,055,000	9/1/2024	$ 1,340,000	$ -	$ 580,000	$ 760,000	$ 23,065
2012B Issue	4.50%	6/15/2012	4,092,500	9/1/2030	4,092,500	-	-	4,092,500	11,716
Total Long-Term Debt					$ 5,432,500	$ -	$ 580,000	$ 4,852,500	$ 34,781

Current Maturities of long-term debt and interest for the next five years and in five year increments through the maturity are as follows:

	2024	2025	2026	2027	2028	2029 - 2033	Total
Principal							
General Obligation Bonds	$ 590,000	$ 602,500	$ 610,000	$ 610,000	$ 610,000	$ 1,830,000	$ 4,852,500
Interest							
General Obligation Bonds	10,485	1,998	-	-	-	-	12,483
	$ 600,485	$ 604,498	$ 610,000	$ 610,000	$ 610,000	$ 1,830,000	$ 4,864,983

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

USD 420 - OSAGE CITY
Osage City, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2023

Funds	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)
Governmental Type Funds						
General Funds						
General	$ 6,480,495	$ (61,474)	$ 15,638	$ 6,434,659	$ 6,434,659	$ -
Supplemental General	1,954,322	-	-	1,954,322	1,954,322	-
Special Purpose Funds						
Bilingual Education	1,800	-	-	1,800	850	(950)
Virtual Education	26,739	-	-	26,739	13,050	(13,689)
Capital Outlay	1,291,341	-	-	1,291,341	273,872	(1,017,469)
Driver Training	9,050	-	-	9,050	-	(9,050)
Food Service	754,295	-	-	754,295	438,145	(316,150)
Professional Development	57,482	-	-	57,482	20,186	(37,296)
Special Education	1,731,306	-	-	1,731,306	1,432,030	(299,276)
Career and Postsecondary Education	120,524	-	-	120,524	76,181	(44,343)
Gifts and Grants	35,124	-	-	35,124	38,760	3,636
KPERS Special Contribution	735,315	-	-	735,315	647,060	(88,255)
Preschool-Aged At-Risk	35,012	-	-	35,012	23,246	(11,766)
At-Risk (K-12)	1,327,243	-	-	1,327,243	1,241,453	(85,790)
Bond and Interest Fund						
Bond and Interest	627,976	-	-	627,976	614,781	(13,195)
Total of all Funds	$ 15,188,024	$ (61,474)	$ 15,638	$ 15,142,188	$ 13,208,595	$ (1,933,593)

USD 420 - OSAGE CITY
Osage City, Kansas
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State aid/grants	$ 6,419,021	$ 6,480,495	$ (61,474)
Reimbursements	15,445	-	15,445
Miscellaneous revenues	193	-	193
Total Cash Receipts	$ 6,434,659	$ 6,480,495	$ (45,836)
EXPENDITURES			
Instruction	$ 2,356,711	$ 2,940,135	$ (583,424)
Student support services	99,562	120,326	(20,764)
Instructional support staff	150,934	126,272	24,662
General administration	199,458	177,957	21,501
School administration	417,580	439,719	(22,139)
Operations and maintenance	521,429	451,875	69,554
Student transportation	166,719	146,325	20,394
Central support services	99,479	90,965	8,514
Operating transfers	2,422,787	1,986,921	435,866
Adjustment to comply with legal maximum	-	(61,474)	61,474
Legal budget and expenditures	$ 6,434,659	$ 6,419,021	$ 15,638
Adjustments for qualifying budget credits	-	15,638	(15,638)
Total Expenditures	$ 6,434,659	$ 6,434,659	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

USD 420 - OSAGE CITY
Osage City, Kansas
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	$ 556,729	$ 16,287	$ 540,442
Delinquent tax	21,371	7,915	13,456
Motor vehicle tax	56,413	62,439	(6,026)
State aid/grants	1,307,051	1,307,051	-
Total Cash Receipts	$ 1,941,564	$ 1,393,692	$ 547,872
EXPENDITURES			
Instruction	$ 1,012,982	$ 1,210,093	$ (197,111)
Operations and maintenance	241,562	205,646	35,916
Operating transfers	699,778	538,583	161,195
Total Expenditures	$ 1,954,322	$ 1,954,322	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (12,758)		
UNENCUMBERED CASH - BEGINNING	20,842		
UNENCUMBERED CASH - ENDING	$ 8,084		

USD 420 - OSAGE CITY
Osage City, Kansas
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Miscellaneous revenues	$ -	$ 500	$ (500)
Operating transfers	2,391	650	1,741
Total Cash Receipts	$ 2,391	$ 1,150	$ 1,241
EXPENDITURES			
Instruction	$ 850	$ 1,800	$ (950)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 1,541		
UNENCUMBERED CASH - BEGINNING	650		
UNENCUMBERED CASH - ENDING	$ 2,191		

USD 420 - OSAGE CITY
Osage City, Kansas
VIRTUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Operating transfers	$ 21,000	$ 22,000	$ (1,000)
EXPENDITURES			
Instruction	$ 13,050	$ 26,739	$ (13,689)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 7,950		
UNENCUMBERED CASH - BEGINNING	4,739		
UNENCUMBERED CASH - ENDING	$ 12,689		

USD 420 - OSAGE CITY
Osage City, Kansas
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	$ 185,365	$ 208,790	$ (23,425)
Delinquent tax	6,738	3,697	3,041
Motor vehicle tax	20,128	23,356	(3,228)
State aid/grants	136,253	136,454	(201)
Interest income	157,085	10,851	146,234
Miscellaneous revenues	1,394	19,317	(17,923)
Operating transfers	36,896	132,161	(95,265)
Total Cash Receipts	$ 543,859	$ 534,626	$ 9,233
EXPENDITURES			
Instruction	$ 177,003	$ 648,220	$ (471,217)
Operations and maintenance	66,034	384,822	(318,788)
Student transportation	30,835	215,799	(184,964)
Facility acquisition and construction services	-	42,500	(42,500)
Total Expenditures	$ 273,872	$ 1,291,341	$ (1,017,469)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 269,987		
UNENCUMBERED CASH - BEGINNING	776,276		
UNENCUMBERED CASH - ENDING	$ 1,046,263		

USD 420 - OSAGE CITY
Osage City, Kansas
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State aid/grants	$ -	$ 4,050	$ (4,050)
EXPENDITURES			
Instruction	$ -	$ 9,050	$ (9,050)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	5,000		
UNENCUMBERED CASH - ENDING	$ 5,000		

USD 420 - OSAGE CITY
Osage City, Kansas
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Federal grants	$ 304,285	$ 550,386	$ (246,101)
State aid/grants	3,764	2,094	1,670
Charges for services	70,906	105,369	(34,463)
Miscellaneous revenues	38,631	537	38,094
Operating transfers	1,648	489	1,159
Total Cash Receipts	$ 419,234	$ 658,875	$ (239,641)
EXPENDITURES			
Operations and maintenance	$ 422	$ 1,500	$ (1,078)
Food service operations	437,723	752,795	(315,072)
Total Expenditures	$ 438,145	$ 754,295	$ (316,150)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (18,911)		
UNENCUMBERED CASH - BEGINNING	95,419		
UNENCUMBERED CASH - ENDING	$ 76,508		

USD 420 - OSAGE CITY
Osage City, Kansas
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State aid/grants	$ 1,601	$ 4,597	$ (2,996)
Miscellaneous revenues	980	-	980
Operating transfers	14,869	17,650	(2,781)
Total Cash Receipts	$ 17,450	$ 22,247	$ (4,797)
EXPENDITURES			
Student support services	$ 20,186	$ -	$ 20,186
Instructional support staff	-	57,482	(57,482)
Total Expenditures	$ 20,186	$ 57,482	$ (37,296)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (2,736)		
UNENCUMBERED CASH - BEGINNING	35,235		
UNENCUMBERED CASH - ENDING	$ 32,499		

USD 420 - OSAGE CITY
Osage City, Kansas
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Miscellaneous revenues	$ 15,683	$ -	$ 15,683
Operating transfers	1,672,939	1,191,122	481,817
Total Cash Receipts	$ 1,688,622	$ 1,191,122	$ 497,500
EXPENDITURES			
Instruction	$ 1,414,974	$ 1,705,218	$ (290,244)
Student transportation	17,056	26,088	(9,032)
Total Expenditures	$ 1,432,030	$ 1,731,306	$ (299,276)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 256,592		
UNENCUMBERED CASH - BEGINNING	540,184		
UNENCUMBERED CASH - ENDING	$ 796,776		

USD 420 - OSAGE CITY
Osage City, Kansas
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State aid/grants	$ 25,194	$ 32,243	$ (7,049)
Miscellaneous revenues	-	3,261	(3,261)
Operating transfers	70,987	-	70,987
Total Cash Receipts	$ 96,181	$ 35,504	$ 60,677
EXPENDITURES			
Instruction	$ 47,835	$ 93,380	$ (45,545)
Student transportation	28,346	27,144	1,202
Total Expenditures	$ 76,181	$ 120,524	$ (44,343)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 20,000		
UNENCUMBERED CASH - BEGINNING	85,020		
UNENCUMBERED CASH - ENDING	$ 105,020		

USD 420 - OSAGE CITY
Osage City, Kansas
GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State aid/grants	$ 30,394	$ 27,225	$ 3,169
Miscellaneous revenues	7,150	-	7,150
Total Cash Receipts	$ 37,544	$ 27,225	$ 10,319
EXPENDITURES			
Instruction	$ 38,760	$ 35,124	$ 3,636
RECEIPTS OVER (UNDER) EXPENDITURES	$ (1,216)		
UNENCUMBERED CASH - BEGINNING	7,900		
UNENCUMBERED CASH - ENDING	$ 6,684		

USD 420 - OSAGE CITY
Osage City, Kansas
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State aid/grants	$ 647,060	$ 735,315	$ (88,255)
EXPENDITURES			
Instruction	$ 462,849	$ 529,427	$ (66,578)
Student support services	15,757.00	22,059	(6,302)
Instructional support staff	15,456.00	22,059	(6,603)
General administration	20,698.00	22,059	(1,361)
School administration	52,474.00	42,825	9,649
Operations and maintenance	38,089.00	44,119	(6,030)
Student transportation	11,718.00	14,706	(2,988)
Central support services	11,524.00	14,706	(3,182)
Food service operations	18,495.00	23,355	(4,860)
Total Expenditures	$ 647,060	$ 735,315	$ (88,255)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

USD 420 - OSAGE CITY
Osage City, Kansas
PRESCHOOL-AGED AT-RISK FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Miscellaneous revenues	$ 6,540	$ -	$ 6,540
Operating transfers	60,000	15,512	44,488
Total Cash Receipts	$ 66,540	$ 15,512	$ 51,028
EXPENDITURES			
Instruction	$ 23,246	$ 35,012	$ (11,766)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 43,294		
UNENCUMBERED CASH - BEGINNING	19,500		
UNENCUMBERED CASH - ENDING	$ 62,794		

USD 420 - OSAGE CITY
Osage City, Kansas
AT-RISK (K-12) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Operating transfers	$ 1,166,835	$ 1,164,490	$ 2,345
EXPENDITURES			
Instruction	$ 1,241,453	$ 1,327,243	$ (85,790)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (74,618)		
UNENCUMBERED CASH - BEGINNING	162,754		
UNENCUMBERED CASH - ENDING	$ 88,136		

USD 420 - OSAGE CITY
Osage City, Kansas
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	$ 290,120	$ 297,983	$ (7,863)
Delinquent tax	12,648	4,507	8,141
Motor vehicle tax	36,432	39,161	(2,729)
RV tax	-	884	(884)
Commercial vehicle tax	-	2,102	(2,102)
State aid/grants	411,903	280,664	131,239
Other Financing Sources			
Federal tax credit	-	184,163	(184,163)
Total Cash Receipts	$ 751,103	$ 809,464	$ (58,361)
EXPENDITURES			
Debt service	$ 614,781	$ 627,976	$ (13,195)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 136,322		
UNENCUMBERED CASH - BEGINNING	907,173		
UNENCUMBERED CASH - ENDING	$ 1,043,495		

USD 420 - OSAGE CITY
Osage City, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS
For the Year Ended June 30, 2023

	Contingency Reserve	Emergency Connectivity	ESSER II	ESSER III	Jones Fund Grant	KHDE CLIA Grant
CASH RECEIPTS						
Local sources - other	$ -	$ -	$ -	$ -	$ 190,000	$ -
Federal grants	-	-	10,785	-	-	-
State Source - State aid	-	800	-	-	-	-
Federal Sources - Federal aid	-	-	-	222,387	-	7,347
Operating transfers	50,000	-	-	-	-	-
Total Cash Receipts	$ 50,000	$ 800	$ 10,785	$ 222,387	$ 190,000	$ 7,347
EXPENDITURES						
Instruction	$ -	$ 2,918	$ 9,793	$ 489,863	$ 49,049	$ 29,969
Instructional support staff	-	-	-	-	-	-
Other support services	-	-	-	-	150,000	-
Total Expenditures	$ -	$ 2,918	$ 9,793	$ 489,863	$ 199,049	$ 29,969
RECEIPTS OVER (UNDER) EXPENDITURES	$ 50,000	$ (2,118)	$ 992	$(267,476)	$ (9,049)	$ (22,622)
UNENCUMBERED CASH - BEGINNING	400,748	(780)	(992)	(26,891)	24,922	-
UNENCUMBERED CASH - ENDING	$ 450,748	$ (2,898)	$ -	$(294,367)	$ 15,873	$ (22,622)

(continued)

USD 420 - OSAGE CITY
Osage City, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS (CONTINUED)
For the Year Ended June 30, 2023

	Technology Education	Textbook & Student Revolving	Title I	Title II-A Teacher Quality	Title IV
CASH RECEIPTS					
Local sources - other	$ 16,450	$ -	$ -	$ -	$ -
Federal grants	-	-	138,068	20,511	17,264
State Source - State aid	-	-	-	-	-
Federal Sources - Federal aid	-	-	-	-	-
Operating transfers	-	25,000	-	-	-
Total Cash Receipts	$ 16,450	$ 25,000	$ 138,068	$ 20,511	$ 17,264
EXPENDITURES					
Instruction	$ 3,625	$ 19,120	$ 126,446	$ 21,882	$ 17,264
Instructional support staff	-	-	18,040	2,031	-
Other support services	-	-	-	-	-
Total Expenditures	$ 3,625	$ 19,120	$ 144,486	$ 23,913	$ 17,264
RECEIPTS OVER (UNDER) EXPENDITURES	$ 12,825	$ 5,880	$ (6,418)	$ (3,402)	$ -
UNENCUMBERED CASH - BEGINNING	3,236	30,000	6,418	3,402	-
UNENCUMBERED CASH - ENDING	$ 16,061	$ 35,880	$ -	$ -	$ -

USD 420 - OSAGE CITY
Osage City, Kansas
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended June 30, 2023

	Balance July 1, 2021	Cash Receipts	Cash Disbursements	Balance June 30, 2022
Gamble Scholarship	$ 1,190	$ -	$ 500	$ 690
Davies Memorial	2,720	-	900	1,820
High School				
Spanish Trips	-	2,955	2,550	405
Science Club	-	1,500	765	735
Class of 2022	1,383	-	223	1,160
Class of 2023	529	3	532	-
Class of 2024	20	28,480	26,769	1,731
Class of 2025	10	10	-	20
Art Club	1,868	166	199	1,835
Drama Club	358	-	-	358
School Play	3,524	1,425	311	4,638
Fellowship of Christian Athletes	4,440	1,000	525	4,915
O Club	2,155	3,225	4,699	681
HS Chorus	252	-	-	252
HS Chorus Fundraising	-	2,743	1,438	1,305
Student Council	662	996	1,256	402
Stuco Vending	1,420	2,699	3,015	1,104
Band instrument	-	1,899	1,899	-
Band Fund	1,789	500	390	1,899
National Forensic League	383	482	755	110
Scholars Bowl	3	-	-	3
Entrepreneurship	25	-	-	25
Spanish Club	184	165	187	162
National Honor Society	62	295	189	168
Key Club	809	-	809	-
FBLA	3,605	403	3,354	654
Cheerleaders	518	8,031	7,892	657
Pep Club	258	-	-	258
Dance Club	320	7,916	5,387	2,849
Indian Elite	354	183	353	184
Treble Tones	145	-	-	145
Nila Meyer	2,240	-	500	1,740
Sales Tax	167	-	(298)	465
Middle School				
Student Council	8,238	12,425	12,133	8,530
Middleschool Cheerleaders	410	4,756	4,192	974
Builders' Club	9,184	2,341	2,581	8,944
Sales Tax	-	3,367	3,366	1
Elementary School				
Student Council	6,748	9,336	12,019	4,065
Total Agency Funds	$ 55,973	$ 97,301	$ 99,390	$ 53,884

USD 420 - OSAGE CITY
Osage City, Kansas
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2023

	Balance July 1, 2022	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash	Add Encumbrances and Accounts Payable	Balance June 30, 2023
Gate Receipts						
Elementary School						
Kids choir	$ 50	$ -	$ 50	$ -	$ -	$ -
Book vending machine	-	5,389	-	5,389	-	5,389
Middle School						
Athletics	17,558	23,722	21,331	19,949		19,949
High School						
Athletics	6,851	45,470	38,672	13,649	-	13,649
OC football	6,218	11,812	14,764	3,266	-	3,266
Subtotal Gate Receipts	$ 30,677	$ 86,393	$ 74,817	$ 42,253	$ -	$ 42,253
School Projects						
High School						
Color guard	$ 499	$ 1,054	$ 1,061	$ 492	$ -	$ 492
Biology Trip Fund	2,878	13,417	16,294	1	-	1
Wrestling	-	547	104	443	-	443
Industrial technology	-	960	960	-	-	-
Golf	-	438	328	110	-	110
Weightlifting fund	70	-	-	70	-	70
Baseball	4,973	3,886	2,643	6,216	-	6,216
Softball	1,508	2,430	1,215	2,723	-	2,723
Volleyball	1,789	953	984	1,758	-	1,758
Track	1,776	300	1,615	461	-	461
Robotics	1,183	-	-	1,183	-	1,183
Junior Class equipment	1,210	800	999	1,011	-	1,011
High School yearbook	1,488	5,867	5,134	2,221	-	2,221
ACCC fee fund	1,004	179	-	1,183	-	1,183
Middle School						
Middle School yearbook	1,161	22	-	1,183	-	1,183
Elementary School						
K-Kids	28	285	296	17	-	17
Subtotal School Projects	$ 19,567	$ 31,138	$ 31,633	$ 19,072	$ -	$ 19,072
Total District Activity Funds	$ 50,244	$ 117,531	$ 106,450	$ 61,325	$ -	$ 61,325

November 3, 2023

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
USD 420 - Osage City
Osage City, Kansas

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance With *Government Auditing Standards*

We have audited, 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, the financial statement of USD 420 - Osage City (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated November 3, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the District'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 statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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Purpose of this Report

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

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

November 3, 2023

Board of Education
USD 420 - Osage City
Osage City, Kansas

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance In Accordance With the Uniform Guidance

Unmodified Opinions

We have audited the compliance of USD 420 - Osage City (the District), compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District 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 the District'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 the District's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District'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 the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District'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 Auditor's 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.

Report on Internal Control Over Compliance (continued)

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.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

USD 420 - OSAGE CITY
Osage City, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Agriculture			
Passed through Kansas Department of Education			
Child Nutrition Cluster			
School Breakfast	10.553	DO420	$ 47,672
National School Lunch Program	10.555	DO420	234,849
Summer Food Service Program for Children	10.559	DO420	21,764
Total Child Nutrition Cluster			$ 304,285
Total U.S. Department of Agriculture			$ 304,285
U.S. Department of Education			
Passed through Kansas Department of Education			
Title I - Grants to Local Educational Agencies	84.010	DO420	$ 144,486
Supporting Effective Instruction State Grants	84.367	DO420	23,913
ESSA Student Support Academic Enrichment	84.424	DO420	17,264
COVID-19 - Emergency and Secondary Emergency Relief	84.425D	DO420	9,793
COVID-19 - American Rescuer Plan Elementary and Secondary School Emergency Relief	84.425U	DO420	489,863
COVID-19 - American Rescue Plan Emergency Assistance to Non-Public Schools	84.425V	DO420	19,010
Total U.S. Department of Education			$ 704,329
U.S. Department of Health and Human Services			
Passed through Kansas Department of Education			
COVID 19 - KDHE K-12 COVID Testing Grant	93.323	DO420	7,347
Kansas Preschool Pilot (TANF)	93.558	DO420	3,169
Total U.S. Department of Health and Human Services			$ 10,516
TOTAL FEDERAL EXPENDITURES			$ 1,019,130

USD 420 - OSAGE CITY
Osage City, Kansas
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2022

Note 1: Organization

Unified School District No. 420, Osage City, Kansas, (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statement. The District elected not to use the 10% de minimis indirect cost rate.

Note 3: Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

Note 4: Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2023.

Note 5: Outstanding Loans

The District did not have any outstanding loans under any federal grants at June 30, 2023.

Note 6: Sub-recipient Grants

No federal awards were passed through to subrecipients

Note 7: Pass-Through Numbers

Pass-through numbers have not been assigned to pass-through grants on the Schedule of Expenditures of Federal Awards.

USD 420 - OSAGE CITY
Osage City, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2023

Section I - Summary of Auditor's Results

Financial Statement

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	___ Yes	X None
Reportable conditions identified not considered to be material weaknesses?	___ Yes	X None reported
Noncompliance material to financial statement noted?	___ Yes	X None

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	___ Yes	X No
Reportable conditions identified not considered to be material weaknesses?	___ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)?	___ Yes	X No

Identification of major programs:

Name of Federal program	CFDA Number
COVID-19 - Emergency and Secondary Emergency Relief	84.425D
COVID-19 - American Rescuer Plan Elementary and Secondary School Emergency Relief	84.425U
COVID-19 - American Rescue Plan Emergency Assistance to Non-Public Schools	84.425V

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000	
Auditee qualified as a low-risk auditee?	___ Yes	X No

Note:

Beginning with the year ended June 30, 2016, the criteria for determination of low-risk auditee status was changed by the U.S. Office of Management and Budget (OMB). Specifically, the regulatory basis of accounting prescribed by the State of Kansas does not meet the criteria established by OMB in the Uniform Grant Guidance (UGG). The District continues, however, to meet each of the other criteria for low-risk auditee status.

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs.