

**OTIS - BISON UNIFIED SCHOOL DISTRICT NO. 403**  
**Albert, Kansas**

Financial Statements with Independent Auditors' Report

For the Year Ended June 30, 2007

OTIS - BISON UNIFIED SCHOOL DISTRICT NO. 403  
 Albert, Kansas  
 Financial Statements with Independent Auditors' Report  
 For the Year Ended June 30, 2007

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
**Otis - Bison Unified School District No. 403**  
Albert, KS 67548

We have audited the accompanying financial statements of **Otis - Bison Unified School District No. 403, Albert, Kansas**, as of and for the year ended June 30, 2007 as listed in the table of contents. These financial statements are the responsibility of **Otis - Bison Unified School District No. 403, Albert, Kansas'** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, **Otis - Bison Unified School District No. 403, Albert, Kansas** has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Otis - Bison Unified School District No. 403, Albert, Kansas**, as of June 30, 2007, or changes in financial position for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **Otis - Bison Unified School District No. 403, Albert, Kansas**, as of June 30, 2007, their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of accounting described in Note 1.

*Adams, Brown, Beran & Ball*

**ADAMS, BROWN, BERAN & BALL, Chtd.**  
Certified Public Accountants

October 9, 2007

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**OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403**  
 Albert, Kansas  
 Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
 For the Year Ended June 30, 2007

Fund	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Beginning Unencumbered Cash Balance as Restated	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Funds</b>								
<b>General Fund</b>	\$ (99,597)	685	(98,912)	2,059,926	2,069,436	(108,422)	9,959	(98,463)
<b>Supplemental General Fund</b>	22,754	-	22,754	412,727	421,660	13,821	407	14,228
<b>Special Revenue Funds</b>								
At Risk (K-12) Fund	-	-	-	58,706	58,706	-	-	-
Capital Outlay Fund	252,677	-	252,677	56,022	86,106	222,593	6,309	228,902
Driver Training Fund	6,699	-	6,699	2,762	4,491	4,970	-	4,970
Food Service Fund	16,258	-	16,258	167,271	147,287	36,242	146	36,388
Professional Development Fund	114	-	114	3,158	1,567	1,705	-	1,705
Special Education Fund	74,860	-	74,860	316,265	313,854	77,271	-	77,271
Vocational Education Fund	-	-	-	97,372	97,372	-	-	-
KPEPS Retirement Fund	-	-	-	98,302	98,302	-	-	-
Contingency Reserve Fund	85,000	-	85,000	-	-	85,000	-	85,000
Textbook Rental Fund	9,975	-	9,975	9,439	10,218	9,196	9,443	18,639
Title I Fund	235	-	235	38,194	38,429	-	-	-
Title II - Teacher Improvement Fund	-	-	-	11,762	11,762	-	110	110
Title II - Education Technology Fund	-	-	-	373	373	-	-	-
Title IV - Safe and Drug Free Schools Fund	-	-	-	973	973	-	419	419
Title V - Innovative Programs Fund	-	-	-	556	556	-	-	-
Small Rural Schools Grant Fund	-	-	-	40,747	40,711	36	17,964	18,000
District Activity Funds	42,188	-	42,188	32,485	28,379	46,294	-	46,294
<b>Total Reporting Entity (Excluding Agency Funds)</b>	\$ 411,163	685	411,848	3,407,040	3,430,182	388,706	44,757	433,463

**Composition of Cash:**

Checking Accounts	58,366
Savings Accounts	203,613
Certificates of Deposit	200,000
Total Cash	461,979
Less Agency Funds per Statement 4	(28,516)
<b>Total Reporting Entity (Excluding Agency Funds)</b>	\$ 433,463

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

OTTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403  
 Albert, Kansas  
 Summary of Expenditures - Actual and Budget  
 For the Year Ended June 30, 2007

Fund	Certified Budget	Adjustment to Comply With Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
<b>Governmental Funds</b>						
General Fund	\$ 2,139,441	(81,572)	11,567	2,069,436	2,069,436	-
Supplemental General Fund	408,000	-	13,660	421,660	421,660	-
<b>Special Revenue Funds</b>						
At Risk (K-12) Fund	80,000	-	-	80,000	58,706	21,294
Capital Outlay Fund	210,000	-	-	210,000	86,106	123,894
Driver Training Fund	10,063	-	-	10,063	4,491	5,572
Food Service Fund	210,974	-	-	210,974	147,287	63,687
Professional Development Fund	7,000	-	-	7,000	1,567	5,433
Special Education Fund	370,341	-	-	370,341	313,854	56,487
Vocational Education Fund	114,000	-	-	114,000	97,372	16,628
KPERS Retirement Fund	104,111	-	-	104,111	98,302	5,809

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

## OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403

Albert, Kansas

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Taxes and Shared Revenues</b>				
Ad Valorem Tax	\$ 333,057	337,686	333,411	4,275
Delinquent Tax	1,327	1,174	1,678	(504)
Severance Tax	938	1,054	-	1,054
<b>Intergovernmental Revenue</b>				
Equalization Aid	1,477,174	1,493,553	1,568,710	(75,157)
State Aid	212,754	214,892	235,481	(20,589)
<b>Other Local Sources</b>				
Miscellaneous	1,039	9,875	-	9,875
Reimbursements	3,847	1,692	-	1,692
<b>Total Cash Receipts</b>	<u>2,030,136</u>	<u>2,059,926</u>	<u>2,139,280</u>	<u>(79,354)</u>
<b>Expenditures</b>				
Instruction	947,048	931,709	934,058	2,349
Student Support Services	56,540	56,693	58,210	1,517
Instructional Support Services	75,415	60,368	58,240	(2,128)
General Administration	196,563	173,155	197,514	24,359
School Administration	189,767	192,029	196,353	4,324
Operations and Maintenance	43,864	40,687	54,923	14,236
Vehicle Operating Services	180,005	186,933	198,803	11,870
Operating Transfers	336,908	427,862	441,340	13,478
Adjustment to Comply with Legal Max	-	-	(81,572)	(81,572)
<b>Legal General Fund Budget</b>	<u>2,026,110</u>	<u>2,069,436</u>	<u>2,057,869</u>	<u>(11,567)</u>
(a) Adjustment for Qualifying Budget Credit	<u>-</u>	<u>-</u>	<u>11,567</u>	<u>11,567</u>
<b>Total Expenditures</b>	<u>2,026,110</u>	<u>2,069,436</u>	<u>2,069,436</u>	<u>-</u>
<b>Receipts Over (Under) Expenditures</b>	4,026	(9,510)		
<b>Unencumbered Cash, July 1</b>				
As Previously Stated	(103,623)	(99,597)		
Prior Period Adjustment	-	685		
<b>Unencumbered Cash, June 30</b>	<u>\$ (99,597)</u>	<u>(108,422)</u>		
(a) Budget Credit				
Excess Miscellaneous and Reimbursements Over Amount Budgeted		\$ <u>11,567</u>		

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

OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403  
 Albert, Kansas  
 Supplemental General Fund  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2007  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Taxes and Shared Revenues</b>				
Ad Valorem Tax	\$ 287,824	365,417	352,246	13,171
Delinquent Tax	157	1,154	1,431	(277)
Motor Vehicle Tax	30,679	30,350	33,132	(2,782)
Recreational Vehicle Tax	465	328	434	(106)
<b>Intergovernmental Revenue</b>				
Equalization Aid	3,628	1,818	1,510	308
<b>Other Local Sources</b>				
Insurance Reimbursements	-	13,660	-	13,660
<b>Total Cash Receipts</b>	<u>322,753</u>	<u>412,727</u>	<u>388,753</u>	<u>23,974</u>
<b>Expenditures</b>				
Operations and Maintenance	266,284	292,730	255,319	(37,411)
Operating Transfers	83,716	128,930	152,681	23,751
<b>Legal Suppl.General Fund Budget</b>	350,000	421,660	408,000	(13,660)
(a) Adjustment for Qualifying Budget Credit	-	-	13,660	13,660
<b>Total Expenditures</b>	<u>350,000</u>	<u>421,660</u>	<u>421,660</u>	<u>-</u>
<b>Receipts Over (Under) Expenditures</b>	(27,247)	(8,933)		
<b>Unencumbered Cash, July 1</b>	<u>50,001</u>	<u>22,754</u>		
<b>Unencumbered Cash, June 30</b>	\$ <u>22,754</u>	<u>13,821</u>		
(a) Budget Credit Excess Insurance Reimbursements Over Amount Budgeted		\$ <u>13,660</u>		

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

OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403

Albert, Kansas

At Risk (K-12) Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Other Local Sources</b>				
Operating Transfers	\$ 43,421	58,706	80,000	(21,294)
<b>Expenditures</b>				
Instruction	43,421	58,706	80,000	21,294
<b>Receipts Over (Under) Expenditures</b>	-	-		
<b>Unencumbered Cash, July 1</b>	-	-		
<b>Unencumbered Cash, June 30</b>	\$ -	-		

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

## OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403

Albert, Kansas

## Capital Outlay Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Other Local Sources</b>				
Interest on Idle Funds	\$ 23,122	25,413	15,000	10,413
Miscellaneous	56,102	16,735	10,000	6,735
Operating Transfers	-	13,874	-	13,874
<b>Total Cash Receipts</b>	<u>79,224</u>	<u>56,022</u>	<u>25,000</u>	<u>31,022</u>
<b>Expenditures</b>				
Instruction	19,107	-	20,000	20,000
Instructional Support Services	2,519	-	-	-
School Administration	-	2,939	-	(2,939)
Vehicle Operating Services	83,759	48,900	190,000	141,100
Facility Acquisition and Construction	46,032	34,267	-	(34,267)
<b>Total Expenditures</b>	<u>151,417</u>	<u>86,106</u>	<u>210,000</u>	<u>123,894</u>
<b>Receipts Over (Under) Expenditures</b>	(72,193)	(30,084)		
<b>Unencumbered Cash, July 1</b>	<u>324,870</u>	<u>252,677</u>		
<b>Unencumbered Cash, June 30</b>	<u>\$ 252,677</u>	<u>222,593</u>		

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

## OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403

Albert, Kansas

## Driver Training Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Intergovernmental Revenue</b>				
State Aid	\$ 1,456	1,222	1,365	(143)
<b>Other Local Sources</b>				
Student Fees	1,953	1,540	2,000	(460)
<b>Total Cash Receipts</b>	<u>3,409</u>	<u>2,762</u>	<u>3,365</u>	<u>(603)</u>
<b>Expenditures</b>				
Instruction	3,824	3,251	8,163	4,912
Student Support Services	560	583	1,100	517
Vehicle Operating Services	518	657	800	143
<b>Total Expenditures</b>	<u>4,902</u>	<u>4,491</u>	<u>10,063</u>	<u>5,572</u>
<b>Receipts Over (Under) Expenditures</b>	(1,493)	(1,729)		
<b>Unencumbered Cash, July 1</b>	<u>8,192</u>	<u>6,699</u>		
<b>Unencumbered Cash, June 30</b>	\$ <u>6,699</u>	<u>4,970</u>		

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

## OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403

Albert, Kansas

## Food Service Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Intergovernmental Revenue</b>				
State Aid	\$ 1,568	1,439	1,496	(57)
Federal Aid	44,333	47,858	49,070	(1,212)
<b>Other Local Sources</b>				
Lunch Fees	51,019	48,860	44,745	4,115
Miscellaneous	738	746	-	746
Operating Transfers	41,936	68,368	99,404	(31,036)
	<u>139,594</u>	<u>167,271</u>	<u>194,715</u>	<u>(27,444)</u>
<b>Expenditures</b>				
Operations and Maintenance	-	-	19,041	19,041
Food Service Operation	173,504	147,287	191,933	44,646
<b>Total Expenditures</b>	<u>173,504</u>	<u>147,287</u>	<u>210,974</u>	<u>63,687</u>
<b>Receipts Over (Under) Expenditures</b>	(33,910)	19,984		
<b>Unencumbered Cash, July 1</b>	<u>50,168</u>	<u>16,258</u>		
<b>Unencumbered Cash, June 30</b>	<u>\$ 16,258</u>	<u>36,242</u>		

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

**OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403**  
**Albert, Kansas**  
**Professional Development Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2007  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
Intergovernmental Revenue	\$			
State Aid	226	951	1,750	(799)
<b>Other Local Sources</b>				
Operating Transfers	1,069	2,207	5,136	(2,929)
<b>Total Cash Receipts</b>	1,295	3,158	6,886	(3,728)
<b>Expenditures</b>				
Instructional Support Services	2,742	1,567	7,000	5,433
<b>Receipts Over (Under) Expenditures</b>	(1,447)	1,591		
<b>Unencumbered Cash, July 1</b>	1,561	114		
<b>Unencumbered Cash, June 30</b>	\$ 114	1,705		

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

## OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403

Albert, Kansas

## Special Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Other Local Sources</b>				
Miscellaneous	\$ 215	-	-	-
Operating Transfers	270,682	316,265	295,481	20,784
<b>Total Cash Receipts</b>	270,897	316,265	295,481	20,784
<b>Expenditures</b>				
Instruction	266,797	280,968	288,045	7,077
Vehicle Operating Services	35,400	32,886	82,296	49,410
<b>Total Expenditures</b>	302,197	313,854	370,341	56,487
<b>Receipts Over (Under) Expenditures</b>	(31,300)	2,411		
<b>Unencumbered Cash, July 1</b>	106,160	74,860		
<b>Unencumbered Cash, June 30</b>	\$ 74,860	77,271		

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

**OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403**  
**Albert, Kansas**  
**Vocational Education Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2007  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
Other Local Sources				
Operating Transfers	\$ 63,516	97,372	114,000	(16,628)
<b>Expenditures</b>				
Instruction	63,516	97,372	114,000	16,628
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

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

**OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403**  
**Albert, Kansas**  
**KPERS Retirement Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2007  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
Intergovernmental Revenue				
Employer Contributions	\$ 86,759	98,302	104,111	(5,809)
<b>Expenditures</b>				
Employee Benefits	86,759	98,302	104,111	5,809
<b>Receipts Over (Under) Expenditures</b>	-	-		
<b>Unencumbered Cash, July 1</b>	-	-		
<b>Unencumbered Cash, June 30</b>	\$ -	-		

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

**OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403**  
**Albert, Kansas**  
**Contingency Reserve Fund**  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended June 30, 2007  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
<b>Expenditures</b>		
Instruction	\$ -	-
<b>Unencumbered Cash, July 1</b>	85,000	85,000
<b>Unencumbered Cash, June 30</b>	\$ 85,000	85,000

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

**OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403**  
**Albert, Kansas**  
**Textbook Rental Fund**  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended June 30, 2007  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Other Local Sources		
Textbook Rental Fees	\$ 9,975	9,439
Expenditures		
Instruction	20,758	10,218
Receipts Over (Under) Expenditures	(10,783)	(779)
Unencumbered Cash, July 1	20,758	9,975
Unencumbered Cash, June 30	\$ 9,975	9,196

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

**OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403**  
**Albert, Kansas**  
**Title I Fund**  
**Statement of Cash Receipts and Expenditures - Actual**  
**For the Year Ended June 30, 2007**  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Intergovernmental Revenue		
Federal Aid	\$ 40,235	38,194
<b>Expenditures</b>		
Instruction	40,000	38,194
Instruction - Carryover	491	235
<b>Total Expenditures</b>	40,491	38,429
<b>Receipts Over (Under) Expenditures</b>	(256)	(235)
<b>Unencumbered Cash, July 1</b>	491	235
<b>Unencumbered Cash, June 30</b>	\$ 235	-

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

**OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403**  
**Albert, Kansas**  
**Title II - Teacher Improvement Fund**  
**Statement of Cash Receipts and Expenditures - Actual**  
**For the Year Ended June 30, 2007**  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Intergovernmental Revenue		
Federal Aid	\$ 11,840	11,762
<b>Expenditures</b>		
Instruction	11,840	11,762
<b>Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash, July 1</b>	-	-
<b>Unencumbered Cash, June 30</b>	\$ -	-

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

**OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403**  
**Albert, Kansas**  
**Title II - Education Technology Fund**  
**Statement of Cash Receipts and Expenditures - Actual**  
**For the Year Ended June 30, 2007**  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
<b>Intergovernmental Revenue</b>		
Federal Aid	\$ 687	373
<b>Expenditures</b>		
Instruction	687	373
<b>Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash, July 1</b>	-	-
<b>Unencumbered Cash, June 30</b>	\$ -	-

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

**OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403**  
**Albert, Kansas**  
**Title IV - Safe and Drug Free Schools Fund**  
**Statement of Cash Receipts and Expenditures - Actual**  
**For the Year Ended June 30, 2007**  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
<b>Intergovernmental Revenue</b>		
Federal Aid	\$ 1,269	973
<b>Expenditures</b>		
Instruction	1,069	419
Student Support Services	200	554
<b>Total Expenditures</b>	1,269	973
<b>Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash, July 1</b>	-	-
<b>Unencumbered Cash, June 30</b>	\$ -	-

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

OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403  
 Albert, Kansas  
 Title V - Innovative Programs Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended June 30, 2007  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
<b>Intergovernmental Revenue</b>		
Federal Aid	\$ 761	556
<b>Expenditures</b>		
Instruction	761	556
<b>Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash, July 1</b>	-	-
<b>Unencumbered Cash, June 30</b>	\$ -	-

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

OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403  
Albert, Kansas  
Small Rural Schools Grant Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended June 30, 2007

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	<u>Current Year Actual</u>
<b>Cash Receipts</b>	
Intergovernmental Revenue	
Federal Aid	\$ 40,747
<b>Expenditures</b>	
Instruction	<u>40,711</u>
<b>Receipts Over (Under) Expenditures</b>	36
<b>Unencumbered Cash, July 1</b>	<u>-</u>
<b>Unencumbered Cash, June 30</b>	<u>\$ 36</u>

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

OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403  
 Albert, Kansas  
 Agency Funds  
 Summary of Cash Receipts and Cash Disbursements  
 For the Year Ended June 30, 2007

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
<b>Activity Funds - Student Organizations</b>				
<b>High School</b>				
Band Club	\$ 670	38	-	708
C Club	118	-	-	118
Cheerleaders	174	2,640	2,706	108
Class of 2006	213	-	213	-
Class of 2007	8,725	10,524	19,125	124
Class of 2008	4,053	13,445	10,155	7,343
Class of 2009	1,610	6,360	3,848	4,122
Class of 2010	2,053	387	173	2,267
Dance Club	168	3,657	2,862	963
Home Ec Club	93	-	-	93
Science Club	200	200	-	400
Kayettes	336	780	857	259
National Honor Society	53	-	-	53
Pep Club	116	-	-	116
SADD	2,255	4,329	3,726	2,858
Student Council	500	8,480	6,763	2,217
Yearbook	3,163	4,210	5,453	1,920
<b>Subtotal High School</b>	<b>24,500</b>	<b>55,050</b>	<b>55,881</b>	<b>23,669</b>
<b>Middle School</b>				
Eighth Grade	403	5,506	3,322	2,587
Kay Club	40	-	-	40
Cheer Club	259	7	-	266
Student Council	332	1,050	1,004	378
Teachers Advisory	40	-	-	40
<b>Subtotal Middle School</b>	<b>1,074</b>	<b>6,563</b>	<b>4,326</b>	<b>3,311</b>
<b>Total Student Organizations</b>	<b>25,574</b>	<b>61,613</b>	<b>60,207</b>	<b>26,980</b>
<b>Revolving Insurance Fund</b>	<b>6,655</b>	<b>18,239</b>	<b>23,358</b>	<b>1,536</b>
<b>Total Agency Funds</b>	<b>\$ 32,229</b>	<b>79,852</b>	<b>83,565</b>	<b>28,516</b>

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

**OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403**  
 Albert, Kansas  
**District Activity Funds**  
**Statement of Cash Receipts, Expenditures, and Unencumbered Cash**  
 For the Year Ended June 30, 2007

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Gate Receipts</b>						
High School	25,317	11,873	10,541	26,649	-	26,649
Athletics	2,097	250	2,347	-	-	-
<b>Total Gate Receipts</b>	<u>27,414</u>	<u>12,123</u>	<u>12,888</u>	<u>26,649</u>	<u>-</u>	<u>26,649</u>
<b>School Projects</b>						
High School		4,100	4,100	-	-	-
Book & Horn Rental	61	-	-	61	-	61
Flowers	478	-	-	478	-	478
General	4,737	2,472	331	6,878	-	6,878
Industrial Arts	1,433	18	-	1,451	-	1,451
Joe Peroli Memorial	46	-	-	46	-	46
Library	359	-	-	359	-	359
Paper	1,966	1,030	376	2,620	-	2,620
Quiz Bowl	587	270	474	383	-	383
Speech						
Subtotal High School	<u>9,667</u>	<u>7,890</u>	<u>5,281</u>	<u>12,276</u>	<u>-</u>	<u>12,276</u>
<b>Middle School</b>						
Book Rental	-	1,954	1,954	-	-	-
General	683	716	686	713	-	713
Music	333	165	160	338	-	338
Subtotal Middle School	<u>1,016</u>	<u>2,835</u>	<u>2,800</u>	<u>1,051</u>	<u>-</u>	<u>1,051</u>
<b>Elementary School</b>						
Athletics and Band	495	-	495	-	-	-
Book Rental	-	2,960	2,960	-	-	-
General	570	1,902	1,317	1,155	-	1,155
Box Tops	3,013	4,775	2,625	5,163	-	5,163
Science	13	-	13	-	-	-
Subtotal Elementary School	<u>4,091</u>	<u>9,637</u>	<u>7,410</u>	<u>6,318</u>	<u>-</u>	<u>6,318</u>
<b>Total School Projects</b>	<u>14,774</u>	<u>20,362</u>	<u>15,491</u>	<u>19,645</u>	<u>-</u>	<u>19,645</u>
<b>Total District Activity Funds</b>	<u>\$ 42,188</u>	<u>\$ 32,485</u>	<u>28,379</u>	<u>46,294</u>	<u>-</u>	<u>46,294</u>

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

OTIS - BISON UNIFIED SCHOOL DISTRICT NO. 403

Otis - Bison, Kansas

Notes to Financial Statements

June 30, 2007

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1. Summary of Significant Accounting Policies

The District has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the statutory basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies:

A. Financial Reporting Entity

Otis - Bison Unified School District No. 403, Albert, Kansas, is a municipal corporation governed by an elected seven – member board. The District receives funding from local, state, and federal governmental sources and must comply with the requirements of these funding sources.

The financial statements of the District consist of all the funds of the District and governmental entities that are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The District has no entities that are controlled or dependent on the District.

B. Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the District for the year ended June 30, 2007:

Governmental Funds

General Fund – reports as the primary fund of the District. The fund is used to account for all financial resources not reported in other funds.

Special Revenue Funds – to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expend for specific purposes.

Fiduciary Funds

Student Activity Fund - an agency fund that accounts for the receipts and disbursements of monies from student activity organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

OTIS - BISON UNIFIED SCHOOL DISTRICT NO. 403

Otis - Bison, Kansas  
Notes to Financial Statements  
June 30, 2007

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**C. Statutory Basis of Accounting**

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the statutory basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

The District 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 District to use the statutory basis of accounting.

**D. Departure from Accounting Principles Generally Accepted in the United States of America**

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal, and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the year in accordance with generally accepted accounting principles. General capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

**E. Accounting for Capital Assets and Depreciation**

The District does not maintain a record of capital assets used in performance of general government operations as required by generally accepted accounting principles.

**F. Budgets**

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), Debt Service Funds, and Enterprise 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 fiscal year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
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.

OTIS - BISON UNIFIED SCHOOL DISTRICT NO. 403

Otis - Bison, Kansas

Notes to Financial Statements

June 30, 2007

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**F. Budgets (cont.)**

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. There were no budget amendments 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 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 modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for fiduciary funds and the following special revenue funds: Contingency Reserve Fund, Textbook Rental Fund, Title I Fund, Title II – Teacher Improvement Fund, Title II – Education Technology Fund, Title IV – Safe and Drug Free Schools Fund, Title V – Innovative Programs Fund, Small Rural Schools Grant Fund, Investment Fund, Insurance Fund, Gate Receipts, and School Project Accounts.

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

**G. Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is utilized in the governmental funds.

**H. Deposits**

The District follows the practice of pooling cash of all funds. Each fund's portion of total cash is summarized by fund type in the Summary of Cash Receipts, Cash Disbursements and Unencumbered Cash.

As of June 30, 2007, the District had no 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 deposits in excess of FDIC coverage.

OTIS - BISON UNIFIED SCHOOL DISTRICT NO. 403

Otis - Bison, Kansas

Notes to Financial Statements

June 30, 2007

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**H. Deposits and Investments (cont.)**

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.

*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, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District did not use peak depository coverage. All deposits were legally secured at June 30, 2007.

At June 30, 2007, the District's carrying amount of deposits was \$461,979 and the bank balance was \$592,320. Of the bank balance, \$388,467 was covered by federal depository insurance and \$203,853 was collateralized with securities held by the pledging financial institutions agents in the District's name.

**I. Property Tax Calendar**

Property taxes are collected and remitted to the District by the County Treasurer. Taxes levied annually on November 1<sup>st</sup> are due one half by December 20<sup>th</sup> and one half by May 10<sup>th</sup>. Major property tax payments are received December through June and are recognized as revenue in the year received.

**J. Inventories and Prepaid Expenses**

Inventories and prepaid expenses which benefit future periods are recorded as expenditures during the year of purchase as required by state statutes.

**K. Defined Benefit Pension Plan**

**Plan description** - Otis - Bison Unified School District No. 403, Albert, Kansas 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. KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 South Kansas Avenue, Suite 100; Topeka, KS 66603-3803) or by calling 1-888-275-5737.

**Funding Policy** - K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERs according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 6.77% of covered payroll for the fiscal year ended June 30, 2007. These contribution requirements are established by KPERs and are periodically revised. Kansas' contributions to KPERs for all Kansas public school employees for the years ending June 30, 2007, 2006, and 2005 were \$192,425,626, \$159,728,918, and \$138,176,951, respectively, equal to the required contributions for each year.

**OTIS - BISON UNIFIED SCHOOL DISTRICT NO. 403**

**Otis - Bison, Kansas**  
**Notes to Financial Statements**  
**June 30, 2007**

**L. Compensated Absences**

The annual amount of sick leave, ten days, is credited to the employee each September 1<sup>st</sup>. At the same time all prior unused sick leave is credited to the employee, to a maximum of 85 days for the certified employee and 60 days for the classified employee. Termination of employment shall automatically void all accumulated days of sick leave. Accumulated vacation time has to be used by June 30 except for the District's custodians. Custodians must utilize vacation time by the second Monday in August or it is forfeited. As of June 30, 2006, compensated absences were \$234,630. Compensated absences increased \$6,617 to an amount of \$241,247 as of June 30, 2007.

**M. Deferred Compensation Plan**

The District sponsors a deferred compensation plan under the Internal Revenue Code Section 403(b). Permanent and part time employees are eligible to participate under the plan. The employer is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

**N. 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 these financial statements.

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 District for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program

**2. Transfers and Payments**

Transfers and payments within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects, and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas Statutes. The District's operating transfers and statutory authority for June 30, 2007 were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Food Service	K.S.A. 72-5119	\$ 37,363
General	Professional Development	K.S.A. 72-9609	2,207
General	Special Education	K.S.A. 72-6420	235,986
General	Vocational Education	K.S.A. 72-6421	79,726
General	At - Risk (K-12)	K.S.A. 72-6414a	58,706
General	Capital Outlay	K.S.A. 72-8801	13,874
Supplemental General	Special Education	K.S.A. 72-6420	80,279
Supplemental General	Food Service	K.S.A. 72-5119	31,005
Supplemental General	Vocational Education	K.S.A. 72-6421	17,646
	<b>Total</b>		<b>\$ 556,792</b>

**3. Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the statutory basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

OTIS - BISON UNIFIED SCHOOL DISTRICT NO. 403

Otis - Bison, Kansas  
Notes to Financial Statements  
June 30, 2007

4. Litigation

The District is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the funds of the District.

5. Risk Management – Claims and Judgments

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 students; and natural disasters.

The District carries commercial insurance for all other risks of loss, including property, general liability inland marine, auto, linebacker, and student activity coverage.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three calendar years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. At June 30, 2007, the financial statements do not include liabilities for anticipated costs.

6. Grants and Shared Revenues

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audits, is not believed to be material.

7. Comparative Data

Comparative total data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in the District's cash and unencumbered cash balances. However, complete comparative data (i.e., presentation of prior year totals in Statement 1 and Statement 2) has not been presented since their inclusion would make certain statements unduly complex and difficult to read.

8. Related Party Transactions

In accordance with Financial Accounting Standards Board Statement No. 57 (the Statement), the following related party transactions were identified for 2007. Related party transactions do not include compensation arrangements, expense allowances and reimbursements, and similar items incurred in the ordinary course of operations and, accordingly, such items are not included below.

Mak-D

Claude Nelson is owner of the company and was a Board Member in 2007:

	<u>2007</u>
	\$ <u>7,293</u>

9. Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by these Statutes and are included on the next two pages.

OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403  
Albert, Kansas  
General Fund  
Statutory Revenues and Expenditures - Statutory and Budget  
For the Year Ended June 30, 2007

	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
<b>Statutory Revenues</b>			
<b>Taxes and Shared Revenues</b>			
Ad Valorem Tax	\$ 337,686	333,411	4,275
Delinquent Tax	1,174	1,678	(504)
Severance Tax	1,054	-	1,054
<b>Intergovernmental Revenue</b>			
Equalization Aid	1,502,902	1,568,710	(65,808)
State Aid	214,892	235,481	(20,589)
<b>Other Local Sources</b>			
Miscellaneous	9,875	-	9,875
Reimbursements	1,692	-	1,692
<b>Total Statutory Revenues</b>	<u>2,069,275</u>	<u>2,139,280</u>	<u>(70,005)</u>
<b>Expenditures</b>			
Instruction	931,709	934,058	2,349
Student Support Services	56,693	58,210	1,517
Instructional Support Services	60,368	58,240	(2,128)
General Administration	173,155	197,514	24,359
School Administration	192,029	196,353	4,324
Operations and Maintenance	40,687	54,923	14,236
Vehicle Operating Services	186,933	198,803	11,870
Operating Transfers	427,862	441,340	13,478
Adjustment to Comply with Legal Max	-	(81,572)	(81,572)
<b>Legal General Fund Budget</b>	<u>2,069,436</u>	<u>2,057,869</u>	<u>(11,567)</u>
<b>(a) Adjustment for Qualifying Budget Credit</b>	<u>-</u>	<u>11,567</u>	<u>11,567</u>
<b>Total Expenditures</b>	<u>2,069,436</u>	<u>2,069,436</u>	<u>-</u>
<b>Statutory Revenues Over (Under) Expenditures</b>	<u>(161)</u>		
<b>Modified Unencumbered Cash, July 1 As Previously Stated</b>	<u>161</u>		
<b>Prior Period Adjustment</b>	<u>685</u>		
<b>Modified Unencumbered Cash, June 30</b>	<u>\$ 685</u>		
<b>(a) Budget Credit</b>			
Excess Miscellaneous and Reimbursements Over Amount Budgeted	<u>\$ 11,567</u>		

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

OTIS-BISON UNIFIED SCHOOL DISTRICT NO. 403  
Albert, Kansas  
Supplemental General Fund  
Statutory Revenues and Expenditures - Statutory and Budget  
For the Year Ended June 30, 2007

	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
<b>Statutory Revenues</b>			
<b>Taxes and Shared Revenues</b>			
Ad Valorem Tax	\$ 365,417	352,246	13,171
Delinquent Tax	1,154	1,431	(277)
Motor Vehicle Tax	30,350	33,132	(2,782)
Recreational Vehicle Tax	328	434	(106)
<b>Intergovernmental Revenue</b>			
Equalization Aid	1,510	1,510	-
<b>Other Local Sources</b>			
Insurance Reimbursements	13,660	-	13,660
<b>Total Statutory Revenues</b>	<u>412,419</u>	<u>388,753</u>	<u>23,666</u>
<b>Expenditures</b>			
Operations and Maintenance	292,730	255,319	(37,411)
Operating Transfers	128,930	152,681	23,751
<b>Legal Suppl.General Fund Budget</b>	-	408,000	(13,660)
<b>(a) Adjustment for Qualifying Budget Credit</b>	-	13,660	13,660
<b>Total Expenditures</b>	<u>421,660</u>	<u>421,660</u>	<u>-</u>
<b>Statutory Revenues Over (Under) Expenditures</b>	(9,241)		
<b>Modified Unencumbered Cash, July 1</b>	<u>23,186</u>		
<b>Modified Unencumbered Cash, June 30</b>	\$ <u>13,945</u>		
<b>(a) Budget Credit</b>			
Excess Insurance Reimbursements Over Amount Budgeted	\$ <u>13,660</u>		

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

OTIS - BISON UNIFIED SCHOOL DISTRICT NO. 403  
Otis - Bison, Kansas  
Notes to Financial Statements  
June 30, 2007

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**10. Prior Period Restatement**

The District's petty cash bank account was not included in the District's unencumbered cash for the year ended June 30, 2006 of \$685. The June 30, 2006 unencumbered cash was increased by this amount.