REPORT OF

OSAGE COUNTY R-1 SCHOOL DISTRICT
CHAMOIS, MISSOURI

JUNE 30, 2026

OSAGE COUNTY R-1 SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Osage County R-1 School District
Chamois, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the Osage County R-1 School District, Chamois, Missouri (the "District"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the District, as of June 30, 2026, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

PARTNERS
Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson
Benjamin E. Carrier
Kaitlin M. Carrier

PARTNERS EMERITI
Robert A. Gerding
Fred W. Korte, Jr.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

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

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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 generally accepted auditing standards and *Government Auditing Standards* 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 statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 statements.
- 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 statements.
- 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of revenues collected by source arising from modified cash transactions and schedule of expenditures paid by object arising from modified cash transactions are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues collected by source arising from modified cash transactions and schedule of expenditures paid by object arising from modified cash transactions, are fairly stated in all material respects in relation the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary schedules, the schedule of selected statistics, and the schedule of transportation costs eligible for state aid but does not include the basic financial and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2026, 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.

Gerding, Korte + Chitwood, P.C.

October 20, 2026

Gerding, Korte & Chitwood, P.C.
Certified Public Accountants
Boonville, Missouri

OSAGE COUNTY R-1 SCHOOL DISTRICT
STATEMENT OF NET POSITION ARISING FROM MODIFIED
CASH TRANSACTIONS - GOVERNMENTAL ACTIVITIES
JUNE 30, 2026

ASSETS:		
Current Assets		
Cash and investments	$	3,562,704
Total Assets		3,562,704
NET POSITION:		
Unrestricted		3,562,704
Total Net Position	$	3,562,704

See Notes to Financial Statements

OSAGE COUNTY R-1 SCHOOL DISTRICT
STATEMENT OF ACTIVITIES ARISING FROM MODIFIED CASH TRANSACTIONS
GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2026

		Program Receipts			
	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Expenses and Changes in Net Position
Regular instruction	$ 1,021,513	$ -	$ 414,142	$ -	$ (607,371)
Special instruction	200,843	-	94,298	-	(106,545)
Vocational instruction	102,013	-	-	-	(102,013)
Student activities	116,572	73,096	-	-	(43,476)
Student support services	117,551	-	14,298	-	(103,253)
Instructional support services	73,514	-	5,147	-	(68,367)
Board of Education services	23,877	-	-	-	(23,877)
Executive administration	266,331	-	-	-	(266,331)
Building level administration	177,153	-	-	-	(177,153)
Business/central services	30,011	-	-	-	(30,011)
Operation of plant	385,004	-	-	-	(385,004)
Pupil transportation	126,513	-	55,681	-	(70,832)
Food services	121,181	5,628	83,342	-	(32,211)
Adult education and community services	74,487	9,155	2,203	-	(63,129)
Principal retirement	6,099	-	-	-	(6,099)
Interest and fees	189	-	-	-	(189)
Total	$ 2,842,851	$ 87,879	$ 669,111	$ -	$ (2,085,861)

General Revenues	
Taxes	
Property taxes levied for general purposes	937,524
Property taxes levied for capital projects	58,189
Proposition C sales tax	174,495
Financial institution tax/in lieu of tax/M&M surtax	8,850
State assessed railroad and utility	116,577
Non-Restricted Intergovernmental Revenues	
County-fines	7,479
State-basic formula	1,024,307
Interest and investment earnings	131,303
Miscellaneous	1,513
Subtotal General Revenues	2,460,237
Increase (Decrease) in Net Position	374,376
Net Position, June 30, 2025	3,188,328
Net Position, June 30, 2026	$ 3,562,704

See Notes to Financial Statements

OSAGE COUNTY R-1 SCHOOL DISTRICT
STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM MODIFIED CASH TRANSACTIONS -
ALL GOVERNMENTAL FUND TYPES
JUNE 30, 2026

	Governmental Fund Types			
	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:				
Cash and investments	$ 2,557,176	$ -	$ 1,005,528	$ 3,562,704
TOTAL ASSETS	$ 2,557,176	$ -	$ 1,005,528	$ 3,562,704
FUND BALANCES:				
Assigned for capital projects	$ -	$ -	$ 1,005,528	$ 1,005,528
Unassigned	2,557,176	-	-	2,557,176
TOTAL FUND BALANCES	$ 2,557,176	$ -	$ 1,005,528	3,562,704

RECONCILIATION OF THE STATEMENT OF ASSETS AND FUND BALANCES ARISING FROM MODIFIED CASH TRANSACTIONS
TO THE STATEMENT OF NET POSITION ARISING FROM MODIFIED CASH TRANSACTIONS

Amounts reported for governmental activities in the Statement of Net Position are different because:	
There are no reconciling items.	-
Net position of governmental activities	$ 3,562,704

See Notes to Financial Statements

OSAGE COUNTY R-1 SCHOOL DISTRICT
STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN
FUND BALANCES ARISING FROM MODIFIED CASH TRANSACTIONS - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2026

	Governmental Fund Types			
	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects Fund	Total Governmental Funds
REVENUES COLLECTED:				
Local	$ 1,214,428	$ 131,857	$ 69,961	$ 1,416,246
County	94,970	7,479	21,607	124,056
State	120,665	1,277,592	37,354	1,435,611
Federal	158,202	83,062	-	241,264
Other	50	-	-	50
Total Revenues Collected	1,588,315	1,499,990	128,922	3,217,227
EXPENDITURES PAID:				
Regular instruction	49,466	971,143	904	1,021,513
Special instruction	20,649	180,194	-	200,843
Vocational instruction	10,861	91,152	-	102,013
Student activities	83,503	29,901	3,168	116,572
Student support services	60,836	56,715	-	117,551
Instructional support services	22,693	50,821	-	73,514
Board of Education services	23,877	-	-	23,877
Executive administration	82,300	181,232	2,799	266,331
Building level administration	88,248	88,905	-	177,153
Business/central services	30,011	-	-	30,011
Operation of plant	319,326	988	64,690	385,004
Pupil transportation	126,513	-	-	126,513
Food services	121,181	-	-	121,181
Adult education and community services	29,033	45,454	-	74,487
Principal retirement	-	-	6,099	6,099
Interest and fees	-	-	189	189
Total Expenditures Paid	1,068,497	1,696,505	77,849	2,842,851
EXCESS/(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES PAID	519,818	(196,515)	51,073	374,376
OTHER FINANCING SOURCES/(USES):				
Transfers	(358,841)	196,515	162,326	-
Total Other Financing Sources/(Uses)	(358,841)	196,515	162,326	-
EXCESS/(DEFICIT) OF REVENUES COLLECTED AND OTHER FINANCING SOURCES OVER EXPENDITURES PAID AND OTHER FINANCING USES	160,977	-	213,399	$ 374,376
FUND BALANCES, BEGINNING OF YEAR	2,396,199	-	792,129	
FUND BALANCES, END OF YEAR	$ 2,557,176	$ -	$ 1,005,528	

See Notes to Financial Statements

OSAGE COUNTY R-1 SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES ARISING FROM MODIFIED CASH TRANSACTIONS - ALL GOVERNMENTAL FUND TYPES TO THE STATEMENT OF ACTIVITIES ARISING FROM MODIFIED CASH TRANSACTIONS
YEAR ENDED JUNE 30, 2026

Net change in fund balances - total governmental funds	$ 374,376
Amounts reported for governmental activities in the Statement of Activities are different because:	
There are no reconciling items.	-
Change in Net Position of Governmental Activities	$ 374,376

See Notes to Financial Statements

NOTE 1: Summary of Significant Accounting Policies

The financial statements of the Osage County R-1 School District (the "District") have been prepared in conformity with the modified cash basis of accounting. As such these financial statements reflect the cash and investment position of the District and the receipts and disbursements arising from cash activities. Additionally, these financial statements include the capital assets and long-term debt of the District as modifications to the cash basis of accounting. The significant accounting policies of the District are described below:

A. Reporting Entity

The District is governed by an elected seven-member board. The Osage County R-1 School District Board (the "Board") is the basic level of government that has financial accountability and control over all activities related to public school education in the District. The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (a) the District is able to significantly influence the programs or services performed or provided by the organization; or (b) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. The District has no component units.

B. District-Wide and Fund Financial Statements

District-Wide Statements:
The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. The District first utilizes restricted resources to finance qualifying activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The District does not allocate indirect costs.

NOTE 1: Summary of Significant Accounting Policies (continued)

Fund Financial Statements:
During the year, the District segregates transactions related to certain functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental is on major funds. Each major fund is presented in a separate column.

C. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund - The General Fund is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue (Teachers') Fund - The Teachers' Fund is required to be established by state law and may be used for the payment of salaries and insurance benefits for certificated personnel. The fund's revenues include property taxes, investment income, and county, state, and federal aid. The fund is also used to account for certain tuition payments made between school districts.

Capital Projects Fund - The Capital Projects Fund accounts for expenditures from the proceeds of bond issues, investment income earned on the proceeds and other revenues designated for acquisition or construction of major capital assets. The expenditures include major capital outlay projects and equipment purchases for instructional and support programs.

NOTE 1: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting, Measurement Focus and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The district-wide financial statements are prepared using the modified cash basis of accounting. Revenues are recorded when received and expenses are recorded when paid.

Governmental fund financial statements are reported using the modified cash basis of accounting. Revenues are recognized when received and expenditures are recognized when paid. Investments are recorded as assets.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues and certain liabilities and their related expenses are not recorded in these financial statements. If the District utilized the basis of accounting recognized as generally accepted, the financial statements would be presented on the accrual basis of accounting.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not arise from a cash transactions or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the District utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented in accordance with the accrual basis of accounting.

NOTE 1: Summary of Significant Accounting Policies (continued)

E. Pooled Cash and Temporary Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments which is managed by the District Treasurer. Investments of the pooled accounts consist primarily of certificates of deposit and money market checking accounts. Interest income earned is allocated to contributing funds based on cash and temporary investment balances.

F. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

H. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

I. Debt Service

Proceeds from sales of bonded indebtedness are recorded as revenue when the payment is received. Repayments are recognized as expenditures when the disbursements are made. Interest on bonded indebtedness is recorded when it is disbursed.

J. Vacation and Sick Leave

Vacation time, personal business days, and sick leave are considered as expenditures in the year paid. Amounts that are unused and which are vested in the employee are payable upon termination.

NOTE 1: Summary of Significant Accounting Policies (continued)

K. Teacher Salaries

The salary payment schedule of the District requires the payment of salaries for a twelve- month period. Consequently, the July and August 2026 payroll checks, written and dated in June 2026 are included in the financial statements as an expenditure in the 2025-26 year. This practice is consistent with prior years.

L. Compensated Absences

Employees working full-time on a twelve month basis receive 12 days of personal leave per year. Full-time employees whose duties are only during the regular school term receive ten days of personal leave. Unused sick days cumulate up to 60 days, or are reimbursed at the end of their contract at $115 per personal day not used if retiring. Upon leaving the School District, an employee will be paid ½ the daily substitute teacher rate for each cumulated personal day. For the fiscal year ending June 30, 2026, the District has $52,882 accrued unused personal leave, an increase of $31,187 from the June 30, 2025 balance of $21,695. The amount expected to be paid out of current resources is not significant.

M. Post Employment Benefits

COBRA Benefits - Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides health care benefits 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 on or before the month for the actual month covered. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the District under this program.

N. Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance. Beginning with FY 2011, the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has determined there are no amounts that should be considered nonspendable.

NOTE 1: Summary of Significant Accounting Policies (continued)

- Restricted: This classification includes amounts for which constraints have been placed on the use of resources because they are either:
    - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
    - Imposed by law through constitutional provisions or enabling legislation.

Management has determined there are no restricted resources at June 30, 2026.

- Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the District's board of directors, which is the District's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of year-end.

- Assigned: This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the District's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes. The District's management assigned $1,005,528 for capital projects at June 30, 2026.

- Unassigned: This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the District would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer to the use of the other classified funds.

NOTE 2: Deposits and Investments

The District complies with various restrictions on deposits and investments which are imposed by state statutes as follows:

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

Investments - The District may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U. S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

The deposits and investments held at June 30, 2026, are shown below:

	Maturity Date	Carrying Value
Deposits:		
Demand deposits		$ 2,466,352
Time deposit	2/10/2027	434,634
Time deposit	7/16/2027	200,872
Time deposit	11/12/2026	201,146
Time deposit	1/12/2027	259,700
		3,562,704
Total deposits		$ 3,562,704

Custodial credit risk. Deposits in financial institutions, reported as components of cash and investments had a bank balance of $3,761,068 at June 30, 2026, which was fully insured by depository insurance or secured with collateral.

Investment interest rate risk. The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at June 30, 2026 are provided in the previous schedule.

Investment credit risk. The Board has given the Superintendent the authority to invest idle funds of the District in low-risk investments such as United States government securities or collateralized certificates of deposit.

Concentration of investment credit risk. The District places no limit on the amount it may invest in any one issuer. At June 30, 2026, the District had no concentration of credit risk.

NOTE 3: Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the District.

The District also receives sales tax collected by the state and remitted based on eligible pupils. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year unless the voters have approved a rollback waiver.

The assessed valuation of the tangible taxable property for the calendar year 2025 for purposes of local taxation was $19,699,607.

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar year 2025 for purpose of local taxation was:

	Unadjusted	Adjusted
General (Incidental) Fund	$ 4.7676	$ 4.7676
Special Revenue (Teachers') Fund	-	-
Capital Projects Fund	0.3000	0.3000
Total	$ 5.0676	$ 5.0676

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2026, aggregated approximately 100% of the current assessment computed on the basis of the levy as shown above.

NOTE 4: Changes in Long-Term Debt

The following is a summary of changes in long-term debt transactions for the year ended June 30, 2026:

	Boiler Loan	Lighting Loan	Total
Balance, June 30, 2025	$ 8,645	$ 2,680	$ 11,325
Principal paid	(3,418)	(2,680)	(6,098)
Balance, June 30, 2026	$ 5,227	$ -	$ 5,227
Current Portion	$ 3,487	$ -	$ 3,487

NOTE 5: Bonds Payable

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15 percent of the assessed valuation of a district. The legal debt margin (excluding state-assessed railroad and utility) of the District at June 30, 2026, was:

Constitutional debt limit	$	2,954,941
General obligation bonds payable		-
Amount in Debt Service Fund available for payment of principal		-
Legal debt margin	$	2,954,941

NOTE 6: Loan Payable

During the 2017-2018 year the District entered into a $32,352 loan for a boiler repair with the Department of Energy. The loan is payable in $1,787 payments through November 1, 2027 and carries an interest rate of 2% per year. Total interest paid in the fiscal year ending June 30, 2026 was $390.

Future payments are as follows:

Year Ended June 30,	Principal	Interest	Total
2027	$ 3,487	$ 87	$ 3,574
2028	1,740	17	1,757
Total	$ 5,227	$ 104	$ 5,331

During the 2015-2016 fiscal year the District obtained a $47,575 loan from the Department of Economic Development-Division of Energy for lighting updates. The $47,575 loan balance has a 2.50% interest rate plus a 1% loan origination fee on the principal loan amount. Interest was accrued and not paid until project completion. Total loan payback amount is $48,051. The loan is payable in twenty payments of $2,723 starting July 1, 2016, paid two times a year on July 1st and January 1st. The loan was paid in full in 2026.

NOTE 7: Fund Balance

Classifications of fund balances at June 30, 2026 are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Fund Balances:				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned for special revenue	-	-	-	-
Assigned for capital projects	-	-	1,005,528	1,005,528
Unassigned	2,557,176	-	-	2,557,176
	$ 2,557,176	$ -	$ 1,005,528	$ 3,562,704

The District has not adopted a policy that sets forth a minimum fund balance amount.

NOTE 8: Interfund Transfers

Interfund transfers, the flow of assets from one fund to another where repayment is not expected are reported as transfers in and out. The District is required to make a transfer from the General Fund to the Teachers' Fund to cover the excess of disbursements over receipts each year. The District makes allowed transfers from the General Fund to the Capital Projects Fund to cover disbursements and build balances as allowed by state law. During the year ended June 30, 2026, the District made the following interfund transfers:

Type of Transfers	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects Fund
Teachers' Fund	$ (196,515)	$ 196,515	$ -
$162,326 or 7%xSATxWADA	(162,326)	-	162,326
Total Net Transfers	$ (358,841)	$ 196,515	$ 162,326

NOTE 9: Retirement Plan

The Osage County R-1 School District contributes to the Public School Retirement System of Missouri (PSRS), a cost-sharing multiple-employer defined benefit pension plan. PSRS provides retirement and disability benefits to full-time (and certain part-time) certificated employees and death benefits to members and beneficiaries. Positions covered by the Public School Retirement System of Missouri are not covered by Social Security. PSRS benefit provisions are set forth in Chapter 169.010 - .141 of the Missouri Revised Statutes. The statutes assign responsibility for the administration of the system to a seven-member Board of Trustees. PSRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public School Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102, or by calling 1-800-392-6848.

PSRS members are required to contribute 14.5% of their annual covered salary and the Osage County R-1 School District is required to contribute a matching amount. The contribution requirements of members and the Osage County R-1 School District are established and may be amended by the PSRS Board of Trustees. The District's contributions to PSRS for the year ending June 30, 2026, were $152,710, equal to the required contributions. The contributions for the last three years are as follows:

Year Ended June 30,	Amount of Employer Contribution	Percentage of Contribution
2026	$ 152,710	14.50%
2025	149,891	14.50%
2024	145,854	14.50%

The Osage County R-1 School District also contributes to the Public Education Employees Retirement System of Missouri (PEERS), a cost-sharing multiple-employer defined benefit pension plan. PEERS provides retirement and disability benefits to employees of the District who work 20 or more hours per week and who do not contribute to the Public School Retirement System of Missouri. Positions covered by the Public Education Employees Retirement System of Missouri are also covered by Social Security. Benefit provisions are set forth in Chapter 169.600 - .715 of the Missouri Revised Statutes. The statutes assign responsibility for the administration of the system to the Board of Trustees of the Public Education Employees Retirement System of Missouri. PEERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public Education Employees Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

NOTE 9: Retirement Plan (continued)

PEERS members are required to contribute 6.86% of their annual covered salary and the Osage County R-1 School District is required to contribute a matching amount. The contribution requirements of members and the Osage County R-1 School District are established and may be amended by the Board of Trustees. The School District's contributions to PEERS for the year ending June 30, 2026, were $45,049, equal to the required contributions. The contributions for the last three years are as follows:

Year Ended June 30,	Amount of Employer Contribution	Percentage of Contribution
2026	$ 45,049	6.86%
2025	38,000	6.86%
2024	38,777	6.86%

NOTE 10: Participation in Public Entity Risk Pools

The District is a member of the Missouri United School Insurance Council (MUSIC), a not-for-profit corporation consisting of school districts and junior colleges. MUSIC was incorporated in 1985 to acquire insurance for its members. MUSIC operates as a purchasing pool and is not a joint venture activity of the District. The District has no control over budgeting, financing, management selection, or the governing body. MUSIC provides both conventional and self-insurance coverage for its members including property, casualty, general liability, workers' compensation, and fleet insurance. The District participates in all of the above coverages.

MUSIC manages the cash and investment pool, funded by insurance premiums, on behalf of its members. MUSIC's investment pool consists of U.S. Treasury strips.

In the event that a deficit occurs with respect to any fiscal year of MUSIC for which the District was a participant at any time during such year; and in the event that MUSIC determines that an assessment is required in order to provide additional funds for the obligations of MUSIC for such year; and further, in the event that the District was covered by the types of benefits requiring the assessment during the time period in which the assessment arose, the District is obligated to pay its pro rata share of any such assessment, irrespective of whether or not the District is a member of MUSIC at the time of such assessment.

Management of the District is not aware of any deficit situation in MUSIC which would require any accrual of liability as of June 30, 2026.

MUSIC's financial statements are presented in its Comprehensive Annual Financial Report for the year ended December 31, 2025.

NOTE 11: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance.

NOTE 12: Contingent Liabilities

The District receives federal grants and state funding for specific purposes that are subject to review and audit. These reviews and audits could lead to request for reimbursement or to withholding of future funding for expenditures disallowed for noncompliance with the terms of the grants and state funding. The federal granting agency will determine whether or not any expenditures will be disallowed. The District is not aware of any noncompliance with federal or state provisions that might require the District to provide reimbursement.

NOTE 13: Other Post-Employment Benefits

The District provides health insurance benefits to its retirees on a reimbursable basis. The cost of the insurance premium is charged to the retirees at the same cost as active employees. This situation causes an implicit premium subsidy for the difference the retirees would have to pay for similar insurance coverage and the actual amount of their premiums. This implicit premium subsidy represents an unfunded obligation to the District. This obligation has not been valued or reported because the District reports its financial activity using the modified cash basis of accounting.

NOTE 14: Pledged Revenues

The District has pledged future revenues, net of specified operating expenses, to repay loans that were issued for the purpose of improvements. The loans are payable solely from capital projects net revenues and are payable through 2028. Annual principal and interest payments in 2026 on the loans required 11% of capital projects net revenues. The total principal and interest remaining to be paid on the loans is $5,331. Principal and interest paid for the current year and total net revenues in the capital projects fund for the current year were $6,288 and $57,361 respectively.

NOTE 15: Consideration of Subsequent Events

Subsequent events have been evaluated through October 20, 2026, which is the date the financial statements are available to be issued. No events requiring disclosure were identified as a result of this review.

SUPPLEMENTARY INFORMATION

OSAGE COUNTY R-1 SCHOOL DISTRICT
SCHEDULE OF REVENUES COLLECTED BY SOURCE
ARISING FROM MODIFIED CASH TRANSACTIONS
YEAR ENDED JUNE 30, 2026
(SCHEDULE 1)

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects Fund	Totals (Memorandum Only)
LOCAL:				
Current taxes	$ 875,391	$ -	$ 55,356	$ 930,747
Delinquent taxes	62,134	-	2,832	64,966
Proposition C	43,624	130,870	-	174,494
M & M surcharge tax	-	-	5,963	5,963
In lieu of tax	-	-	2,887	2,887
Earnings on investments	127,394	987	2,923	131,304
Food service non-program	5,628	-	-	5,628
Student activities	73,096	-	-	73,096
Community services	9,155	-	-	9,155
Other local	18,006	-	-	18,006
Total Local	1,214,428	131,857	69,961	1,416,246
COUNTY:				
Fines, escheats, etc.	-	7,479	-	7,479
State assessed utility taxes	94,970	-	21,607	116,577
Total County	94,970	7,479	21,607	124,056
STATE:				
Basic formula	-	1,029,454	-	1,029,454
Transportation	55,681	-	-	55,681
Career ladder	-	24,300	-	24,300
Basic formula - classroom trust fund	16,009	-	37,354	53,363
Educational screening program	2,203	-	-	2,203
Small schools grant	28,294	66,020	-	94,314
Career education	-	4,292	-	4,292
Food service	723	-	-	723
Teacher baseline grant	-	153,526	-	153,526
Evidence-based reading grant	1,780	-	-	1,780
Residential placement	1,171	-	-	1,171
Other	14,804	-	-	14,804
Total State	120,665	1,277,592	37,354	1,435,611
FEDERAL:				
Medicaid	18,690	-	-	18,690
ARP - ESSER III	16,776	-	-	16,776
Non-IDEA special education grants	8,077	-	-	8,077
IDEA entitlement funds, part B IDEA	-	24,247	-	24,247
Early childhood special education	140	-	-	140
National school lunch program	50,256	-	-	50,256
School breakfast program	32,363	-	-	32,363
Title I	-	58,815	-	58,815
Title IV.A	14,298	-	-	14,298
Title II A&B	3,020	-	-	3,020
Title VI, part B	14,582	-	-	14,582
Total Federal	158,202	83,062	-	241,264
OTHER:				
Sale of other property	50	-	-	50
Total Other	50	-	-	50
TOTAL REVENUES COLLECTED	$ 1,588,315	$ 1,499,990	$ 128,922	$ 3,217,227

OSAGE COUNTY R-1 SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES PAID BY OBJECT
ARISING FROM MODIFIED CASH TRANSACTIONS
YEAR ENDED JUNE 30, 2026
(SCHEDULE 2)

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects Fund	Totals (Memorandum Only)
Salaries	$ 282,646	$ 1,319,749	$ -	$ 1,602,395
Employee benefits	98,580	376,756	-	475,336
Purchased services	320,496	-	-	320,496
Supplies	366,775	-	-	366,775
Capital outlay	-	-	71,561	71,561
Other	-	-	6,288	6,288
TOTAL EXPENDITURES	$ 1,068,497	$ 1,696,505	$ 77,849	$ 2,842,851

BUDGETARY SCHEDULES
(UNAUDITED)

OSAGE COUNTY R-1 SCHOOL DISTRICT
GENERAL (INCIDENTAL) FUND
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN
FUND BALANCE ARISING FROM MODIFIED CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2026
(UNAUDITED)

	Budget		Variance with Original Budget - Final Budget	Actual	Variance with Final Budget - Actual
	Original	Final			
REVENUES COLLECTED:					
Local	$ 1,161,029	$ 1,214,428	$ 53,399	$ 1,214,428	$ -
County	102,039	94,970	(7,069)	94,970	-
State	145,479	120,665	(24,814)	120,665	-
Federal	117,882	158,202	40,320	158,202	-
Other	-	50	50	50	-
Total Revenues Collected	1,526,429	1,588,315	61,886	1,588,315	-
EXPENDITURES PAID:					
Regular instruction	56,300	49,466	6,834	49,466	-
Special instruction	24,141	20,649	3,492	20,649	-
Vocational instruction	12,154	10,861	1,293	10,861	-
Student activities	84,262	83,503	759	83,503	-
Student support services	56,922	60,836	(3,914)	60,836	-
Instructional support services	28,730	22,693	6,037	22,693	-
Board of Education services	33,700	23,877	9,823	23,877	-
Executive administration	112,124	82,300	29,824	82,300	-
Building level administration	87,397	88,248	(851)	88,248	-
Business/central services	-	30,011	(30,011)	30,011	-
Operation of plant	365,035	319,326	45,709	319,326	-
Pupil transportation	142,176	126,513	15,663	126,513	-
Food services	167,979	121,181	46,798	121,181	-
Adult education and community services	46,241	29,033	17,208	29,033	-
Total Expenditures Paid	1,217,161	1,068,497	148,664	1,068,497	-
EXCESS/(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES PAID	309,268	519,818	210,550	519,818	-
OTHER FINANCING SOURCES/(USES):					
Transfers	(266,586)	(358,841)	(92,255)	(358,841)	-
EXCESS/(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES PAID AND OTHER FINANCING USES	42,682	160,977	$ 118,295	160,977	$ -
FUND BALANCE, BEGINNING OF YEAR	2,396,199	2,396,199		2,396,199	
FUND BALANCE, END OF YEAR	$ 2,438,881	$ 2,557,176		$ 2,557,176	

OSAGE COUNTY R-1 SCHOOL DISTRICT
SPECIAL REVENUE (TEACHERS') FUND
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN
FUND BALANCE ARISING FROM MODIFIED CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2026
(UNAUDITED)

	Budget		Variance with Original Budget - Final Budget	Actual	Variance with Final Budget - Actual
	Original	Final			
REVENUES COLLECTED:					
Local	$ 91,335	$ 131,857	$ 40,522	$ 131,857	$ -
County	5,000	7,479	2,479	7,479	-
State	1,249,122	1,277,592	28,470	1,277,592	-
Federal	115,182	83,062	(32,120)	83,062	-
Total Revenues Collected	1,460,639	1,499,990	39,351	1,499,990	-
EXPENDITURES PAID:					
Regular instruction	845,793	971,143	(125,350)	971,143	-
Special instruction	228,074	180,194	47,880	180,194	-
Vocational instruction	148,886	91,152	57,734	91,152	-
Student activities	49,701	29,901	19,800	29,901	-
Tuition paid to other districts	2,000	-	2,000	-	-
Student support services	54,280	56,715	(2,435)	56,715	-
Instructional support services	60,226	50,821	9,405	50,821	-
Executive administration	189,459	181,232	8,227	181,232	-
Building level administration	88,196	88,905	(709)	88,905	-
Operation of plant	4,638	988	3,650	988	-
Adult education and community services	55,972	45,454	10,518	45,454	-
Total Expenditures Paid	1,727,225	1,696,505	30,720	1,696,505	-
EXCESS/(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(266,586)	(196,515)	70,071	(196,515)	-
OTHER FINANCING SOURCES/(USES):					
Transfers	266,586	196,515	(70,071)	196,515	-
EXCESS/(DEFICIT) OF REVENUES COLLECTED AND OTHER FINANCING SOURCES OVER EXPENDITURES PAID	-	-	$ -	-	$ -
FUND BALANCE, BEGINNING OF YEAR	-	-		-	
FUND BALANCE, END OF YEAR	$ -	$ -		$ -	

OSAGE COUNTY R-1 SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN
FUND BALANCE ARISING FROM MODIFIED CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2026
(UNAUDITED)

	Budget		Variance with Original Budget - Final Budget	Actual	Variance with Final Budget - Original Budget
	Original	Final			
REVENUES COLLECTED:					
Local	$ 38,400	$ 69,961	$ 31,561	$ 69,961	$ -
County	2,961	21,607	18,646	21,607	-
State	42,739	37,354	(5,385)	37,354	-
Total Revenues Collected	84,100	128,922	44,822	128,922	-
EXPENDITURES PAID:					
Regular instruction	4,000	904	3,096	904	-
Student activities	11,000	3,168	7,832	3,168	-
Executive administration	4,000	2,799	1,201	2,799	-
Operation of plant	272,500	64,690	207,810	64,690	-
Pupil transportation	40,000	-	40,000	-	-
Food services	7,500	-	7,500	-	-
Principal retirement	8,200	6,099	2,101	6,099	-
Interest and fees	1,000	189	811	189	-
Total Expenditures Paid	348,200	77,849	270,351	77,849	-
EXCESS/(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(264,100)	51,073	315,173	51,073	-
OTHER FINANCING SOURCES/(USES):					
Transfers	-	162,326	162,326	162,326	-
EXCESS/(DEFICIT) OF REVENUES COLLECTED AND OTHER FINANCING SOURCES OVER EXPENDITURES PAID	(264,100)	213,399	$ 477,499	213,399	$ -
FUND BALANCE, BEGINNING OF YEAR	792,129	792,129		792,129	
FUND BALANCE, END OF YEAR	$ 528,029	$ 1,005,528		$ 1,005,528	

OSAGE COUNTY R-I SCHOOL DISTRICT
NOTES TO BUDGETARY SCHEDULES
YEAR ENDED JUNE 30, 2026

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1) In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.

2) Prior to July, the superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.

3) A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.

4) Prior to July 1, the budget is legally enacted by a vote of the Board of Education.

5) Subsequent to formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements. The budget was amended at the September 10, 2025 and June 10, 2026 board meetings.

6) Budgets for District funds are prepared and adopted on the cash basis of accounting (budget basis), which recognizes revenues when collected and expenditures when paid.

7) Final budgeted expenditures in the general fund were lower than initially budgeted due to fewer operations of plant and food service expenditures than originally budgeted.

   Final budgeted expenditures in the capital project fund were lower than originally budgeted due to fewer capital projects than originally budgeted.

STATE COMPLIANCE SCHEDULES
(UNAUDITED)

OSAGE COUNTY R-I SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2026
(UNAUDITED)

1. CALENDAR (SECTIONS 160.041, 171.029, 171.031, AND 171.033 RSMO)

Report each unique calendar the district/charter school has as defined by Sections 160.041, 171.029, 171.031, and 171.033, RSMo.

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
	K	5		7.2667	150	1090.0050
	6	12		7.2667	150	1090.0050

Notes:	

2. ATTENDANCE HOURS

Report the total attendance hours of PK-12 students allowed to be claimed for the calculation of Average Daily Attendance.

School Code	Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
	K-5	65,861.9130	-	-	-	-	65,861.9130
	6-12	49,860.4741	-	-	-	-	49,860.4741
Grand Total	K-12	115,722.3871	-	-	-	-	115,722.3871

Notes:	

OSAGE COUNTY R-I SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2026
(UNAUDITED)

3. SEPTEMBER MEMBERSHIP

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day **and** in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should include all PK students. If possible, note the number of PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File (example: 102 (20 claimed for State Aid).

School Code	Grade Level	Full-Time	Part-Time	Other	Total
	K-5	65.00	0.00	0.00	65.00
	6-12	48.00	0.00	0.00	48.00
Grand Total	K-12	113.00	0.00	0.00	113.00

Notes:	

4. JANUARY MEMBERSHIP

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in January who are enrolled on the count day and in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should only include PK students marked as being eligible to be claimed for state aid in the February MOSIS Student Core File.

School Code	Grade Level	Full-Time	Part-Time	Other	Total
	K-5	62.00	0.00	0.00	62.00
	6-12	47.00	0.00	0.00	47.00
Grand Total	K-12	109.00	0.00	0.00	109.00

Notes:	

OSAGE COUNTY R-I SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2026
(UNAUDITED)

5. FREE AND REDUCED PRICED LUNCH FTE COUNT (SECTION 163.011(6), RSMO)

Report the FTE count taken the last Wednesday in January of resident students enrolled in grades K-12 and in attendance at least 1 of the 10 previous school days whose eligibility for free or reduced lunch is documented through the application process using federal eligibility guidelines or through the direct certification process. Desegregation students are considered residents of the district in which the students are educated.

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
1050	47.00	-	-	-	47.00
4020	62.00	-	-	-	62.00
Grand Total	109.00	-	-	-	109.00

Notes:	

6. FINANCE

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
6.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	TRUE
6.2	The district/charter school maintained complete and accurate attendance records allowing for accurate calculation and reporting by category of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	TRUE
	Academic Programs Off-Campus	N/A
	Career Exploration Program - Off Campus	N/A
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	N/A
	Homebound instruction	N/A
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	N/A
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	TRUE
	Virtual instruction (MOCAP or other option)	N/A
	Work Experience for Students with Disabilities	N/A

OSAGE COUNTY R-I SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2026
(UNAUDITED)

6. FINANCE (CONTINUED)

Section	Question	Answer
6.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September and January Membership for all students in accordance with all applicable state rules and regulations.	TRUE
6.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	TRUE
6.5	As required by Section 162.401, RSMo, a bond was purchased for the district's school treasurer or as required by Section 160.405, RSMo, a bond was purchased for the charter schools chief financial officer or an insurance policy issued by an insurance company that proves coverage in the event of employee theft in the amount of:	$ 50,000
6.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo, and the Missouri Financial Accounting Manual.	TRUE
6.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	N/A
6.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records. This includes payments for Teacher Baseline Salary Grants and Career Ladder if applicable.	TRUE
6.9	If a $162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
6.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	TRUE
6.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. (Not applicable to charter schools)	TRUE
6.12	The amount spent for approved professional development committee plan activities was:	$ 10,295
6.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	TRUE

Notes:	

All above "False" answers **must** be supported by a finding or management letter comment.

Finding:	
Management Letter Comment:	

OSAGE COUNTY R-I SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2026
(UNAUDITED)

7. TRANSPORTATION (SECTION 163.161, RSMO)

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
7.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	TRUE
7.2	The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	TRUE
7.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	52.00
	Ineligible ADT	-
7.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	TRUE
7.5	Acutal odometer records show the total district/charter-operated and contracted mileage for the year was:	32,328
7.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles	22,982
	Ineligible Miles (Non-Route/Disapproved)	9,346
7.7	Number of days the district/charter school operated the school transportation system during the regular school year:	150

Notes:	

All above "False" answers **must** be supported by a finding or management letter comment.

Finding:	
Management Letter Comment:	

OSAGE COUNTY R-1 SCHOOL DISTRICT
SCHEDULE OF TRANSPORTATION COSTS ELIGIBLE FOR STATE AID
YEAR ENDED JUNE 30, 2026
(UNAUDITED)

CONTRACTED TRANSPORTATION:		
Purchased services	$	116,273
Total Contracted Transportation		116,273
DISTRICT-OWNED TRANSPORTATION:		
Salaries		4,263
Fringe benefits		513
Purchased services		1,342
Supplies		4,122
Total District-Owned Transportation		10,240
Total Allowable Costs	$	126,513

STATE COMPLIANCE

GKC
GERDING, KORTE & CHITWOOD CPAS
Professional Corporation
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS

723 Main St.
Boonville, MO 65233
(660) 882-7000
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Board of Education
Osage County R-1 School District
Chamois, Missouri

We have examined management's assertions that the Osage County R-1 School District, Chamois, Missouri, complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January; and accurate disclosure by pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2026. Management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions based on our examination.

PARTNERS
Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson
Benjamin E. Carrier
Kaitlin M. Carrier

PARTNERS EMERITI
Robert A. Gerding
Fred W. Korte, Jr.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinions.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Osage County R-1 School District, Chamois, Missouri, complied, in all material respects with the aforementioned requirements for the year ended June 30, 2026.

This report is intended solely for the information and use of the Board of Education, District management and the Missouri Department of Elementary and Secondary Education and is not intended to be and should not be used by anyone other than these specified parties.

MEMBERS OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Gerding, Korte + Chitwood, P.C.

October 20, 2026

Gerding, Korte & Chitwood, P.C.
Certified Public Accountants
Boonville, Missouri

OSAGE COUNTY R-1 SCHOOL DISTRICT
SCHEDULE OF STATE FINDINGS
YEAR ENDED JUNE 30, 2026

There were no state findings.

COMPLIANCE AND INTERNAL CONTROL

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

To the Board of Education
Osage County R-1 School District
Chamois, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities and each major fund of the Osage County R-1 School District, Chamois, Missouri (the "District"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 20, 2026.

PARTNERS
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Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control described in the accompanying schedule of findings and responses that we consider to be a significant deficiency (2026-001).

Report on Compliance and Other Matters

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

District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Gerding, Korte + Chitwood, P.C.

October 20, 2026

Gerding, Korte & Chitwood, P.C.
Certified Public Accountants
Boonville, Missouri

OSAGE COUNTY R-1 SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2026

2026-001	Accounting Personnel/Segregation of Duties
Criteria:	Proper segregation of duties reduces the risk of errors and fraud and is an important internal control.
Condition:	It is recognized that the small number of accounting and clerical personnel of the District precludes the application of internal accounting control procedures possible in a larger organization.
Context:	During our audit we reviewed District policies and procedures and determined adequate segregation of duties did not exist.
Effect:	A small number of employees perform several accounting duties.
Cause:	The District does not have the financial resources to hire enough personnel to segregate duties.
Recommendation:	The District should segregate duties wherever possible and implement other controls to compensate for the lack of segregation of duties.
View of Responsible Officials & Planned Corrective Action:	The district is aware of a lack in segregation of duties within the accounting department, primarily as a result of employing a limited number of personnel. The small size of the school district presents challenges in hiring enough staff to properly have all accounting responsibilities separated. The district continually evaluates practices to limit risks and fraud that could result from a lack of segregation of duties. Examples of measures to limit risk include: • Deposits are collected and recorded at the building level, then submitted to the central office. Central office staff reviews deposits for accuracy prior to sending the deposit to the bank. • Expense requests are submitted to administration prior to ordering or paying for an expense. Approved requests are then processed by central office. • Orders/deliveries are reviewed by central office upon delivery to check for accuracy with the order. • Monthly bills/statements are received by the bookkeeper and reviewed by the superintendent prior to processing of payments. Monthly expense reports are viewed by the school board. • Monthly financial reports provided to the school board. • Access to district funds is restricted to the district bookkeeper. Minimal cash is kept on hand at the district (petty cash).