

**2012**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**

**UNIFIED SCHOOL DISTRICT NO. 260**  
**DERBY, KANSAS**

**JULY 1, 2011 TO JUNE 30, 2012**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS**

**July 1, 2011 to June 30, 2012**

**BOARD OF EDUCATION MEMBERS**

Carolyn Muehring, President  
Janet Sprecker, Vice President  
Tim Aiken  
Matthew Joyce  
Jose' Martinez  
Don Parks  
Andree' Sisco

Vicki Frazier, Clerk  
Don Adkisson, Treasurer

**SCHOOL ADMINISTRATORS**

Craig Wilford, Superintendent  
Heather Bohaty, Asst. Superintendent, Human Resources  
Charlene Laramore, Asst. Superintendent, Curriculum & Instruction

Prepared by District Administration

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UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2012

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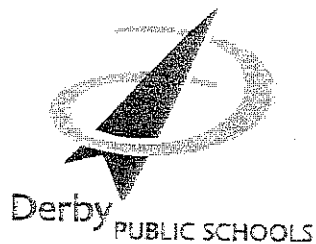
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## **INTRODUCTORY SECTION**







January 24, 2013

To the Citizens of Unified School District No. 260:

This publication is a Comprehensive Annual Financial Report for Unified School District No. 260 (District) for the fiscal year ended June 30, 2012. The report has been prepared by the District administrative team to provide financial information, useful for making economic, political and social decisions and for demonstrating accountability and stewardship. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District administrative team.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Included in the report are all disclosures necessary to enable the reader to gain an understanding of the District's financial activities. Constituents who may find this report useful include voters, taxpayers, service beneficiaries, governing boards, oversight bodies, management, intergovernmental guarantors, investors, lenders and employees.

George, Bowerman and Noel, P.A., Certified Public Accountants, have issued an unqualified opinion on the District's financial statements for the year ended June 30, 2012. The independent auditor's report is located at the front of the Financial Section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors in the Financial Section of this report.

### ***Profile of the District***

The District is a diversified educational institution with about 6,750 students located in southern Sedgwick County. With a population of approximately 44,500 patrons, the District enjoys economic benefits and challenges of a large metropolitan area while maintaining a quality of life found in smaller cities. The 50 square miles of the District substantially covers all of the City of Derby and beyond the city limits into large portions of Sedgwick County, including the Oaklawn/Sunview area, McConnell Air Force Base, Towne Parc, Turtle Run, Rockford and Salem Townships. Mid Western Aircraft Systems, Inc., Spirit AeroSystems, Inc. and Boeing-Wichita are the largest taxpayers located within the District's boundaries. The student population of the school district is expected to increase by about twenty students per year for the foreseeable future.

The District provides a full range of educational services. These services include educational programs for grades PreK-12, Special Education, Title 1 reading and math programs, professional development activities for educators, testing programs, extra- and co-curricular activities, transportation, food services, maintenance and custodial services and general administrative services. The District also regulates community use of school facilities, which totaled 8,756 hours last year.

The District operates under a seven-member Board of Education (Board) that is elected to four-year terms on an at-large basis. The Board hires the Superintendent who appoints the remainder of the management team. All contracts and expenditures must be approved by the Board.

The District has twelve school buildings. Seven of the buildings are at least 50 years old including four of the nine elementary schools. The high school, the largest building in the District at 350,000 square feet, is eighteen years old. The District has five buildings which are used for educational support functions.

### ***The local economy***

The District is the largest employer in the City of Derby, employing approximately 1,066 individuals. The City of Derby has experienced consistent growth during the past ten years. While the growth in the area has slowed over the past few years, the area continues to show population growth along with many new businesses that have chosen to locate in the city.

The economic condition and outlook of the District is ever changing. The District is located in the Wichita, Kansas Metropolitan Statistical Area (WMSA). In general, the downturn in the economy for the nation has been slower in the WMSA. Local employment has remained level in the WMSA in terms of unemployment. As the national economy begins to show signs of turning around, the WMSA and the state are expected to show some growth as hiring projections are mixed. The WMSA housing market continues to be slower than other parts of the Midwest. The aircraft industry has not shown much growth in recent years with one local manufacturer in bankruptcy proceeding. Layoffs continue to have a negative impact on other areas of the local economy. One other manufacturer has announced the relocation of jobs to other states, which will negatively affect the labor market for 2013.

McConnell Air Force Base is one of the few major air refueling wings in the United States Air Force. Since McConnell is located within the District's boundaries, we continually adjust to the changing enrollment demands that mobile communities create for local school districts. Changes in staffing have added families to the local area as jobs are moved from other bases around the country. This pattern is expected to continue over the next few years as new programs are based at McConnell for the Air Force and Kansas Air National Guard.

New businesses continue to open their doors each year in the Derby community with several dining establishments and retail stores opening by the end of 2012. New shopping areas continue to develop and expectations are that this trend will continue. All of these are in addition to new residential developments and senior living communities that continue to expand in virtually all geographic areas of the District.

### **The Legislature**

Kansas school districts fall into three distinct enrollment categories, each one educating about one-third of the state's student population. Kansas has a uniform base budget per pupil and a uniform statewide mill levy. The District is considered a medium-size school district, and state correlation weighting formulas favor the small districts. In an effort to offset the cuts made to school funding at the state level, many districts raised their general fund through a Local Option Budget (LOB) resolution. The LOB allowed districts to levy local taxes up to 30% of their legal maximum general fund budget.

The 1997 State Legislature made significant changes in the LOB process. For the first time, school boards were able to adopt a portion of LOB authority without being subject to a protest petition. In districts where the per pupil budget is below the average of similar-sized districts – like Derby – boards are allowed to adopt LOBs that would allow them to spend at the average without that increase being subject to a protest petition. The District's LOB authority for the 2011-12 school year was at the 30% maximum, which amounted to \$11,982,823.

The economic downturn forced the Governor and the State Legislature to make changes in the amount of money provided to schools. Due to reductions in federal aid and the slow economic recovery, the base budget per pupil was reduced to \$3,790. This was a reduction from the \$3,937 during the previous year and districts were forced to make adjustments for the lost revenue. Districts were forced to make adjustments for the expected reduction without knowing what final amount would be approved by the legislature. The budget per pupil to be used next year was set at \$3,838. State aid for Capital Outlay continues to not be allocated. The District continues to work through a process to identify areas where reductions can be made to stay within the reduced budget amounts.

The enrollment for the District increased slightly for 2011-12. The full-time equivalency (FTE) student enrollment that the budget is computed on increased by over 230 FTE. Projections show that the enrollment should continue to show slight increases over the next few years. The total District budget authority for 2011-12 is \$78,600,505. At this time, the District has not projected additional financing needs above the annual budget approved by the Board of Education.

In April 2012 the voters of the District approved a \$66.7 million bond issue by a three to one margin. The bond projects include a new 6-8 grade middle school, additions to the current middle school (making it a 6-8 grade center also) and four elementary schools, a new central kitchen facility, and new roofs at ten school buildings. A number of projects to be funded by Capital Outlay funds were also approved by the Board of Education.

### ***Relevant financial policies***

The administrative team of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

In addition to internal accounting controls, the District maintains budgetary controls. The District's budget is prepared on the modified accrual basis of accounting further modified by encumbrances. The Superintendent and the Board evaluate the budget proposals of the various District organizations to determine the funding level of the operating and public service programs. After giving due consideration to the input received from the citizens, the Board adopts the budget. The adopted budget thus becomes a document that places before the people of the District a clear and precise picture of the cost of public services which will be provided. The budget is appropriately controlled through an on-line accounting system to assure effective fiscal management and accountability. Management may amend the amount of a specific object or purpose appropriation without obtaining authorization from the Board of Education provided the amendments or transfers do not create a total budgeted expenditure amount for a specific fund in excess of that amount adopted by the Board of Education.

### ***Major initiatives***

During the 2011-2012 school year, the District adopted a third strategic plan to guide the District actions for the subsequent five years. We feel that we followed the previous plans and were able to meet the vast majority of the action plans set forth within them. This new plan has five strategies along with specific results and action plans that were developed by teachers, administrators, patrons and community members.

The Curriculum Committee developed a document for all staff which outlines effective teaching strategies, responsibilities for administrators and teachers, and expectations for the delivery of the curriculum. The model, Marzano's Instructional Strategies, is being used to guide instructional practices. Staff members are provided inservice throughout the year on these instructional strategies.

Our technology committee, working closely with our instructional coordinators, continues to integrate technology into our curriculum maps. This idea was based on feedback we received from staff on their level of technology proficiency and their desire to have samples of ways we can integrate technology into our curriculum maps. These strategies are shared with staff during grade level or department meetings conducted by our instructional coordinators. This technology allows teachers another tool in meeting the needs of our students.

As we continue to look for ways to build partnerships within our diverse community we have taken several specific steps to address this strategy. We provide new teacher training dealing with diversity through readings and discussion. In addition we have asked each building to contact key community members and invite them into the schools so they have a better understanding of the needs and challenges which

occur each day within our buildings. We have also made contacts with various community, state, and federal organizations in order to build partnerships between them and the District.

The District and the City of Derby joined to hire a Director of Community Marketing. This individual works to promote both entities to companies or individuals looking to relocate. Promotions include posters, pamphlets, and tools for recruiting prospective employees and students.

USD 260 will continue to collect assessment data and share it with students, parents and the community. Articles were published in the District newsletter throughout the 2011-2012 school year sharing assessment results and plans of action to improve student performance. Software has also been purchased to record data for easier access by teachers to help guide instruction. Follow up information on graduated seniors was also collected to determine what activities they are involved in after graduation. Each spring we also produce a year in review document identifying information about programs, staff, and assessments.

### ***Long-Term Financial Planning***

The District has begun a long-term planning process to fully address needed building improvements. The entire process has been identified as the "Process for Success." The completed master plan has identified the needed improvements into three categories – (1) priority needs; (2) short-term needs and (3) long-term needs. Financial resources for the planned projects will be financed through general obligation bonds and resources available through the District's Capital Outlay Fund. The "priority needs" portion of this master plan identified \$66,640,000 of improvements including a new middle school, a new central kitchen facility, roof replacements on numerous buildings and improvements to elementary, middle and high school facilities. As previously mentioned, voters within the District approved a bond election in April 2012.

### ***Awards and Acknowledgements***

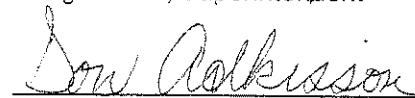
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Unified School District No. 260, Derby, Kansas for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The certificate is presented following this letter.


A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff. Each member of the USD 260 staff who assisted and contributed to its preparation has our sincere appreciation. We also thank the USD 260 BOE members for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Sincerely,

  
Craig Wilford, Superintendent

  
Don Adkisson, Treasurer

  
Litona Hoyt, Clerk

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Derby Unified School  
District No. 260, Kansas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Moynell*

President

*Jeffrey R. Enen*

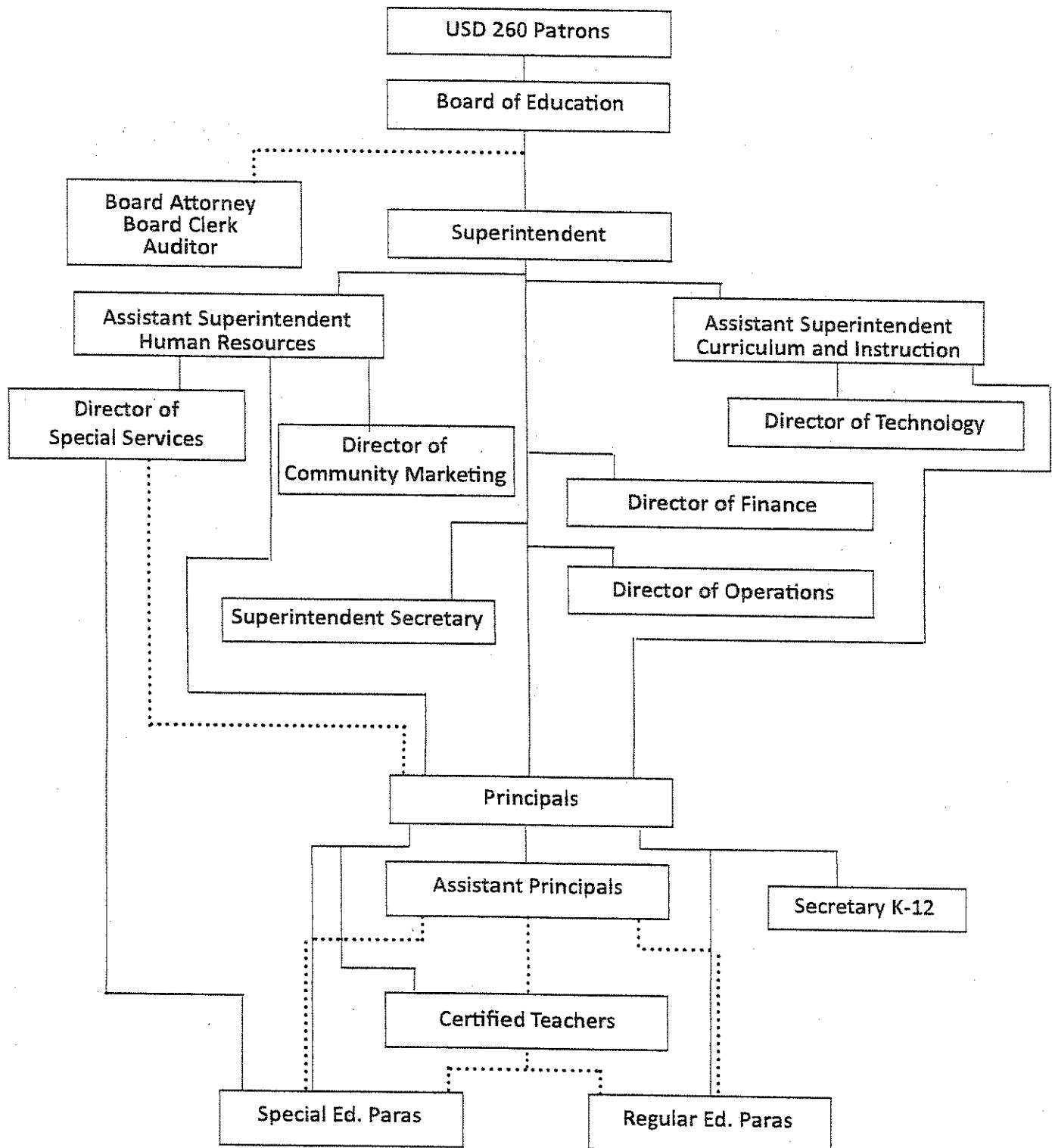
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Unified School District No. 260, Kansas for its Comprehensive Annual Financial Report for the fiscal year ended June, 30, 2011.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only, USD 260 has received a Certificate for Achievement for the last twenty four consecutive years (fiscal years 1984-2011). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

# DERBY USD 260 DISTRICT ORGANIZATIONAL CHART 2011-2012



## LEGEND

Primary Supervisor ———  
Auxiliary Supervisor . . . . .

**UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS**  
**LIST OF PRINCIPAL OFFICIALS**

June 30, 2012

<u>Title</u>	<u>Name</u>
School Board President	Carolyn Muehring
School Board Vice President	Janet Sprecker
School Board Member	Tim Aiken
School Board Member	Matthew Joyce
School Board Member	Don Parks
School Board Member	Andree' Sisco
School Board Member	Jose' Martinez
Superintendent	Craig Wilford
Asst. Supt. Human Resources	Heather Bohaty
Asst. Supt. Curriculum & Instruction	Charlene Laramore
Director of Budget & Finance/Treasurer	Don Adkisson
Director of Community Marketing	Cynthia Wentworth
Director of Operations	Tom Snodgrass
Director of Special Services	Doug Anderson
Director of Technology	Drew Lane
Board Clerk	Vicki Frazier



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## **FINANCIAL SECTION**



**INDEPENDENT AUDITOR'S REPORT**

Board of Education  
Derby Unified School District No. 260  
Derby, Kansas

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Derby Unified School District No. 260 as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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. The financial statements of the Derby Recreation Commission (component unit) were not audited in accordance with *Government Auditing Standards*. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Derby Unified School District No. 260 as of June 30, 2012, and the respective changes in financial position thereof and the respective budgetary comparison for the General, Supplemental General and Special Education funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2013 on our consideration of Derby Unified School District No. 260's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Derby Unified School District No. 260's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. In addition, the accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Derby Unified School District No. 260. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information in the introductory and statistical sections listed in the foregoing table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*George Bowlerman & Noel, P.A.*

Wichita, Kansas  
January 24, 2013

**Unified School District No. 260, Derby, Kansas**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012

This discussion and analysis of the Derby Unified School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

The Management Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

#### FINANCIAL HIGHLIGHTS

The trends of prior years indicated that during the fiscal year 2011-2012, the Derby Unified School District would experience another year of increases in the cost for special education instruction and for both at-risk and English Language Learner student populations. The District continues to rely upon the Local Option Budget (LOB) to provide funding for these increases. Decreased funding from the State of Kansas forced the District to make significant reductions in staff and instructional programs.

#### USING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This comprehensive annual financial report consists of management's discussion and analysis, the basic financial statements and required supplementary information. These statements are organized so the reader can understand the District as a whole, an entire operating entity. The basic financial statements include two kinds of statements that present different views of the District. The first series of statements are the district-wide financial statements. The second kind of financial statements are the fund financial statements.

#### REPORTING THE SCHOOL DISTRICT AS A WHOLE

##### District-Wide Financial Statements

The district-wide financial statements include all assets and liabilities of the District using the accrual basis of accounting. This method of accounting is similar to how private sector companies report the results of their operations. These statements take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The first of the district-wide statements is the Statement of Net Assets. The Statement of Net Assets presents balance information for the entire District operations at a given point in time (June 30, 2012). The assets include all cash and investments, receivables including taxes assessed that remain uncollected and capital assets reduced by accumulated depreciation. Liabilities include accounts payable, claims payable and outstanding general obligation debt. This results in a statement that encompasses the entire operations of the Derby Unified School District.

Although the Statement of Net Assets reports total net assets of \$38 million, the District has restrictions over the use of these funds. The investment in facilities and equipment is necessary to carry out the mission of the District. Kansas state laws segregate funds and place restrictions on spending. This should be considered when reviewing the report.

The second of the district-wide financial statements is the Statement of Activities. This statement shows the results of operations that caused the net assets to change from the prior year to the amount reported

on the Statement of Net Assets as of June 30, 2012. This statement answers the question, "How did we do financially during fiscal year 2012?" This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position has improved or diminished. The statement for 2012 indicates a increase in the District's financial position. The causes of this change may be the result of many factors. Most notably, the results are influenced by:

- ♦ the property tax base,
- ♦ operating expenditure limits imposed by Kansas law,
- ♦ building improvements,
- ♦ number of students served, and
- ♦ staff levels.

The Statement of Activities classifies expenses by functional area. The report also shows corresponding charges for services and restricted grants for each function that helps support the expenses. The resulting Net (Expenses) Revenue and Changes in Net Assets shows the remaining expenses not supported by charges for services and restricted grants. General revenues are then applied to the remaining expenses resulting in the total change in net assets for the year.

## REPORTING THE SCHOOL DISTRICT'S MAJOR FUNDS

### Fund Financial Statements

Financial statements by fund follow the district-wide statements. These statements provide more detail about the District according to the various funds established under Kansas law. The major funds are listed separately with all non-major funds aggregated in the column labeled "Other Governmental Funds." As shown on the reconciliations on pages 21 and 23, the fund statements differ from the district-wide statements (Statement of Net Assets and Statement of Activities) by excluding the following:

- ♦ cost of capital assets less accumulated depreciation, and
- ♦ long-term liabilities.

The District's two kinds of funds are governmental and fiduciary funds.

### Governmental Funds

Most of the District's activities are reported in the governmental funds, which focus on 1) how cash and other financial assets, that can be readily converted to cash, flow in and out and 2) the balances left at year end that are available for spending. The statements show revenue, expenditures and fund balances for each listed fund.

The fund classifications provide additional information about the entity. The General and Special Education funds encompass the major operating funds. The Capital Outlay fund is the primary source for the purchase of furniture, equipment and for major repairs and improvements to buildings and grounds. The Debt Service fund is used to pay outstanding general obligation bonds and related interest charges as they become due.

### Fiduciary Funds

The District's fiduciary funds are comprised of agency funds. Agency funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations and/or other funds. Agency funds include student activity monies at the various schools. The District's agency funds are reported on the Statement of Fiduciary Net Assets.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's total net assets were \$38,036,900 on June 30, 2012.

DERBY UNIFIED SCHOOL DISTRICT NO. 260'S NET ASSETS

	2012	2011	Change Increase (Decrease)
Current and other assets	\$ 18,043,376	\$ 18,921,583	\$ (878,207)
Capital assets, net	38,985,130	39,400,248	(415,118)
Total assets	57,028,506	58,321,831	(1,293,325)
Long-term liabilities	15,289,799	17,960,558	(2,670,759)
Other liabilities	3,701,807	3,921,282	(219,475)
Total liabilities	18,991,606	21,881,840	(2,890,234)
Net assets:			
Invested in capital assets, net of related debt	32,137,347	30,108,339	2,029,008
Restricted for debt service	2,864,462	2,986,754	(122,292)
Restricted for educational purposes	7,598,700	—	7,598,700
Unrestricted	(4,563,609)	3,344,898	(7,908,507)
Total net assets	\$ 38,036,900	\$ 36,439,991	\$ 1,596,909

Most of the District's net assets are invested in capital assets (buildings, land, and equipment). The remaining net assets are a combination of restricted and unrestricted amounts. The restricted balances are amounts set aside by constraints placed on resources by creditors, grantors, laws or regulations, or enabling legislation.

The results of this year's operations as a whole are reported in the Statement of Activities. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues are grants and entitlements provided to the District and local property taxes assessed to community taxpayers. A condensed summary of the changes in the District's net assets for the year ended June 30, 2012, with comparative amounts for 2011, is as follows:

DERBY UNIFIED SCHOOL DISTRICT No. 260'S CHANGES IN NET ASSETS

	2012	2011	Change Increase (Decrease)
Revenues:			
Charges for services	\$ 3,060,645	\$ 2,823,810	\$ 236,835
Operating grants and contributions	15,198,486	15,933,077	(734,591)
Capital grants and contributions	213,427	1,694,573	(1,481,146)
General revenues:			
Property taxes levied for:			
General purposes	18,413,459	18,157,499	255,960
Debt service	2,262,488	2,755,003	(492,515)
Capital outlay	2,494,718	2,457,491	37,227



	2012	2011	Change Increase (Decrease)
Grants and entitlements not restricted to specific programs	\$ 26,535,940	\$ 25,953,157	\$ 582,783
Investment earnings	200,857	27,784	173,073
Total revenues	68,380,020	69,802,394	(1,422,374)
Expenses:			
Instruction	42,403,455	41,938,811	464,644
Student support services	4,109,789	3,599,410	510,379
Instructional support services	2,140,007	2,079,879	60,128
General administration	903,615	695,498	208,117
School administration	2,957,498	2,955,668	1,830
Operations and maintenance	5,813,514	6,349,247	(535,733)
Central support services	777,962	847,771	(69,809)
Student transportation services	1,384,395	1,290,689	93,706
Food service operations	2,903,048	2,769,580	133,468
Community service operations	127,363	171,640	(44,277)
Recreation	2,973,777	2,964,864	8,913
Interest on long-term debt	288,688	308,101	(19,413)
Total expenses	66,783,111	65,971,158	811,953
Increase (decrease) in net assets	1,596,909	3,831,236	(2,234,327)
Net assets at July 1	36,439,991	32,608,755	3,831,236
Net assets at June 30	\$ 38,036,900	\$ 36,439,991	\$ 1,596,909

The District's total revenues amounted to \$68.4 million with unrestricted grants and entitlements contributing 38.8%, property taxes contributing 33.9%, operating grants and contributions contributing 22.2% and all other revenue sources contributing the remaining 5.1% of revenues. The most significant changes from the preceding year include:

- ◆ Grants and entitlements not restricted to specific programs increased \$582,783 due to increases in general state aid allocations.
- ◆ Operating grants and contributions decreased by \$734,591 as a direct result of State of Kansas reductions in aid provided to school districts.
- ◆ Capital grants and contributions decreased by \$1,481,146 as a result of the completion of the additions to Cooper Elementary funded by federal impact aid grant.
- ◆ Property taxes decreased by \$199,328 for 2012 due to little change in assessed valuation. The District's total mill levy decreased from 58.324 to 57.631.

Total expenses for the District increased by \$811,953, or 1.2% for 2012. Total salaries and benefits account for approximately 75% of total expenses for the District. Major expense changes compared to 2011 are as follows:

- ◆ Instruction functional expenses were increased by \$464,644, or 1.1%, for 2012. Teacher salaries account for a significant portion of this expense classification, the average annual teacher's salary for fiscal year 2012 reflected an increase of approximately 1.2%. Money was added to the master cell and column movement was given to certified staff in the negotiated agreement. Due to reductions in per pupil state aid, all other instructional expenses incurred significant reductions. Other significant increases in this functional area can be attributed to increases in depreciation expense of \$54,662, accrued compensated absence liabilities of \$63,404, and OPEB liability costs of \$134,610.

- ◆ Student and instructional support expenses increased \$570,507, or 10.0%, for 2012. This increase can be attributed to the increased cost of materials during 2012,
- ◆ Operations and maintenance expenses decreased by \$535,733, or 8.4%, for 2012. Although only necessitated repairs were addressed during 2012, the aging facilities continue to be a significant factor for ongoing maintenance expenses.
- ◆ Food Service operations incurred additional expenses of \$133,468 which is directly related to the number of meals served.
- ◆ Recreation functional expenses increased \$8,913 representing increased appropriations to the Derby Recreation Commission, which were anticipated in the annual budgeting process.
- ◆ Interest on long-term debt decreased \$19,413 due to the significant retirement of general obligation bond debt during 2012.
- ◆ All other functional categories account for the remaining \$249,695, or 30.7%, of the total expense increase for 2012.

## DISTRICT FUNDS

As the District completed the year, its governmental funds reported combined fund balances of \$13.8 million. This is a decrease of \$0.7 million which resulted from reductions in state funding which resulted in the District using available cash balances to pay expenses. The General and Special Education funds are the primary sources of operating revenues for the District. These funds account for \$45.4 million or 66.4% of the total revenues. The Debt Service fund represents 4.2% of the total with the remaining 25.2% in other governmental funds.

### General Fund

The General Fund is the primary operating fund of the District and funding is provided principally from state aid and property taxes. In accordance with State statutes, the General Fund ending fund balance was fully assigned to outstanding commitments made prior to year-end. The ending fund balance of \$3,104,697 is principally comprised of Supplemental General (LOB) and Contingency Reserve balances of \$635,575 and \$2,228,647 respectively.

### Special Education Fund

The Special Education Fund expenditures increased by \$1,075,688, or approximately 12.7%, as a result of increases in the student population requiring these services. The ending fund balance of \$867,465 exceeded the anticipated budget carryover into fiscal year 2013 by \$730,988.

### Debt Service Fund

The Debt Service restricted fund balance of \$2.9 million is available only to pay the bond and interest payment in October 2012. The mill levy for the fund varies according to the payment schedule for the outstanding bonds.

### Capital Outlay Fund

Capital Outlay Fund revenues exceeded expenditures by \$503,887, with an ending balance of \$5.8 million primarily for improvements in roofs, interior facilities, a new athletic practice field at a District secondary school, secured vestibules for elementary schools, and technology purchases for student learning opportunities.

Kansas Statutes require the use of a multitude of funds. Many of these funds do not have sufficient resources to pay the expenditures in the fund and therefore transfers must be made from other funds. Typically these transfers are made from the General funds. The following table categorizes the funds to simplify the analysis:

DERBY UNIFIED SCHOOL DISTRICT NO. 260			
Governmental Funds Revenues, Expenditures, Transfers and Fund Balances			
Year ended June 30, 2012			
Fund	Revenue and Other Sources	Expenditures	Ending Fund Balance
General	\$ 36,049,106	\$ 37,953,339	\$ 3,104,697
Bilingual education	848,098	851,360	---
Special education	9,321,700	9,513,602	867,465
Vocational education	875,723	875,723	---
Textbook revolving	306,521	265,189	50,045
KPERS Special Contribution	4,212,637	4,212,637	---
At Risk education	3,026,850	3,026,850	---
Federal and state grants	1,510,098	1,580,410	107,822
Total basic education	<u>56,150,733</u>	<u>58,279,110</u>	<u>4,130,029</u>
Driver training	25,444	22,464	21,222
Parent education	212,624	244,901	---
Adult supplemental education	49,779	46,429	122,605
Total expanded education	<u>287,847</u>	<u>313,794</u>	<u>143,827</u>
Capital outlay	2,896,691	2,392,804	5,818,438
Debt service	2,894,161	3,007,965	2,864,462
Special assessments	44,089	43,363	93,068
ARRA – Cooper Impact Aid	213,427	213,427	---
Bond projects	---	49,500	(49,500)
Total capital	<u>6,048,368</u>	<u>5,707,059</u>	<u>8,726,468</u>
Recreation	2,973,652	2,973,777	8,502
Food service	<u>2,919,420</u>	<u>2,865,245</u>	<u>800,474</u>
Total	<u>\$ 68,380,020</u>	<u>\$ 70,138,985</u>	<u>\$ 13,809,300</u>

Overall, revenues exceeded total expenditures, leaving an ending fund balance of \$13.8 million. An analysis of the above table categories follows:

- ♦ Basic education expenditures exceeded revenue by \$2.1 million due to decrease state aid amounts. The General fund is subject to an expenditure limit that may be exceeded to the amount of these contributions. The limit is based upon a weighted number of students multiplied by the base state aid per pupil provided in the law. The number of students includes those who are enrolled and attending school on September 20. Additional weighting is provided for students receiving bilingual, vocational, at-risk or transportation services. Other weightings also apply, but are not discussed here in the interest of brevity. The District has no ability to increase the resources in the general and supplemental general funds to cover inflationary increases in costs without annual changes in the statutory base aid per pupil.

Any balance remaining in the General fund is used to support the subsequent year limit. Therefore, a remaining balance in this fund should not be considered as additional resources available to the

District in excess of the expenditure limits. The General fund ending fund balance represents \$3.1 million (75%) of the basic education fund balances of \$4.1 million.

- ♦ The expenditures for Expanded education funds exceeded revenue by \$25,947 leaving a balance of \$143,827 at June 30, 2012. The Adult Supplemental Education fund represents \$122,605 of this total as the District has collected more for the use of our facilities than the cost of supplies and maintenance. Fees for facility use are set by the Board of Education.

#### Analysis of Budget Variations

Following the funding formula for schools in the State of Kansas, the District used the General fund to account for operating expenditures. The following table summarizes the budget variances in revenues (in millions of dollars) for the fund:

	Original Budget	Final Budget	Increase/ (Decrease)	Actual Revenues	Over/(Under) Final Budget
General	\$ 34.8	\$ 35.0	\$ 0.2	\$ 35.0	\$ ---

The final budget increased \$0.2 million from the original budget. The increase was from an increase in general state aid from what was anticipated in the originally adopted budget.

The following table summarizes the budget variances in expenditures (in millions of dollars):

	Original Budget	Final Budget	Increase/ (Decrease)	Actual Expenditures	Over/(Under) Final Budget
General	\$ 34.8	\$ 35.0	\$ 0.2	\$ 35.0	\$ ---

The increase in the budgeted expenditures in the General Fund was to account for the additional general state aid anticipated in the final budgeted amounts.

#### CAPITAL ASSET AND DEBT ADMINISTRATION

##### Capital Assets

By the end of 2012, the District had invested \$39.0 million in a broad range of capital assets, including school buildings, athletic facilities, computer equipment, and administrative offices. This amount represents a net decrease of about \$0.4 million from the preceding year. The decrease was the net result of the removal of items no longer used by the District and of an increase in depreciation expense. Total depreciation expense for the year approximated \$2.4 million.

##### Capital Assets (Net of depreciation)

	Assets as of June 30, 2012
Land	\$ 3,826,936
Buildings and improvements	26,346,413
Furniture and equipment	8,811,781
	<u>\$ 38,985,130</u>

##### Long-term Debt

Kansas statutes limit the amount of outstanding indebtedness. The current limit is approximately \$60.8 million and the District has \$4.6 million outstanding (subject to the debt limit) at June 30, 2012. The District continued to pay down its debt, retiring \$2.8 million of outstanding bonds. See the Notes to the Financial Statements for detailed information about capital assets (Note 3) and long-term debt (Note 4).

#### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Unified School District No. 260, 120 E. Washington, Derby, Kansas 67037.

## **BASIC FINANCIAL STATEMENTS**



## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**





# UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

## STATEMENT OF NET ASSETS

June 30, 2012

	Total Governmental Activities	Component Unit
Cash and investments	\$ 12,817,594	\$ 3,355,374
Receivables:		
Property taxes	409,730	-
Lease rentals	1,297,479	-
Other	-	13,266
Due from other governmental units	2,924,438	-
Prepaid expenses	594,135	-
Capital assets:		
Land	3,826,936	-
Buildings and improvements	58,917,107	4,829,859
Furniture and equipment	12,888,814	1,572,002
Construction work in progress	-	-
Less accumulated depreciation	(36,647,727)	(2,817,645)
Total assets	<u>57,028,506</u>	<u>6,952,856</u>
Liabilities:		
Accrued salaries and wages payable	1,652,044	70,899
Accounts payable	280,688	195,829
Accrued liabilities payable	-	9,231
Accrued interest payable	61,866	817
Unearned revenue	1,707,209	-
Noncurrent liabilities:		
Due within one year	4,432,442	291,903
Due in more than one year	10,857,357	125,917
Total liabilities	<u>18,991,606</u>	<u>694,596</u>
Net Assets:		
Invested in capital assets, net of related debt	32,137,347	3,339,216
Restricted for debt service	2,864,462	-
Restricted for educational services	7,598,700	-
Unrestricted	(4,563,609)	2,919,044
	<u>\$ 38,036,900</u>	<u>\$ 6,258,260</u>

The accompanying notes are an integral part of the financial statements.

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UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

STATEMENT OF ACTIVITIES

Year ended June 30, 2012

	Net (Expense) Revenue and Changes in Net Assets	Primary Government				
		Expenses	Program Revenues			
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
<b>Governmental Activities:</b>						
<b>Primary Government:</b>						
Instruction	\$ 42,403,455	\$ 1,235,358	\$ 9,205,918	\$ -	\$ (31,962,179)	\$ -
Student support services	4,109,789	499,399	1,358,720	-	(2,251,670)	-
Instructional support services	2,140,007	-	489,919	-	(1,650,088)	-
General administration	903,615	682	282,755	-	(620,178)	-
School administration	2,957,498	5,579	311,065	-	(2,640,854)	-
Operations and maintenance	5,813,514	49,833	355,483	213,427	(5,194,771)	-
Central support services	777,962	183	69,734	-	(708,045)	-
Student transportation services	1,384,395	44,815	652,726	-	(686,854)	-
Food service operations	2,903,048	1,224,796	1,783,668	-	105,416	-
Community service operations	127,363	-	-	-	(127,363)	-
Recreation	2,973,777	-	-	-	(2,973,777)	-
Interest on long-term debt	288,688	-	688,498	-	399,810	-
Total Primary Government	\$ 66,783,111	\$ 3,060,645	\$ 15,198,486	\$ 213,427	(48,310,553)	-
Component Unit:						
Derby Recreation Commission	\$ 4,431,196	\$ 2,016,526	\$ 44,848	\$ 500	-	(2,369,322)
<b>General Revenues:</b>						
Property taxes levied for:						
General purposes						
Debt service						
Capital outlay						
Payment from USD No. 260						
Grants and entitlements not restricted to specific programs						
Investment earnings						
Total general revenues						
Change in net assets						
Net assets at beginning of year						
Net assets at end of year						

The accompanying notes are an integral part of the financial statements.

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## **FUND FINANCIAL STATEMENTS**



UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

BALANCE SHEET - ALL GOVERNMENTAL FUNDS

June 30, 2012

**ASSETS**

Assets:	General	Special Education	Debt Service	Capital Outlay	Other Governmental Funds	Total Governmental Funds
Cash including investments	\$ 2,987,164	\$ 1,104,844	\$ 2,864,462	\$ 4,368,815	\$ 1,492,309	\$ 12,817,594
Due from other funds	-	-	-	1,485,667	-	1,485,667
Due from other governments	2,891,531	-	-	-	32,907	2,924,438
Lease rentals receivable	-	-	-	1,297,479	-	1,297,479
Property taxes receivable	271,321	-	39,454	45,347	53,608	409,730
Total assets	\$ 6,150,016	\$ 1,104,844	\$ 2,903,916	\$ 7,197,308	\$ 1,578,824	\$ 18,934,908

**LIABILITIES AND FUND BALANCES**

Liabilities:						
Accrued salaries and wages payable	\$ 1,195,299	\$ 215,384	\$ -	\$ -	\$ 241,361	\$ 1,652,044
Accounts payable	96,277	21,995	-	36,044	126,372	280,688
Deferred revenue	271,321	-	39,454	1,342,826	53,608	1,707,209
Due to other funds	1,482,422	-	-	-	3,245	1,485,667
Total liabilities	3,045,319	237,379	39,454	1,378,870	424,586	5,125,608
Fund balances:						
Restricted	-	864,171	2,864,462	5,549,535	1,184,994	10,463,162
Committed	2,228,647	3,294	-	268,903	49,169	2,550,013
Assigned	684,160	-	-	-	-	684,160
Unassigned	191,890	-	-	-	(79,925)	111,965
Total fund balances	3,104,697	867,465	2,864,462	5,818,438	1,154,238	13,809,300
Total liabilities and fund balances	\$ 6,150,016	\$ 1,104,844	\$ 2,903,916	\$ 7,197,308	\$ 1,578,824	\$ 18,934,908

The accompanying notes are an integral part of the financial statements.



UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

June 30, 2012

Total Governmental Fund Balances	\$ 13,809,300
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Amounts reported for governmental activities in the  
statement of net assets are different because:

Capital assets used in governmental activities are not  
financial resources and therefore are not reported  
in the funds (capital assets net of accumulated  
depreciation:

Capital assets	\$ 75,632,857
Accumulated depreciation	<u>(36,647,727)</u>

Capital assets net of accumulated depreciation	38,985,130
--	------------

Other assets used in governmental activities are not  
financial resources and therefore are not reported  
in the funds:

Prepaid expenses	594,135
------------------	---------

Long-term liabilities are not due and payable in the  
current period and therefore are not reported  
in the funds:

Accrued interest payable	61,866
Compensated absences payable	2,813,637
Other postemployment benefits payable	188,661
Early retirement payable	5,439,718
General obligation bonds payable	4,620,000
Certificates of participation	1,120,000
Capital lease obligations payable	<u>1,107,783</u>

(15,351,665)

Net Assets of Governmental Activities	\$ <u>38,036,900</u>
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The accompanying notes are an integral  
part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

Year Ended June 30, 2012

	General	Special Education	Debt Service	Capital Outlay	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$15,395,718	\$ -	\$ 2,262,488	\$ 2,494,718	\$ 3,017,741	\$ 23,170,665
Intergovernmental	19,242,270	9,290,006	631,673	138,859	12,476,645	41,779,453
Charges for services	528,758	31,694	-	-	1,599,114	2,159,566
Investment earnings	-	-	-	200,262	595	200,857
Miscellaneous	882,360	-	-	62,852	124,267	1,069,479
Total revenues	36,049,106	9,321,700	2,894,161	2,896,691	17,218,362	68,380,020
Expenditures:						
Current:						
Instruction	24,481,184	7,195,177	-	1,166,295	8,929,295	41,771,951
Student support services	1,658,664	1,751,605	-	648	707,165	4,118,082
Instructional support services	1,702,696	8,406	-	3,630	490,661	2,205,393
General administration	641,550	167,272	-	1,528	97,995	908,345
School administration	2,664,463	-	-	16,639	314,252	2,995,354
Operation and maintenance of plant	4,893,705	-	-	444,584	379,896	5,718,185
Central support services	717,938	-	-	36,765	68,095	822,798
Student transportation services	791,288	391,142	-	90,922	78,741	1,352,093
Food service operation	-	-	-	-	2,925,108	2,925,108
Community service operations	127,363	-	-	-	-	127,363
Recreation	-	-	-	-	2,973,777	2,973,777
Capital Outlay:						
Facilities acquisition and construction	-	-	-	79,663	306,290	385,953
Debt service:						
Principal	274,488	-	2,770,000	481,870	-	3,526,358
Interest and other charges	-	-	237,965	70,260	-	308,225
Total expenditures	37,953,339	9,513,602	3,007,965	2,392,804	17,271,275	70,138,985
Revenues over (under) expenditures	(1,904,233)	(191,902)	(113,804)	503,887	(52,913)	(1,758,965)
Other financing sources:						
Proceeds from capital lease obligation	1,082,232	-	-	-	-	1,082,232
Net change in fund balance	(822,001)	(191,902)	(113,804)	503,887	(52,913)	(676,733)
Fund balance, beginning of year	3,926,698	1,059,367	2,978,266	5,314,551	1,207,151	14,486,033
Fund balance, end of year	\$ 3,104,697	\$ 867,465	\$ 2,864,462	\$ 5,818,438	\$ 1,154,238	\$ 13,809,300

The accompanying notes are an integral  
part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2012

Net Change in Fund Balances – Total Governmental Funds \$ (676,733)

Amounts reported for governmental activities in the  
statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those  
assets is allocated over their estimated useful lives as  
depreciation expense. In the current period, these  
amounts are:

Capital outlay	\$ 2,020,227
Depreciation	<u>(2,435,345)</u>

Excess of depreciation over capital outlays	(415,118)
---	-----------

In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due	19,537
--	--------

In the statement of activities, prepaid expenses are recognized as an asset, whereas in the governmental funds an expenditure is reported when paid	(1,536)
---	---------

In the statement of activities the issuance of debt is reported as a liability whereas, in the governmental funds statements the issuance of debt is reported as an other financing sources for:	
Capital lease obligations	(1,082,232)

Repayment of debt principal is an expenditure in the  
governmental funds, but the repayment reduces long-term  
liabilities in the statement of net assets:

General obligation bond payment	2,770,000
Certificates of participation	135,000
Capital lease payment	<u>621,358</u>

Total payments on long-term liabilities	3,526,358
---	-----------

Some expenses reported in the statement of activities do  
not require the use of current financial resources and  
therefore are not reported as expenditures in the funds:

Early retirement payable	446,916
Compensated absences payable	(31,622)
Other postemployment benefits payable	<u>(188,661)</u>

Total	<u>226,633</u>
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Change in Net Assets of Governmental Activities	<u>\$ 1,596,909</u>
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The accompanying notes are an integral  
part of the financial statements.

# UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

## GENERAL FUND

### STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenue:				
Taxes	\$ 7,133,665	\$ 7,133,665	\$ 7,291,126	\$ 157,461
Intergovernmental	<u>27,660,101</u>	<u>27,818,873</u>	<u>27,661,412</u>	<u>(157,461)</u>
Total revenue	<u>34,793,766</u>	<u>34,952,538</u>	<u>34,952,538</u>	<u>-</u>
Expenditures and encumbrances:				
Instruction	19,768,076	19,926,848	19,229,079	697,769
Student support services	-	-	46	(46)
Instructional support services	11,000	11,000	6,526	4,474
General administration	567,028	567,028	587,436	(20,408)
School administration	2,617,222	2,617,222	2,480,584	136,638
Operation/maintenance of plant	355,470	355,470	398,535	(43,065)
Central support services	594,259	594,259	579,413	14,846
Student transportation services	771,723	771,723	742,887	28,836
Community service operations	128,174	128,174	127,363	811
Transfers out	<u>9,980,814</u>	<u>9,980,814</u>	<u>10,800,669</u>	<u>(819,855)</u>
Total expenditures and encumbrances	<u>34,793,766</u>	<u>34,952,538</u>	<u>34,952,538</u>	<u>-</u>
Revenue over expenditures and encumbrances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral  
part of the financial statements.

# UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

## SPECIAL EDUCATION FUND

### STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - BUDGETARY BASIS

Year ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenue and other financing sources:				
Intergovernmental	\$ 1,506,236	\$ 1,506,236	\$ 1,489,522	\$ (16,714)
Charges for services	-	-	31,694	31,694
Miscellaneous	35,000	35,000	-	(35,000)
Transfers from other funds	<u>6,948,541</u>	<u>6,948,541</u>	<u>7,800,484</u>	<u>851,943</u>
Total revenue and other financing sources	<u>8,489,777</u>	<u>8,489,777</u>	<u>9,321,700</u>	<u>831,923</u>
Expenditures and encumbrances:				
Instruction	7,189,140	7,189,140	7,193,377	(4,237)
Instructional support staff	-	-	8,406	(8,406)
Student support services	1,792,376	1,792,376	1,751,605	40,771
General administration	152,905	152,905	167,272	(14,367)
Transportation services	378,539	378,539	391,142	(12,603)
Central support services	<u>10,500</u>	<u>10,500</u>	<u>-</u>	<u>10,500</u>
Total expenditures and encumbrances	<u>9,523,460</u>	<u>9,523,460</u>	<u>9,511,802</u>	<u>11,658</u>
Revenue and other financing sources over (under) expenditures and encumbrances	(1,033,683)	(1,033,683)	(190,102)	843,581
Fund balance, beginning of year	<u>1,033,683</u>	<u>1,033,683</u>	<u>1,054,273</u>	<u>20,590</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 864,171</u>	<u>\$ 864,171</u>

The accompanying notes are an integral  
part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
STATEMENT OF FIDUCIARY NET ASSETS – ALL AGENCY FUNDS

June 30, 2012

	Agency Funds
<u>ASSETS</u>	
Cash including investments	\$ <u>773,418</u>
<u>LIABILITIES</u>	
Liabilities:	
Payroll withholdings and taxes payable	\$ 443,474
Due to student organizations	<u>329,944</u>
Total liabilities	\$ <u>773,418</u>

The accompanying notes are an integral  
part of the financial statements.

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## **NOTES TO FINANCIAL STATEMENTS**





# UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting entity

Derby Unified School District No. 260 (District) is a Kansas school district governed by an elected seven-member board. As required by generally accepted accounting principles, these financial statements present Derby Unified School District No. 260 (the primary government) and its component unit. The component unit discussed in the following paragraphs is included in the District's reporting entity because the primary government is considered financially accountable for it.

The component unit columns in the government-wide financial statements (see note below for description) include the financial data of the District's component unit. It is reported in a separate column to emphasize that it is legally separate from the District and to differentiate its financial position and results of operations from that of the primary government. The District's component unit is accounted for using the same principles as the governmental fund types of the District.

The Derby Recreation Commission was established pursuant to Kansas Statutes to operate a system of public recreation in Derby, Kansas. The District appoints two of the five members of the Board of Commissioners of the Derby Recreation Commission. The Derby Recreation Commission taxes are levied under the taxing authority of the District. These taxes are accounted for in the Recreation and Recreation - Employee Benefits special revenue funds of the District. The Derby Recreation Commission may not acquire real property or issue debt without the approval of the District. Any lease entered into by the Derby Recreation Commission may be subject to approval of the District. The Derby Recreation Commission is included in the financial statements of the District as a discretely presented component unit. Complete financial statements for the Derby Recreation Commission may be obtained at the Derby Recreation Commission, 801 East Market, Derby, Kansas 67037.

#### Basis of presentation

The financial statements of the District have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The District's basic financial statements include both government-wide, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

### Government-wide financial statements

The statement of net assets and the statement of activities display information about the District as a whole. The statement of net assets presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include (1) charges paid by the recipient for goods or services or privileges provided by a given function or activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

### Fund financial statements

During the year, the District segregates transactions related to certain functions or activities in 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 a more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is reported in a separate column. Nonmajor funds are aggregated and presented in a single column in the fund financial statements.

The District's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, etc.) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

### Measurement focus and basis of accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers property tax revenues to be available in the period for which levied and other revenues if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services and interest associated with the current fiscal period are considered susceptible to accrual and so have been recognized as revenues of the current period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus. Agency funds do, however, use the accrual basis of accounting.

The District reports the following major governmental funds:

General Fund – used to account for all financial transactions not properly accounted for in another fund. It receives a greater variety and number of taxes and other general revenues than any other fund and these resources also finance a wider range of activities than any other fund. Under the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the following funds are combined to present the General Fund operations:

General Fund – the District's primary operating fund.

Supplemental General Fund – used to account for revenue received and expenditures incurred related to the District's Local Option Budget (LOB). Moneys available under the LOB may be used for any purpose for which expenditures from the General Fund are authorized.

Professional Development Fund – used to account for revenue received and expenditures incurred for teacher inservice training programs.

Summer School Fund – used to account for summer school fees collected and expenditures associated with summer school programs.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contingency Reserve Fund – used to account for moneys transferred from the General Fund, in accordance with Kansas statutes, and to provide resources for unforeseen and unplanned needs of the District.

Latchkey Program Fund – used to account for revenue and expenditures for childcare programs maintained by the District.

Special Education Fund – used to account for revenue and expenditures incurred in conjunction with the state supported supplemental education needs of selected students. Major resources include Federal and State Aid provided through the Kansas Department of Education.

Debt Service Fund – used to account for the payment of principal and interest on the District's general obligation bonds.

Capital Outlay Fund – used to account for tax revenues and other sources which are primarily utilized for the acquisition, construction, reconstruction, repair, remodeling, additions to, furnishing and equipping of District buildings.

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

In addition, the District reports agency funds to account for assets held in a trustee capacity or as an agent for individuals, private organizations and/or other funds. Agency funds include payroll withholding, sales tax collections and student activity monies at the various schools.

### Cash and investments

The District pools all funds for the purpose of increasing income through investment activities. Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Debt securities are reported at amortized cost if they have a remaining maturity at time of purchase of one year or more. Cash deposits are reported at a carrying amount, which reasonably estimates fair value. Applicable State statutes allow the recording of investment income to certain funds of the District and, accordingly, investment earnings have been credited to the Food Service and Capital Outlay funds. Additional cash and investment disclosures are presented at Note 2.

### Inventories

Inventories are considered to be immaterial and are not recorded.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Property taxes and other receivables

Property taxes are recognized in the period for which the taxes are levied, that is when the use of the property taxes is permitted. Property taxes are assessed on a calendar year basis, become a lien and are levied on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. At June 30 such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred revenue on the statement of net assets and the governmental fund financial statements for the appropriate funds. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole. As of June 30, 2012 the County Treasurer has distributed to the District approximately 97% of the 2011 taxes levied. The remaining taxes from this levy plus a portion of the 2012 taxes levied will be used to finance the fiscal year ending June 30, 2013.

### Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "due to/from other funds." All short-term interfund receivables and payables at year-end will be eliminated in the subsequent year. As a general rule the effect of all other interfund activity has been eliminated from the government-wide financial statements.

### Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the governmental activities column in the government-wide financial statements. Capital assets of the District are defined as assets with an initial individual cost of more than \$5,000, except for musical instruments and assets funded by federal grant programs, and a useful life of more than one year. District capital assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as the projects are completed and placed into operation.

Property, plant and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Asset</u>	<u>Years</u>
Buildings	30
Improvements	15
Machinery and equipment	3-15

Assets acquired with funds received through federal grants, must be used in accordance with the terms of the grant. Federal regulations require, in some instances, the District to reimburse the federal government for any assets that the District retains for its own use after the termination of the grant unless otherwise provided for by the grantor.

### Compensated absences

All permanent full-time and part-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts. Vacation benefits accrue as payable at a rate from .42 days to 1.67 days per month depending on length of continuous full-time employment. Sick leave days accumulate as payable at a rate of 1.33 days per month to a maximum of 180 days. Sick leave accumulated beyond 180 days is payable annually at three-fourths the daily rate.

The entire compensated absences liability is reported on the government-wide financial statements. The liability is based on current salary costs and the vested portion of accumulated benefits.

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent that they are due for payment during the current year. The most significant portion of the compensated absence liability is liquidated from the General and Supplemental General Funds.

### Early retirement

The District maintains a policy of paying early retirement salary to certain former employees, who qualify, for a period not to exceed ten years subsequent to their early retirement date. Early retirement is defined under the program as retirement in or after the school year in which the employee reaches the age of 55, but before the school year the employee reaches the age of 65. To qualify for early retirement, employees have to be at least 55 years of age within the next school year and have a minimum of ten years employment with the District and the Kansas Public Employer's Retirement System (KPERs). Retirement pay is computed based on predetermined factors applied to the employees highest salary of their last four years of employment and is paid either on a monthly basis or as a lump sum payment at the end of the fiscal year. The computations do not include life expectancy or any other actuarial factors. An employee taking early retirement has no claim to re-employment in the District once retirement goes into effect. All early retirement benefits terminate upon the death of the participant. The early

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

retirement obligations are being liquidated from the District's General Fund and the cost of the termination benefits for the year ended June 30, 2012 was \$1,522,321. At June 30, 2012, there were 158 former employees receiving early retirement plan benefits. The termination benefits are measured at the discounted present value of expected future benefit payments. The discount rate applied in the determination of the early retirement benefit liability at June 30, 2012 was 2.99%, the average interest rate on the most recent debt issued by the District.

### Accrued liabilities and long-term obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences and capital lease obligations that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

### 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; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### Net assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board of Education or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District's policy is to apply restricted net assets first.



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Fund balances

The fund balances of the governmental fund types include the following classifications:

Restricted – constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can only be used for specific purposes pursuant to constraints approved by formal action of the government's highest level of decision-making authority (the Board of Education). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Board of Education can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the governing body itself, or (b) a body (such as a budget or finance committee) or official (Superintendent) to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The Board of Education has by resolution authorized the Director of Budget and Finance/Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating a fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. An additional action does not normally have to be taken for the removal of an assignment.

Unassigned – the amount that is the residual after amounts have been restricted, committed or assigned to specific purposes.

When an expenditure is incurred for purposes for which committed, assigned or unassigned fund balance is available, the following is the order in which resources will be expended: committed, assigned and unassigned.

### Budgets and budgetary comparisons

Applicable Kansas statutes require that budgets be legally adopted for all governmental fund types on a 12-month basis, unless exempted by a specific statute. Specific funds exempted from legally adopted budgetary requirements include: Contingency Reserve, Latchkey Program, Textbook Revolving, Technology Literacy Challenge Grant, Special

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants, Kansas Beef Council Grant, Title II A, Title I, Title III English/Reading, Kansas Coordinated School Health Grant, Spirit AeroSystems Grant, Project Lead The Way, Alcohol and Drug Prevention Grant – City of Derby, Boeing Grant – Oaklawn Elementary School, Wineteer Elementary Aerospace Excellence Grant, ARRA Title I, Project Lead The Way Mini-Grant, Derby Education Foundation/Boeing/Derby Community Foundation Grant funds.

The Capital Outlay Fund, included as a capital project fund type, is a budgeted fund and its appropriations lapse at the end of the year.

All agency funds are exempted from legally adopted budgetary requirements.

State statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper 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.

All budgets are prepared utilizing the modified accrual basis, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable and encumbrances (that is, commitments, such as purchase orders and contracts). Encumbrances are reported as expenditures in the current year's budgetary presentation and as committed fund balances in the governmental fund financial statements. Accordingly, the actual expenditure data presented in the budgetary comparison statements differ from the data presented in the governmental fund financial statements prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

Kansas statutes permit transferring budgeted amounts from one object or purpose to another within the same fund; however, such statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. All unencumbered appropriations lapse at the end of the year. Management may amend the amount of a specific object or purpose appropriation without obtaining authorization from the Board of Education provided the amendments or transfers do not create a total budgeted expenditure amount for a specific fund in excess of that amount adopted by the Board of Education. The statutes allow for the Board of Education to increase the originally adopted

## 2. DEPOSITS AND INVESTMENTS

Kansas Statutes Annotated (K.S.A.) 9-1401 establishes the depositories that 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 Federal Depository Insurance Corporation (FDIC) coverage. The District has no other policies that would further limit interest rate risk.

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

### Concentration of credit risk

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The investments held by the District's escrow agent are directed by the authorizing bond resolution. These investments are not subject to collateralization.

### Custodial credit risk – deposits

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka.

At year-end, the carrying amount of the District's deposits was \$13,591,012 with the bank balances of such accounts being \$14,443,087. Of the bank balances, \$544,844 was covered by federal depository insurance, and the remaining balance of \$13,898,243 was covered by collateral held by the District's custodial banks in joint custody in the name of the District and its banks. The fair value of those pledged securities held by the District's custodial banks was \$20,818,660 at June 30, 2012.

The District's component unit cash and investments at June 30, 2012 consisted of cash on hand, money market checking accounts and certificates of deposit. At year-end, the carrying amount of the District's component unit deposits was \$3,348,224 with the bank balances of such accounts being \$3,511,810. Of the bank balances, \$479,397 was covered by federal depository insurance and the District's component unit held pledged collateral at its custodial banks in joint custody in the name of the District's component unit and its banks with a fair value of \$2,025,748 at June 30, 2012. As a result, the District's component unit had deposits that were unsecured in the amount of \$1,006,665 at June 30, 2012.

## 2. DEPOSITS AND INVESTMENTS (continued)

### Custodial credit risk – investments

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

## 3. CAPITAL ASSETS

A summary of changes in capital assets of the District for the year ended June 30, 2012 is as follows:

	Balance at July 1, 2011	Additions	Deletions	Balance at June 30, 2012
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 3,826,936	\$ —	\$ —	\$ 3,826,936
Construction work In process	<u>1,904,104</u>	<u>—</u>	<u>1,904,104</u>	<u>—</u>
Total capital assets not being depreciated	<u>5,731,040</u>	<u>—</u>	<u>1,904,104</u>	<u>3,826,936</u>
Capital assets being depreciated:				
Buildings and improvements	56,490,641	2,426,466	—	58,917,107
Furniture and equipment	<u>12,163,355</u>	<u>1,497,865</u>	<u>772,406</u>	<u>12,888,814</u>
Total capital assets being depreciated	<u>68,653,996</u>	<u>3,924,331</u>	<u>772,406</u>	<u>71,805,921</u>
Less accumulated depreciation for:				
Buildings and improvements	30,278,869	2,291,825	—	32,570,694
Furniture and equipment	<u>4,705,919</u>	<u>143,520</u>	<u>772,406</u>	<u>4,077,033</u>

### 3. CAPITAL ASSETS (continued)

	Balance at July 1, 2011	Additions	Deletions	Balance at June 30, 2012
Total accumulated depreciation	\$ 34,984,788	\$ 2,435,345	\$ 772,406	\$ 36,647,727
Total capital assets being depreciated, net	<u>33,669,208</u>	<u>1,488,986</u>	<u>—</u>	<u>35,158,194</u>
Governmental activities capital assets, net	<u>\$ 39,400,248</u>	<u>\$ 1,488,986</u>	<u>\$ 1,904,104</u>	<u>\$ 38,985,130</u>

Depreciation expense was charged to functions/programs as follows:

Instruction	\$ 2,025,132
Student support services	10,102
Instructional support services	9,585
General administration	752
School administration	2,725
Operation/maintenance of plant	274,387
Central support services	2,792
Student transportation services	87,208
Food service operations	<u>22,662</u>
	<u>\$ 2,435,345</u>

The cost and accumulated amortization of computer and technology equipment under capital lease at June 30, 2012 is \$2,631,328 and \$1,471,285, respectively.

Capital asset activity for the Derby Recreation Commission (component unit) for the year ended June 30, 2012 was as follows:

	Balance at July 1, 2011	Additions	Deletions	Balance at June 30, 2012
<u>Governmental Activities:</u>				
Capital assets being depreciated:				
Buildings and improvements	\$ 4,829,859	\$ —	\$ —	\$ 4,829,859
Machinery and equipment	1,359,525	87,705	68,214	1,379,016
Vehicles	<u>153,441</u>	<u>40,345</u>	<u>800</u>	<u>192,986</u>

### 3. CAPITAL ASSETS (continued)

	Balance at July 1, 2011	Additions	Deletions	Balance at June 30, 2012
Total assets being depreciated	\$ 6,342,825	\$ 128,050	\$ 69,014	\$ 6,401,861
Less accumulated depreciation for:				
Buildings and improvements	1,732,314	96,690	-	1,829,004
Machinery and equipment	795,542	108,250	53,740	850,052
Vehicles	120,588	18,801	800	138,589
Total accumulated depreciation	2,648,444	223,741	54,540	2,817,645
Total capital assets, net	\$ 3,694,381	\$ (95,691)	\$ (14,474)	\$ 3,584,216

### 4. LONG-TERM DEBT

The following is a summary of changes in long-term debt transactions of the District for the year ended June 30, 2012:

	Balance at July 1, 2011	Increase	Decrease	Balance at June 30, 2012	Amounts Due Within One Year
General obligation bonds	\$ 7,390,000	\$ -	\$ 2,770,000	\$ 4,620,000	\$ 1,600,000
Capital lease obligations	646,909	1,082,232	621,358	1,107,783	566,692
Certificates of participation	1,255,000	-	135,000	1,120,000	140,000
Early retirement	5,886,634	1,075,405	1,522,321	5,439,718	1,175,926
Other postemployment benefits	-	381,661	193,000	188,661	-
Compensated absences	2,782,015	970,771	939,149	2,813,637	949,824
Total	\$ 17,960,558	\$ 3,510,069	\$ 6,180,828	\$ 15,289,799	\$ 4,432,442

#### General obligation bonds

General obligation bonds payable are serial bonds to be retired through the fiscal year ended June 30, 2015. Debt service on the general obligation bonds is recorded in the Debt Service Fund of the District. At June 30, 2012 the bonds consist of the following:

#### 4. LONG-TERM DEBT (continued)

	<u>Interest rates</u>	<u>Bonds outstanding</u>
General Obligation Refunding Bonds, Series 2004, issued December 1, 2004	5.0 – 6.0%	\$ 4,620,000

On December 1, 2004, the District entered into an advance refunding transaction whereby it issued \$7,670,000 of 3.0% to 4.0% General Obligation Refunding Bonds, Series 2004, to effect retirement of the District's obligation with respect to \$7,610,000 of General Obligation School Improvement Bonds, Series 2000, maturing in the years 2010 through 2014. The resources originally pledged to secure the Series 2000 bonds were used to pay debt service on the refunded bonds until they were called for redemption. The Series 2000 refunded bonds were called for redemption on October 1, 2009, the crossover date. At that date the pledged revenues "cross over" to pay debt service on the refunding bonds and escrowed securities were used to pay the refunded bonds. The Series 2004 bonds may not be redeemed prior to their stated maturities.

Annual debt service requirements for the general obligation bonds are as follows:

<u>Year ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,600,000	\$ 152,800	\$ 1,752,800
2014	1,655,000	87,700	1,742,700
2015	<u>1,365,000</u>	<u>27,300</u>	<u>1,392,300</u>
	<u>\$ 4,620,000</u>	<u>\$ 267,800</u>	<u>\$ 4,887,800</u>

#### Capital lease obligations

During 2009, the District entered into a lease agreement for the purchase of computers and other equipment including wireless technology equipment with a financing company. The lease requires monthly payments of \$30,564, including interest, through June 2013. The lease qualifies as a capital lease obligation under generally accepted accounting principles and the assets have been recorded at the present value of the net minimum lease payments at the inception of the lease (\$1,549,096). The lease payments for 2012 were financed from the Capital Outlay Fund.

During 2012, The District entered into a lease agreement for the purchase of computer equipment with a vendor. The lease requires annual payments of \$274,488, including interest, through March 2015. The lease qualifies as a capital lease obligation under generally accepted accounting principles and the assets have been recorded at the present value of the net minimum lease payments at the inception of the lease (\$1,082,232). The lease payment for 2012 was financed from the General Fund (Contingency Reserve Fund).

#### 4. LONG-TERM DEBT (continued)

The annual requirements to amortize the capital lease obligations outstanding at June 30, 2012, including imputed interest and maintenance charges, are as follows:

<u>Year ending June 30,</u>	<u>Technology Equipment</u>	<u>Computer Equipment</u>	<u>Total</u>
2013	\$ 305,642	\$ 274,488	\$ 580,130
2014	—	274,488	274,488
2015	—	274,488	274,488
Total minimum lease payments	305,642	823,464	1,129,106
Less amounts representing interest and maintenance charges	(5,602)	(15,721)	(21,323)
Present value of minimum lease payments	<u>\$ 300,040</u>	<u>\$ 807,743</u>	<u>\$ 1,107,783</u>

#### Certificates of Participation

Certificates of Participation dated September 1, 2008, in the amount of \$1,500,000 were issued pursuant to a lease purchase agreement between the District, as lessee, and UMB Bank, N.A. as trustee and lessor. The Series 2008 Certificates of Participation have interest rates ranging from 3.50% to 4.50%. The Certificates of Participation were issued to finance the costs of the improvements to the Oaklawn Activity Center. The District also entered into a sublease agreement with the Derby Recreation Commission for use of the facility for an initial term of ten years with an option to renew for subsequent ten-year periods. The lease payments shall be sufficient to service the Certificates of Participation issued by the District related to the costs of expansion, repairs, remodeling and other related costs of the facility. The debt is being financed from the Capital Outlay Fund via the lease rentals received from the Derby Recreation Commission. The amortization of the outstanding Certificates of Participation at June 30, 2012 is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 140,000	\$ 44,197	\$ 184,197
2014	145,000	38,498	183,498
2015	150,000	32,598	182,598
2016	160,000	26,317	186,317
2017	165,000	19,531	184,531
2018	175,000	12,175	187,175
2019	<u>185,000</u>	<u>4,162</u>	<u>189,162</u>
	<u>\$ 1,120,000</u>	<u>\$ 177,478</u>	<u>\$ 1,297,478</u>



#### 4. LONG-TERM DEBT (continued)

##### Component Unit debt

The following is a summary of changes in long-term debt transactions of the Derby Recreation Commission (component unit) for the year ended June 30, 2012:

	Balance at July 1, 2011	Increase	Decrease	Balance at June 30, 2012	Amounts Due Within One Year
Capital lease obligations	\$ 480,000	\$ -	\$ 235,000	\$ 245,000	\$ 245,000
Compensated absences	<u>166,444</u>	<u>142,408</u>	<u>136,032</u>	<u>172,820</u>	<u>46,903</u>
Total	<u>\$ 646,444</u>	<u>\$ 142,408</u>	<u>\$ 371,032</u>	<u>\$ 417,820</u>	<u>\$ 291,903</u>

##### Compensated absences

Compensated absences are to be paid from various funds in the same proportion that those funds pay payroll costs. The District's projected liability for compensated absences at June 30, 2012 is \$2,813,637, which will primarily be liquidated from the General Fund.

#### 5. INTERFUND RECEIVABLES/PAYABLES

Individual fund receivable/payable balances at June 30, 2012 are as follows:

<u>Fund</u>	Due To ( <u>Receivable</u> )	Due From ( <u>Payable</u> )
Major Funds:		
General	\$ -	\$ 1,482,422
Capital Outlay	1,485,667	-
Nonmajor Funds:		
Title I	<u>-</u>	<u>3,245</u>
	<u>\$ 1,485,667</u>	<u>\$ 1,485,667</u>

The interfund receivable/payable balances are the result of commitments in the General Fund and Parent Education Fund prior to year-end that are to be funded by general state aid that is due to be paid to the District during the month of June 2012. However, the District did not receive the general state aid payment until July 2012. The Title I Fund had incurred unreimbursed expenditures at June 30, 2012 that were reimbursed subsequent to year-end by the grant program.

#### 6. INTERFUND TRANSFERS

With the implementation of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the majority of

## 6. INTERFUND TRANSFERS (continued)

transfers made under the statutory basis of accounting are now classified as state aid. GASB Statement No. 54 provides that "specific restricted or committed revenues may be initially received in another fund and subsequently distributed to a special revenue fund. Those amounts should not be recognized as revenue in the fund initially receiving them; however, those inflows should be recognized as revenue in the special revenue fund in which they will be expended in accordance with specified purposes." State aid is initially received in the General and Supplement General Funds and various state statutes require the District to make transfers of this State Aid to other special revenue funds.

A summary of interfund transfers by individual fund reported as State Aid in the governmental funds financial statements but as transfers in the respective budgetary financial statements and schedules are as follows:

<u>Fund</u>	<u>Statutory authority</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:			
General	72-6428	\$ -	\$ 10,800,669
Supplemental General	72-6433	-	1,901,849
Special Education	72-6428	7,800,484	-
Nonmajor Funds:			
Professional Development	72-6428	124,942	-
Summer School	72-6428	20,000	-
Parent Education Program	72-6428	71,301	-
Vocational Education	72-6428	745,645	-
Bilingual Education	72-6428	848,098	-
Four Year Old At Risk	72-6428	117,040	-
At Risk	72-6428	2,909,810	-
Contingency Reserve	72-6426	65,198	-
Total transfers		<u>\$ 12,702,518</u>	<u>\$ 12,702,518</u>

## 7. PENSION PLAN

### Plan description

The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. 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 S. Kansas Avenue, Suite 100, Topeka, Kansas 66603 or calling 1-888-275-5737.

## **7. PENSION PLAN (continued)**

### **Funding policy**

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary for participants employed prior to July 1, 2009 and at 6% for new participants employed July 1, 2009 and thereafter. Member-employees' contributions are withheld by their employer and paid to KPERS according to 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. The State of Kansas contribution rate for the period July 1, 2011 to June 30, 2012 was 9.77% of covered payroll. Included in this rate is the contribution for Group Death and Disability Insurance of 1.0%. For the period from April 1, 2012 through June 30, 2012 there was a moratorium on the collection of the 1.0% Group Death and Disability Insurance rate. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for District employees for the years ending June 30, 2012, 2011 and 2010 were \$4,212,637, \$2,483,816 and \$2,875,423, respectively, approximating the statutory contributions for each year.

The District recognizes these on-behalf payments as revenues and expenditures in the KPERS Special Retirement Contribution fund.

## **8. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

### **Plan Description**

The District sponsors a single-employer defined benefit healthcare plan administered by the District. The Employee Benefit Plan (Plan) provides healthcare benefits, including medical and dental, to retirees and their dependents. Retiree health coverage is provided for under K.S.A. 12-5040. No separate financial report is issued for the Plan. Employees who retire with at least 10 years of cumulative service with the District and commence retirement or disability benefits under the Kansas Public Employee Retirement System (KPERS) are eligible for benefits.

District retirees pay the same premiums charged to current employees for medical and dental coverage. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these two amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under Governmental Accounting Standards Board (GASB) Statement No. 45. Active and retirees pay 100% of the premium rates for dental insurance coverage so no employer implicit subsidy exists for the dental insurance coverage.

Retirees and spouses have the same benefit as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches the Medicare eligibility age, which is currently age 65. Spousal

## 8. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or dies.

Coverage is provided through a fully insured group insurance program. Four medical plan options are available and consist of a \$1,000 POS plan, \$2,000 POS plan, \$3,000 POS plan and a \$2,500 High Deductible Health Plan.

Membership in the Plan comprised the following at February 1, 2012:

Active employees	519
Retirees	39
Covered spouses of retirees	6

### Funding Policy

The contributions of the plan members and the District are established and may be amended by the Board of Education. The required contribution is based on pay-as-you-go financing requirements. District retirees pay 100% of their healthcare premiums; the District is not required to share costs of retiree premiums.

### Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarially determined liabilities (or funding excess) over a period not to exceed thirty years. The following tables show the components of the District's OPEB cost for 2012:

<u>Annual OPEB Cost and Obligation for 2012</u>	<u>Amount</u>
Annual required contribution (ARC)	\$ 381,661
Interest on net OPEB obligation	—
Annual OPEB cost (expense)	381,661
Contributions made	(193,000)
Increase in net OPEB obligation	188,661
Net OPEB obligation – beginning of year	—
Net OPEB obligation – end of year	<u>\$ 188,661</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 is as follows:

## 8. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

<u>Year Ended</u>	<u>OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
6-30-12	\$381,661	50.6%	\$ 188,661

### Funded Status and Funding Progress

As of June 30, 2012, the plan was not funded. The actuarial accrued liability for benefits was \$3,472,778, and there were no actuarial assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,472,778. The covered payroll (annual payroll of active employees covered by the plan) was \$21,199,820, and the ratio of the UAAL to the covered payroll was 16.4%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the Plan and the ARC of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents only the initial year trend information.

### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the February 1, 2012, actuarial valuation, the project unit credit actuarial cost method was used. The actuarial assumptions included a 3.50% percent investment rate, and an annual healthcare cost trend rate of 8.5%. The UAAL is being amortized as a level percentage of projected payroll on an open basis over a period of 30 years.

## 9. OPERATING LEASES

The District leases certain postage metering equipment, duplicating and printing equipment under noncancelable operating leases. Total lease costs under these leases included in expenditures of the General, Supplemental General, Special Education, Latchkey, Food Service and Parents As Teachers Funds for the year ended June 30, 2012 was \$6,756,

## 9. OPERATING LEASES

\$109,763, \$5,099, \$388, \$2,023 and \$1,641, respectively. Future minimum lease payments under these noncancelable operating leases are as follows:

<u>Year ending June 30,</u>	<u>Postage Equipment</u>	<u>Duplicating and Printing Equipment</u>	<u>Total</u>
2013	\$ 3,714	\$ 80,325	\$ 84,039
2014	4,952	-	4,952
2015	5,446	-	5,446
2016	5,611	-	5,611
2017	<u>5,611</u>	<u>-</u>	<u>5,611</u>
	<u>\$ 25,334</u>	<u>\$ 80,325</u>	<u>\$ 105,659</u>

## 10. FUND BALANCE CLASSIFICATIONS

Fund balance classifications reported on the governmental funds balance sheet at June 30, 2012 were as follows:

	<u>General</u>	<u>Special Education</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:						
Restricted for:						
Debt service	\$ -	\$ -	\$ 2,864,462	\$ -	\$ -	\$ 2,864,462
Special education	-	864,171	-	-	-	864,171
Capital outlay	-	-	-	5,549,535	-	5,549,535
Driver training	-	-	-	-	21,222	21,222
Recreation - Employee	-	-	-	-	-	-
Benefits	-	-	-	-	8,502	8,502
Food service	-	-	-	-	795,903	795,903
Adult supple- mental	-	-	-	-	122,605	122,605
Special	-	-	-	-	93,068	93,068
Assessment	-	-	-	-	50,045	50,045
Textbook	-	-	-	-	2,808	2,808
Revolving	-	-	-	-	2,598	2,598
Special grants	-	-	-	-	5,899	5,899
Kansas Beef	-	-	-	-	-	-
Council grant	-	-	-	-	-	-
Title II A grant	-	-	-	-	-	-
Kansas	-	-	-	-	-	-
Coordinated School Health Grant	-	-	-	-	3,673	3,673
Project Lead The Way	-	-	-	-	1,540	1,540

# 10. FUND BALANCE CLASSIFICATIONS (continued)

	<u>General</u>	<u>Special Education</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Alcohol and Drug Preven- tion Grant	\$ -	\$ -	\$ -	\$ -	\$ 56,882	\$ 56,882
Wineteer Elementary Aerospace Excellence Grant	-	-	-	-	249	249
Derby Education Foundation/Boeing Derby Community Foundation Grant	-	-	-	-	20,000	20,000
<b>Committed:</b>						
Contingency	2,228,647	-	-	-	-	2,228,647
Special education	-	3,294	-	-	-	3,294
Capital outlay	-	-	-	268,903	-	268,903
Food service	-	-	-	-	4,571	4,571
Project Lead The Way Mini-Grant	-	-	-	-	14,173	14,173
Bond project	-	-	-	-	30,425	30,425
<b>Assigned:</b>						
General	49,156	-	-	-	-	49,156
Supplemental General	635,004	-	-	-	-	635,004
<b>Unassigned:</b>						
Supplemental General	571	-	-	-	-	571
Professional Development	6	-	-	-	-	6
Summer school	25,433	-	-	-	-	25,433
Latchkey program	165,880	-	-	-	-	165,880
Bond Project	-	-	-	-	(79,925)	(79,925)
<b>Total Fund Balance</b>	<u>\$ 3,104,697</u>	<u>\$ 867,465</u>	<u>\$ 2,864,462</u>	<u>\$ 5,818,438</u>	<u>\$ 1,154,238</u>	<u>\$13,809,300</u>

# 11. COMMITMENTS AND CONTINGENCIES

## Commitments

At June 30, 2012, the District had outstanding commitments related to building and facility improvements and equipment acquisitions in the amount of \$299,328.

## Grant programs

The District participates in a number of federal and state assisted grant programs that are subject to financial and compliance audits by the grantor agencies or their designee. Accordingly, the District's compliance with applicable grant requirements and any disallowed costs resulting from such audits, if any, could become a liability of the District. It is Management's opinion that any such disallowed costs will not have a material affect on the financial statements of the District at June 30, 2012.

## 12. SUBSEQUENT EVENTS

On July 1, 2012, the District issued \$61,750,000 of Unified School District No. 260 General Obligation Refunding and School Improvement Bonds, Series 2012 (the Bonds) at an average interest rate of 2.99%. \$60,155,000 of the Bonds were issued pursuant to an election held on April 3, 2012 in which the voters in the District approved the Bonds to construct and equipment a new grade 6-8 middle School, make additions and renovations to an existing middle school, construct and equip a new central kitchen facility, replace roofing on existing school buildings, and make other improvements to buildings and facilities throughout the District. \$1,595,000 of the Bonds were issued to advance refund \$1,600,000 of General Obligation Refunding Bonds, Series 2004, dated December 1, 2004 on October 1, 2012.

On July 2, 2012, the District entered into a lease-purchase agreement with a financing company to finance the purchase of data infrastructure upgrade equipment at a cost of \$1,193,376. The agreement provides for semiannual payments of \$124,697, including interest at 1.98%, through January 2017.

Subsequent events have been evaluated by management through January 24, 2013, which is the date the financial statements were available to be issued.



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## **REQUIRED SUPPLEMENTARY INFORMATION**



UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Schedule of Employer Contributions

<u>Year</u>	<u>Annual OPEB Costs</u>	<u>Net Employer Contributions</u>	<u>Percentage Contributed</u>	<u>End of Year OPEB Obligation</u>
2012	\$188,661	\$ -	0%	\$ 188,661

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (b - a)</u>	<u>Funded Ratio (a ÷ b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percent of Covered Payroll ((b - a) ÷ c)</u>
2-1-12	\$ -	\$ 3,472,778	\$ 3,472,778	0.0%	\$21,199,820	16.4%

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**COMBINING FINANCIAL STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES**



## GENERAL FUND

The General Fund is used to account for all financial transactions not properly accounted for in another fund. It receives a greater variety and number of taxes and other general revenues than any other fund and these resources also finance a wider range of activities than any other fund. Under the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds established by statute are required to be included within the General Fund for financial reporting in accordance with generally accepted accounting principles (GAAP). Those combined funds for GAAP basis reporting are as follows:

**General Fund** – the fund of the District from which operating expenditures are paid and in which taxes levied, all general state aid, payments of federal funds made available under the provisions of Title I of Public Law 874 and such other moneys as provided by law are deposited.

**Supplemental General Fund** – used to account for revenue received and expenditures incurred related to the District's Local Option Budget (LOB). Moneys available under the LOB may be used for any purpose for which expenditures from the General Fund are authorized or may be transferred to the General Fund or any program weighted fund or categorical fund (as defined by Kansas statute) of the District.

**Professional Development Fund** – used to account for revenue received and expenditures incurred for teacher inservice training programs.

**Summer School Fund** – used to account for summer school fees collected and expenditures for summer school.

**Contingency Reserve Fund** – used to account for moneys transferred from the General Fund in accordance with Kansas statutes. The balance of this fund is limited to 10% of the General Fund budget of expenditures for the 2011-2012 school year and 6% for the 2012-2013 school year and thereafter.

**Latchkey Program Fund** – used to account for moneys received for childcare provided by the District and moneys expended for such childcare.



UNIFIED SCHOOL DISTRICT NO. 260, DERRY, KANSAS

COMBINING BALANCE SHEET - GENERAL FUND

June 30, 2012

ASSETS

	General	Supplemental General	Professional Development	Summer School	Contingency Reserve	Latchkey Program	Total
Assets:							
Cash including investments	\$ -	\$ 543,929	\$ 1,736	\$ 26,277	\$ 2,230,985	\$ 184,237	\$ 2,987,164
Due from other governments	2,652,480	239,051	-	-	-	-	2,891,531
Property taxes receivable	125,725	145,596	-	-	-	-	271,321
Total assets	<u>\$ 2,778,205</u>	<u>\$ 928,576</u>	<u>\$ 1,736</u>	<u>\$ 26,277</u>	<u>\$ 2,230,985</u>	<u>\$ 184,237</u>	<u>\$ 6,150,016</u>

LIABILITIES AND FUND BALANCES

Liabilities:							
Accrued salaries and wages payable	\$ 1,045,525	\$ 133,961	\$ 254	\$ 844	\$ -	\$ 14,715	\$ 1,195,299
Accounts payable	75,377	13,444	1,476	-	2,338	3,642	96,277
Deferred revenue	125,725	145,596	-	-	-	-	271,321
Due to other funds	<u>1,482,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,482,422</u>
Total liabilities	<u>2,729,049</u>	<u>293,001</u>	<u>1,730</u>	<u>844</u>	<u>2,338</u>	<u>18,357</u>	<u>3,045,319</u>
Fund balances:							
Committed	-	-	-	-	2,228,647	-	2,228,647
Assigned	49,156	635,004	-	-	-	-	684,160
Unassigned	-	571	6	25,433	-	165,880	191,890
Total fund balances	<u>49,156</u>	<u>635,575</u>	<u>6</u>	<u>25,433</u>	<u>2,228,647</u>	<u>165,880</u>	<u>3,104,697</u>
Total liabilities and fund balances	<u>\$ 2,778,205</u>	<u>\$ 928,576</u>	<u>\$ 1,736</u>	<u>\$ 26,277</u>	<u>\$ 2,230,985</u>	<u>\$ 184,237</u>	<u>\$ 6,150,016</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

GENERAL FUND

Year Ended June 30, 2012

	General	Supplemental General	Professional Development	Summer School	Contingency Reserve	Latchkey Program	Total
Revenues:							
Taxes	\$ 7,291,127	\$ 8,104,591	\$ -	\$ -	\$ -	\$ -	\$ 15,395,718
Intergovernmental	16,860,743	2,171,386	124,942	20,000	65,199	-	19,242,270
Charges for services	-	-	-	8,845	-	519,913	528,758
Miscellaneous	882,243	117	-	-	-	-	882,360
Total revenues	25,034,113	10,276,094	124,942	28,845	65,199	519,913	36,049,106
Expenditures:							
Current:							
Instruction	20,102,247	2,917,547	-	15,495	1,445,895	-	24,481,184
Student support services	46	1,231,011	-	-	1,018	426,589	1,658,664
Instructional support services	6,526	1,571,174	124,996	-	-	-	1,702,696
General administration	583,486	58,064	-	-	-	-	641,550
School administration	2,480,584	183,879	-	-	-	-	2,664,463
Operation and maintenance of plant	380,555	4,509,604	-	2,505	-	1,041	4,893,705
Central support services	573,263	144,675	-	-	-	-	717,938
Student transportation services	742,887	9,309	-	-	-	39,092	791,288
Community service operations	127,363	-	-	-	-	-	127,363
Debt Service	-	-	-	-	274,488	-	274,488
Total expenditures	24,996,957	10,625,263	124,996	18,000	1,721,401	466,722	37,953,339
Revenues over (under) expenditures	37,156	(349,169)	(54)	10,845	(1,656,202)	53,191	(1,904,233)
Other financing sources:							
Proceeds from capital lease obligation	-	-	-	-	1,082,232	-	1,082,232
Net change in fund balance	37,156	(349,169)	(54)	10,845	(573,970)	53,191	(822,001)
Fund balance, beginning of year	12,000	984,744	60	14,588	2,802,617	112,689	3,926,698
Fund balance, end of year	\$ 49,156	\$ 635,575	\$ 6	\$ 25,433	\$ 2,228,647	\$ 165,880	\$ 3,104,697

# UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

## SUPPLEMENTAL GENERAL FUND

### SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - BUDGETARY BASIS

Year ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenue:				
Taxes	\$ 7,615,490	\$ 7,615,490	\$ 8,104,591	\$ 489,101
Intergovernmental	3,926,579	3,926,579	4,073,235	146,656
Miscellaneous	<u>          -</u>	<u>          -</u>	<u>        117</u>	<u>        117</u>
Total revenue	<u>11,542,069</u>	<u>11,542,069</u>	<u>12,177,943</u>	<u>635,874</u>
Expenditures and encumbrances:				
Instruction	2,346,723	2,346,723	2,387,103	(40,380)
Student support services	1,167,826	1,167,826	1,231,011	(63,185)
Instructional support services	1,538,543	1,538,543	1,568,655	(30,112)
School administration	193,745	193,745	183,879	9,866
General administration	43,550	43,550	58,064	(14,514)
Operation/maintenance of plant	4,493,946	4,493,946	4,509,604	(15,658)
Central support services	118,434	118,434	134,653	(16,219)
Student transportation services	-	-	8,005	(8,005)
Transfers out	<u>2,080,056</u>	<u>2,080,056</u>	<u>1,901,849</u>	<u>178,207</u>
Total expenditures and encumbrances	<u>11,982,823</u>	<u>11,982,823</u>	<u>11,982,823</u>	<u>          -</u>
Revenue over (under) expenditures and encumbrances	(440,754)	(440,754)	195,120	635,874
Fund balance, beginning of year	<u>440,754</u>	<u>440,754</u>	<u>440,455</u>	<u>        (299)</u>
Fund balance, end of year	<u>\$          -</u>	<u>\$          -</u>	<u>\$ 635,575</u>	<u>\$ 635,575</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue and other financing sources:				
Transfers from other funds	\$ 124,942	\$ 124,942	\$ 124,942	\$ -
Expenditures and encumbrances:				
Instructional support services	<u>125,000</u>	<u>125,000</u>	<u>124,996</u>	<u>4</u>
Revenue and other financing sources over (under) expenditures and encumbrances	(58)	(58)	(54)	4
Fund balance, beginning of year	<u>59</u>	<u>59</u>	<u>60</u>	<u>1</u>
Fund balance, end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 6</u>	<u>\$ 5</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

SUMMER SCHOOL FUND

SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue and other financing sources:				
Charges for services	\$ 22,000	\$ 22,000	\$ 8,845	\$ (13,155)
Transfers in	<u>—</u>	<u>—</u>	<u>20,000</u>	<u>20,000</u>
Total revenue and other Financing sources	<u>22,000</u>	<u>22,000</u>	<u>28,845</u>	<u>6,845</u>
Expenditures:				
Instruction	36,587	36,587	15,495	21,092
Operations and maintenance	<u>—</u>	<u>—</u>	<u>2,505</u>	<u>(2,505)</u>
Total expenditures	<u>36,587</u>	<u>36,587</u>	<u>18,000</u>	<u>18,587</u>
Revenue and other financing sources over (under) expenditures	(14,587)	(14,587)	10,845	25,432
Fund balance, beginning of year	<u>14,587</u>	<u>14,587</u>	<u>14,588</u>	<u>1</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 25,433</u>	<u>\$ 25,433</u>

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

The primary purpose of the Special Revenue Funds is to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following nonmajor Special Revenue Funds are reported:

**Kansas Public Employees Retirement System Special Retirement Contribution Fund** – used to account for the employer contributions to the Kansas Public Employees Retirement System (KPERs). These contributions are made by the State of Kansas to the District and then remitted by the District to KPERs.

**Parent Education Program Fund** – used to account for state aid received and expenditures incurred to operate a program of education of parents in the District regarding pre-school and selected educational problems of students.

**Vocational Education Fund** – used to account for revenue received and expenditures incurred for state and federal vocational aid programs and the District's efforts to increase access to advance placement classes and tests for low-income students and account for vocational programs administered in conjunction with the Carl Perkins Vocational Education Act.

**Driver Training Fund** – used to account for revenue and expenditures of moneys utilized in conducting driver education within the school system.

**Recreation Fund** – used to account for the receipt and disbursement of taxes levied on behalf of the Derby Recreation Commission as provided for by applicable state statutes.

**Recreation Employee Benefits Fund** – used to account for the receipt and disbursement of taxes levied on behalf of the Derby Recreation Commission for employee benefit expenditures as provided for by applicable State Statutes.

**Food Service Fund** – established pursuant to state law to account for all moneys received and expended attributable to the food service program. The program is administered according to the state plan of child nutrition operations under which federal funds are received pursuant to federal acts relating to child nutrition. The programs are administered and meals are served on a nonprofit basis.

**Adult Supplemental Education Fund** – used to account for the moneys received and expended for operation of community education classes offered within the District. The classes are funded through contributions, charges for services and transfers from the general fund.

**Special Assessment Fund** – used to account for tax moneys collected and expended to other taxing municipalities to pay the District's portion of special assessment taxes on District owned property. The fund is established and maintained in accordance with applicable state statutes.

**Bilingual Education Fund** – used to account for moneys received and expended to operate a program of bilingual education.

**Four Year Old At Risk Fund** – used to account for moneys allocated specifically for programs developed for four year olds identified as at risk pupils.

**At Risk Fund** – used to account for moneys allocated specifically for programs developed for kindergarten through 12th grade pupils who have been identified as at risk pupils.

**Textbook Revolving Fund** – used to account for textbook fees collected and expenditures incurred in conjunction with the purchase and maintenance of textbooks.

**Technology Literacy Challenge Grant Fund** – used to account for revenues and expenditures related to a State grant for stipends for teachers trained as trainers in the use of the new multimedia computer technologies and for new multimedia computer equipment.

**Special Grants Fund** – used to account for revenue and expenditures of programs administered in conjunction with non-governmental grants awarded the District.

**Kansas Beef Council Grant Fund** – to account for special food service and nutrition related grants and contributions.

**Title II A Fund** – used to account for revenue and expenditures of programs in mathematics, science, computer learning or foreign language administered in conjunction with the Dwight D. Eisenhower Mathematics and Science Act.

**Title I Fund** – used to account for revenue and expenditures of programs administered in conjunction with the ESEA Chapter I (Low Income) Aid.

**English Language Learners – Title III Fund** – used to account for revenues and expenditures related to the English Language Acquisition grant to assist children with limited English proficiency.

**Kansas Coordinated School Health Grant Fund** – used to account for revenues and expenditures related to the Coordinated School Health Program funded by the State of Kansas to help youth establish healthful behaviors and attitudes.

**Spirit AeroSystems Grant Fund** – used to account for revenues and expenditures of corporate grants utilized in support of the Parents as Teachers activities.

**Project Lead The Way Fund** – used to account for grant moneys received through the Wichita State University Foundation for the establishment of pre-engineering programs of study for middle school and high school students.

**Alcohol and Drug Grant – City of Derby Fund** – used to account for the appropriation of resources from the City of Derby for alcohol and drug education programs.

**Boeing Grant – Oaklawn Elementary School Fund** – used to account for grant moneys received from the Boeing Companies specified for use at Oaklawn Elementary School.

**Wineteer Aerospace Excellence Grant Fund** – used to account for grant proceeds received from the Department of Defense Education Activity Program to provide educational programs related to the aerospace industry.

**ARRA Title I Fund** – used to account for grant moneys received under the America Recovery and Reinvestment Act of 2009 used to help schools improve teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic achievement standards.

**Project Lead The Way Mini-Grant Fund**– used to account for grant moneys received through the Wichita State University Foundation for the establishment of pre-engineering programs of study for high school students.

**Derby Education Foundation/Boeing/Derby Community Foundation Grant Fund** – used to account for grant moneys received from a collaboration of supporters to provide financial literacy education for K-12 students and teachers of the District.

### **CAPITAL PROJECT FUNDS**

The primary purpose of the Capital Project Fund is to account for the acquisition and construction of major capital facilities other than financed by proprietary and trust funds.

**ARRA Cooper Impact Aid** – used to account for grant moneys received under the America Recovery and Reinvestment Act of 2009 for facility improvements at Cooper Elementary School.

**Bond Project** – used to account for the proceeds of the general obligation bonds issued July 1, 2012 in the principal amount of \$60,155,000 that was approved by the voters in the District on April 3, 2012. The proceeds of the bonds will be used to (a) construct, equip and furnish a new grade 6-8 middle school; (b) construct, equip and furnish an addition to the existing middle school and make renovations and improvements to the existing facility; (c) construct, equip and furnish a new Central Kitchen facility; (d) replace roofing on existing District buildings; (e) construct improvements to certain District elementary schools to provide enhanced safety and security, improve support spaces, provide larger and more functional classrooms, and provide storm shelter areas; (f) construct, equip and furnish additions to the existing high school building to provide additional and improved space for music/orchestra education, improve locker room facilities, expand the existing lobby area, and expand and remodel food service areas; (g) demolish both the existing 6<sup>th</sup> Grade Center building and the existing Central Kitchen facility; and (h) make all other necessary improvements appurtenant thereto.



# UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

## COMBINING BALANCE SHEET - ALL NONMAJOR GOVERNMENTAL FUNDS

June 30, 2012

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Assets:			
Cash including investments	\$ 1,492,309	\$ -	\$ 1,492,309
Due from other governments	32,907	-	32,907
Property taxes receivable	<u>53,608</u>	<u>-</u>	<u>53,608</u>
Total assets	<u>\$ 1,578,824</u>	<u>\$ -</u>	<u>\$ 1,578,824</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accrued salaries and wages payable	\$ 241,361	\$ -	\$ 241,361
Accounts payable	76,872	49,500	126,372
Due to other funds	3,245	-	3,245
Deferred revenue	<u>53,608</u>	<u>-</u>	<u>53,608</u>
Total liabilities	<u>375,086</u>	<u>49,500</u>	<u>424,586</u>
Fund balances:			
Restricted	1,184,994	-	1,184,994
Committed	18,744	30,425	49,169
Unassigned	<u>-</u>	<u>(79,925)</u>	<u>(79,925)</u>
Total fund balances	<u>1,203,738</u>	<u>(49,500)</u>	<u>1,154,238</u>
Total liabilities and fund balances	<u>\$ 1,578,824</u>	<u>\$ -</u>	<u>\$ 1,578,824</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2012

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ 3,017,741	\$ -	\$ 3,017,741
Intergovernmental	12,263,218	213,427	12,476,645
Charges for services	1,599,114	-	1,599,114
Use of money and property	595	-	595
Contributions	86,779	-	86,779
Miscellaneous	37,488	-	37,488
Total revenues	<u>17,004,935</u>	<u>213,427</u>	<u>17,218,362</u>
Expenditures:			
Current:			
Instruction	8,929,295	-	8,929,295
Student support services	707,165	-	707,165
Instructional support services	490,661	-	490,661
General administration	97,995	-	97,995
School administration	314,252	-	314,252
Operation and maintenance of plant	379,896	-	379,896
Central support services	68,095	-	68,095
Student transportation services	78,741	-	78,741
Food service operation	2,925,108	-	2,925,108
Recreation	2,973,777	-	2,973,777
Capital Outlay:			
Facilities acquisition and construction	<u>43,363</u>	<u>262,927</u>	<u>306,290</u>
Total expenditures	<u>17,008,348</u>	<u>262,927</u>	<u>17,271,275</u>
Net change in fund balance	(3,413)	(49,500)	(52,913)
Fund balance, beginning of year	<u>1,207,151</u>	<u>-</u>	<u>1,207,151</u>
Fund balance, end of year	<u>\$ 1,203,738</u>	<u>\$ (49,500)</u>	<u>\$ 1,154,238</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
(continued on next page)

June 30, 2012

	KPERS Special Retirement Contribution	Parent Education Program	Vocational Education	Driver Training	Recreation
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 5,025	\$ 33,396	\$ 25,792	\$ -
Due from other governments	-	-	-	-	-
Property taxes receivable	-	-	-	-	42,239
Total assets	<u>\$ -</u>	<u>\$ 5,025</u>	<u>\$ 33,396</u>	<u>\$ 25,792</u>	<u>\$ 42,239</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accrued salaries and wages payable	\$ -	\$ 4,940	\$ 21,208	\$ 4,520	\$ -
Accounts payable	-	85	12,188	50	-
Due to other funds	-	-	-	-	-
Deferred revenues	-	-	-	-	42,239
Total liabilities	<u>-</u>	<u>5,025</u>	<u>33,396</u>	<u>4,570</u>	<u>42,239</u>
Fund balances:					
Restricted	-	-	-	21,222	-
Committed	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,222</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 5,025</u>	<u>\$ 33,396</u>	<u>\$ 25,792</u>	<u>\$ 42,239</u>

<u>Recreation- Employee Benefits</u>	<u>Food Service</u>	<u>Adult Supplemental Education</u>	<u>Special Assessment</u>	<u>Bilingual Education</u>	<u>Four Year Old At Risk</u>	<u>At Risk</u>	<u>Textbook Revolving</u>
\$ 8,502	\$ 809,573	\$ 122,769	\$ 93,068	\$ 33,785	\$ -	\$ 145,132	\$ 54,756
-	-	-	-	-	-	-	-
10,673	-	-	696	-	-	-	-
<u>\$ 19,175</u>	<u>\$ 809,573</u>	<u>\$ 122,769</u>	<u>\$ 93,764</u>	<u>\$ 33,785</u>	<u>\$ -</u>	<u>\$ 145,132</u>	<u>\$ 54,756</u>
\$ -	\$ 2,141	\$ 164	\$ -	\$ 33,785	\$ -	\$ 144,860	\$ -
-	6,958	-	-	-	-	272	4,711
-	-	-	-	-	-	-	-
10,673	-	-	696	-	-	-	-
<u>10,673</u>	<u>9,099</u>	<u>164</u>	<u>696</u>	<u>33,785</u>	<u>-</u>	<u>145,132</u>	<u>4,711</u>
8,502	795,903	122,605	93,068	-	-	-	50,045
-	4,571	-	-	-	-	-	-
<u>8,502</u>	<u>800,474</u>	<u>122,605</u>	<u>93,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,045</u>
<u>\$ 19,175</u>	<u>\$ 809,573</u>	<u>\$ 122,769</u>	<u>\$ 93,764</u>	<u>\$ 33,785</u>	<u>\$ -</u>	<u>\$ 145,132</u>	<u>\$ 54,756</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
(continued from previous page)

June 30, 2012

	Technology Literacy Challenge Grant	Special Grants	Kansas Beef Council Grant	Title II A	Title I	English Language Learners Title III
<b>ASSETS</b>						
Cash and investments	\$ 1,820	\$ 2,876	\$ 2,598	\$ 21,893	\$ -	\$ -
Due from other governments	-	-	-	-	32,907	-
Property taxes receivable	-	-	-	-	-	-
Total assets	<u>\$ 1,820</u>	<u>\$ 2,876</u>	<u>\$ 2,598</u>	<u>\$ 21,893</u>	<u>\$ 32,907</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accrued salaries and wages payable	\$ -	\$ -	\$ -	\$ 131	\$ 29,612	\$ -
Accounts payable	1,820	68	-	15,863	50	-
Due to other funds	-	-	-	-	3,245	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>1,820</u>	<u>68</u>	<u>-</u>	<u>15,994</u>	<u>32,907</u>	<u>-</u>
Fund balances:						
Restricted	-	2,808	2,598	5,899	-	-
Committed	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>2,808</u>	<u>2,598</u>	<u>5,899</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,820</u>	<u>\$ 2,876</u>	<u>\$ 2,598</u>	<u>\$ 21,893</u>	<u>\$ 32,907</u>	<u>\$ -</u>

<u>Kansas Coordinated School Health Grant</u>	<u>Spirit AeroSystems Grant</u>	<u>Project Lead The Way</u>	<u>Alcohol And Drug Prevention Grant – City of Derby</u>	<u>Boeing Grant – Oaklawn Elementary School</u>	<u>Wineteer Elementary Aerospace Excellence Grant</u>	<u>ARRA Title I</u>
\$ 3,823	\$ -	\$ 1,913	\$ 60,901	\$ -	\$ 3,251	\$ -
-	-	-	-	-	-	-
<u>3,823</u>	<u>-</u>	<u>1,913</u>	<u>60,901</u>	<u>-</u>	<u>3,251</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
150	-	373	4,019	-	3,002	-
-	-	-	-	-	-	-
<u>150</u>	<u>-</u>	<u>373</u>	<u>4,019</u>	<u>-</u>	<u>3,002</u>	<u>-</u>
3,673	-	1,540	56,882	-	249	-
-	-	-	-	-	-	-
<u>3,673</u>	<u>-</u>	<u>1,540</u>	<u>56,882</u>	<u>-</u>	<u>249</u>	<u>-</u>
<u>\$ 3,823</u>	<u>\$ -</u>	<u>\$ 1,913</u>	<u>\$ 60,901</u>	<u>\$ -</u>	<u>\$ 3,251</u>	<u>\$ -</u>

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UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
(continued from previous page)

June 30, 2012

	Project Lead The Way Mini-Grant	Derby Education Foundation/ Boeing/Derby Community Foundation Grant	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>			
Cash and investments	\$ 41,436	\$ 20,000	\$ 1,492,309
Due from other governments	-	-	32,907
Property taxes receivable	-	-	53,608
Total assets	<u>\$ 41,436</u>	<u>\$ 20,000</u>	<u>\$ 1,578,824</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accrued salaries and wages payable	\$ -	\$ -	\$ 241,361
Accounts payable	27,263	-	76,872
Due to other funds	-	-	3,245
Deferred revenues	-	-	53,608
Total liabilities	<u>27,263</u>	<u>-</u>	<u>375,086</u>
Fund balances:			
Restricted	-	20,000	1,184,994
Committed	14,173	-	18,744
Total fund balances	<u>14,173</u>	<u>20,000</u>	<u>1,203,738</u>
Total liabilities and fund balances	<u>\$ 41,436</u>	<u>\$ 20,000</u>	<u>\$ 1,578,824</u>



UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
(continued on next page)

Year ended June 30, 2012

	KPERS Special Retirement Contribution	Parent Education Program	Vocational Education	Driver Training	Recreation
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,373,777
Intergovernmental	4,212,637	193,953	859,282	7,426	-
Charges for services	-	-	-	18,018	-
Use of money and property	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	18,671	16,441	-	-
Total revenues	<u>4,212,637</u>	<u>212,624</u>	<u>875,723</u>	<u>25,444</u>	<u>2,373,777</u>
Expenditures:					
Current:					
Instruction	2,771,997	-	875,723	18,528	-
Student support services	363,543	242,506	-	-	-
Instructional support services	139,645	-	-	-	-
General administration	93,397	-	-	-	-
School administration	309,048	-	-	-	-
Operation/maintenance of plant	306,987	-	-	3,936	-
Central support services	65,700	2,395	-	-	-
Student transportation services	78,068	-	-	-	-
Food service operation	84,252	-	-	-	-
Recreation	-	-	-	-	2,373,777
Facilities acquisition and construction	-	-	-	-	-
Total expenditures	<u>4,212,637</u>	<u>244,901</u>	<u>875,723</u>	<u>22,464</u>	<u>2,373,777</u>
Net change in fund balances	-	(32,277)	-	2,980	-
Fund balances, beginning of year	-	32,277	-	18,242	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,222</u>	<u>\$ -</u>

<u>Recreation- Employee Benefits</u>	<u>Food Service</u>	<u>Adult Supplemental Education</u>	<u>Special Assessment</u>	<u>Bilingual Education</u>	<u>Four Year Old At Risk</u>	<u>At Risk</u>	<u>Textbook Revolving</u>
\$ 599,875	\$ -	\$ -	\$ 44,089	\$ -	\$ -	\$ -	\$ -
-	1,694,029	-	-	848,098	117,040	2,909,810	-
-	1,224,796	49,779	-	-	-	-	306,521
-	595	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>599,875</u>	<u>2,919,420</u>	<u>49,779</u>	<u>44,089</u>	<u>848,098</u>	<u>117,040</u>	<u>2,909,810</u>	<u>306,521</u>
-	-	-	-	851,360	117,040	2,909,810	265,189
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	5,204	-	-	-	-	-
-	27,748	41,225	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,837,497	-	-	-	-	-	-
600,000	-	-	-	-	-	-	-
-	-	-	43,363	-	-	-	-
<u>600,000</u>	<u>2,865,245</u>	<u>46,429</u>	<u>43,363</u>	<u>851,360</u>	<u>117,040</u>	<u>2,909,810</u>	<u>265,189</u>
(125)	54,175	3,350	726	(3,262)	-	-	41,332
<u>8,627</u>	<u>746,299</u>	<u>119,255</u>	<u>92,342</u>	<u>3,262</u>	<u>-</u>	<u>-</u>	<u>8,713</u>
<u>\$ 8,502</u>	<u>\$ 800,474</u>	<u>\$ 122,605</u>	<u>\$ 93,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,045</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
(continued from previous page)

Year ended June 30, 2012

	Technology Literacy Challenge Grant	Special Grants	Kansas Beef Council Grant	Title II A	Title I	English Language Learners Title III
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	85,000	-	-	355,796	871,027	48,217
Charges for services	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	-
Contributions	-	9,950	6,750	-	-	-
Miscellaneous	-	2,376	-	-	-	-
Total revenues	<u>85,000</u>	<u>12,326</u>	<u>6,750</u>	<u>355,796</u>	<u>871,027</u>	<u>48,217</u>
Expenditures:						
Current:						
Instruction	85,000	10,444	850	11,829	762,441	48,217
Student support services	-	751	-	-	97,748	-
Instructional support services	-	-	-	333,914	10,286	-
General administration	-	44	-	4,554	-	-
School administration	-	-	-	-	-	-
Operation/maintenance of plant	-	-	-	-	-	-
Central support services	-	-	-	-	-	-
Student transportation services	-	-	-	-	673	-
Food service operation	-	-	3,359	-	-	-
Recreation	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Total expenditures	<u>85,000</u>	<u>11,239</u>	<u>4,209</u>	<u>350,297</u>	<u>871,148</u>	<u>48,217</u>
Net change in fund balances	-	1,087	2,541	5,499	(121)	-
Fund balances, beginning of year	-	1,721	57	400	121	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 2,808</u>	<u>\$ 2,598</u>	<u>\$ 5,899</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Kansas Coordinated School Health Grant</u>	<u>Spirit AeroSystems Grant</u>	<u>Project Lead The Way</u>	<u>Alcohol And Drug Prevention Grant - City of Derby</u>	<u>Boeing Grant - Oaklawn Elementary School</u>	<u>Wineteer Elementary Aerospace Excellence Grant</u>	<u>ARRA Title I</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	60,903	-
-	-	-	-	-	-	-
-	-	800	-	-	-	-
-	-	-	-	-	-	-
-	-	800	-	-	60,903	-
827	231	57,142	-	-	60,654	46,907
-	-	-	2,617	-	-	-
-	-	-	6,802	14	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
827	231	57,142	9,419	14	60,654	46,907
(827)	(231)	(56,342)	(9,419)	(14)	249	(46,907)
4,500	231	57,882	66,301	14	-	46,907
\$ 3,673	\$ -	\$ 1,540	\$ 56,882	\$ -	\$ 249	\$ -

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS  
(continued from previous page)

Year ended June 30, 2012

	Project Lead The Way Mini-Grant	Derby Education Foundation/ Boeing/Derby Community Foundation Grant	Total Nonmajor Special Revenue Funds
Revenues:			
Taxes	\$ -	\$ -	\$ 3,017,741
Intergovernmental	-	-	12,263,218
Charges for services	-	-	1,599,114
Use of money and property	-	-	595
Contributions	49,279	20,000	86,779
Miscellaneous	-	-	37,488
Total revenues	<u>49,279</u>	<u>20,000</u>	<u>17,004,935</u>
Expenditures:			
Current:			
Instruction	35,106	-	8,929,295
Student support services	-	-	707,165
Instructional support services	-	-	490,661
General administration	-	-	97,995
School administration	-	-	314,252
Operation/maintenance of plant	-	-	379,896
Central support services	-	-	68,095
Student transportation services	-	-	78,741
Food service operation	-	-	2,925,108
Recreation	-	-	2,973,777
Facilities acquisition and construction	-	-	43,363
Total expenditures	<u>35,106</u>	<u>-</u>	<u>17,008,348</u>
Net change in fund balances	14,173	20,000	(3,413)
Fund balances, beginning of year	-	-	1,207,151
Fund balances, end of year	<u>\$ 14,173</u>	<u>\$ 20,000</u>	<u>\$ 1,203,738</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

DEBT SERVICE FUND

SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS

Year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue:				
Taxes	\$ 2,313,591	\$ 2,313,591	\$ 2,262,488	\$ (51,103)
Intergovernmental	<u>631,673</u>	<u>631,673</u>	<u>631,673</u>	<u>-</u>
Total revenue	<u>2,945,264</u>	<u>2,945,264</u>	<u>2,894,161</u>	<u>(51,103)</u>
Expenditures:				
Principal	2,770,000	2,770,000	2,770,000	-
Interest and fiscal charges	<u>237,965</u>	<u>237,965</u>	<u>237,965</u>	<u>-</u>
Total expenditures	<u>3,007,965</u>	<u>3,007,965</u>	<u>3,007,965</u>	<u>-</u>
Revenue over (under) expenditures	(62,701)	(62,701)	(113,804)	(51,103)
Fund balance, beginning of year	<u>2,978,266</u>	<u>2,978,266</u>	<u>2,978,266</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,915,565</u>	<u>\$ 2,915,565</u>	<u>\$ 2,864,462</u>	<u>\$ (51,103)</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

CAPITAL OUTLAY FUND

SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue and other sources:				
Taxes	\$ 2,663,953	\$ 2,663,953	\$ 2,494,718	\$ (169,235)
Intergovernmental	100,000	100,000	138,859	38,859
Use of money and property	27,000	27,000	200,262	173,262
Miscellaneous	<u>350,000</u>	<u>350,000</u>	<u>62,852</u>	<u>(287,148)</u>
Total revenue and other sources	<u>3,140,953</u>	<u>3,140,953</u>	<u>2,896,691</u>	<u>(244,262)</u>
Expenditures and encumbrances:				
Instruction	2,893,000	2,893,000	1,177,245	1,715,755
Student support services	—	—	648	(648)
Instructional support staff	—	—	3,630	(3,630)
General administration	—	—	1,528	(1,528)
School administration	—	—	33,524	(33,524)
Operation/maintenance of plant	789,500	789,500	481,556	307,944
Central support services	50,000	50,000	36,765	13,235
Other support services	50,000	50,000	—	50,000
Student transportation services	205,000	205,000	161,054	43,946
Food service operations	—	—	—	—
Interest and fiscal charges	—	—	70,260	(70,260)
Principal	—	—	481,870	(481,870)
Facilities acquisition/improvements	<u>189,000</u>	<u>189,000</u>	<u>79,663</u>	<u>109,337</u>
Total expenditures and encumbrances	<u>4,176,500</u>	<u>4,176,500</u>	<u>2,527,743</u>	<u>1,648,757</u>
Revenue and other sources over (under) expenditures and encumbrances	(1,035,547)	(1,035,547)	368,948	1,404,495
Fund balance, beginning of year	<u>4,819,963</u>	<u>4,819,963</u>	<u>5,180,587</u>	<u>360,624</u>
Fund balance, end of year	<u>\$ 3,784,416</u>	<u>\$ 3,784,416</u>	<u>\$ 5,549,535</u>	<u>\$ 1,765,119</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM  
SPECIAL RETIREMENT CONTRIBUTION FUND

SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenue:				
Intergovernmental	\$2,385,055	\$4,212,637	\$4,212,637	\$ —
Expenditures:				
Instruction	1,891,033	2,771,997	2,771,997	—
Student support services	54,827	363,543	363,543	—
Instructional support services	51,180	139,645	139,645	—
General administration	24,782	93,396	93,396	—
School administration	128,090	309,049	309,049	—
Central support services	22,401	65,700	65,700	—
Operations and maintenance	125,095	306,987	306,987	—
Transportation services	26,139	78,068	78,068	—
Food service	61,508	84,252	84,252	—
Total expenditures	<u>2,385,055</u>	<u>4,212,637</u>	<u>4,212,637</u>	<u>—</u>
Revenue over expenditures	—	—	—	—
Fund balance, beginning of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>



UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

PARENT EDUCATION PROGRAM FUND

SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue and other financing sources:				
Intergovernmental	\$ 122,652	\$ 122,652	\$ 122,652	\$ –
Reimbursements	24,500	24,500	18,671	(5,829)
Transfers from other funds	<u>79,724</u>	<u>79,724</u>	<u>71,301</u>	<u>(8,423)</u>
Total revenue and other financing sources	<u>226,876</u>	<u>226,876</u>	<u>212,624</u>	<u>(14,252)</u>
Expenditures and encumbrances:				
Student support services	254,635	254,635	242,506	12,129
Central support services	<u>2,350</u>	<u>2,350</u>	<u>227</u>	<u>2,123</u>
Total expenditures and encumbrances	<u>256,985</u>	<u>256,985</u>	<u>242,733</u>	<u>14,252</u>
Revenue and other financing sources over (under) expenditures and encumbrances	(30,109)	(30,109)	(30,109)	–
Fund balance, beginning of year	<u>30,109</u>	<u>30,109</u>	<u>30,109</u>	<u>–</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

VOCATIONAL EDUCATION FUND

SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue and other financing sources:				
Intergovernmental	\$ 160,432	\$ 160,432	\$ 95,637	\$ (64,795)
Miscellaneous	—	—	16,441	16,441
Transfers from other funds	<u>1,032,728</u>	<u>1,032,728</u>	<u>745,645</u>	<u>(287,083)</u>
Total revenue and other financing sources	1,193,160	1,193,160	857,723	(335,437)
Expenditures:				
Instruction	<u>1,193,160</u>	<u>1,193,160</u>	<u>857,723</u>	<u>335,437</u>
Revenue and other financing sources over (under) expenditures	—	—	—	—
Fund balance, beginning of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

DRIVER TRAINING FUND

SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue and other financing sources:				
Intergovernmental	\$ 6,068	\$ 6,068	\$ 7,426	\$ 1,358
Charges for services	<u>25,000</u>	<u>25,000</u>	<u>18,018</u>	<u>(6,982)</u>
Total revenue and other financing sources	<u>31,068</u>	<u>31,068</u>	<u>25,444</u>	<u>(5,624)</u>
Expenditures and encumbrances:				
Instruction	32,751	32,751	18,528	14,223
Operation and maintenance of plant	<u>16,557</u>	<u>16,557</u>	<u>3,936</u>	<u>12,621</u>
Total expenditures and encumbrances	<u>49,308</u>	<u>49,308</u>	<u>22,464</u>	<u>26,844</u>
Revenues and other financing sources over (under) expenditures and encumbrances	(18,240)	(18,240)	2,980	21,220
Fund balance, beginning of year	<u>18,242</u>	<u>18,242</u>	<u>18,242</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 21,222</u>	<u>\$ 21,220</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

RECREATION FUND

SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue:				
Taxes	\$ 2,397,480	\$ 2,397,480	\$ 2,373,777	\$ (23,703)
Charges for services	<u>1,054,200</u>	<u>1,054,200</u>	<u>—</u>	<u>(1,054,200)</u>
Total revenue	3,451,680	3,451,680	2,373,777	(1,077,903)
Expenditures and other financing uses:				
Appropriation to recreation commission	<u>3,451,680</u>	<u>3,451,680</u>	<u>2,373,777</u>	<u>1,077,903</u>
Revenue over expenditures and other financing uses	—	—	—	—
Fund balance, beginning of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

RECREATION - EMPLOYEE BENEFITS FUND

SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS

Year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue:				
Taxes	\$ 605,638	\$ 605,638	\$ 599,875	\$ (5,763)
Miscellaneous	<u>10,750</u>	<u>10,750</u>	<u>-</u>	<u>(10,750)</u>
Total revenue	616,388	616,388	599,875	(16,513)
Expenditures and other financing uses:				
Appropriation to recreation commission	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Revenue over expenditures and other financing uses	16,388	16,388	(125)	(16,513)
Fund balance, beginning of year	<u>8,627</u>	<u>8,627</u>	<u>8,627</u>	<u>-</u>
Fund balance, end of year	<u>\$ 25,015</u>	<u>\$ 25,015</u>	<u>\$ 8,502</u>	<u>\$ (16,513)</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

FOOD SERVICE FUND

SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue:				
Intergovernmental	\$ 1,532,988	\$ 1,532,988	\$1,694,029	\$ 161,041
Charges for services	1,442,997	1,442,997	1,224,796	(218,201)
Miscellaneous	15,000	15,000	—	(15,000)
Use of money and property	<u>1,500</u>	<u>1,500</u>	<u>595</u>	<u>(905)</u>
Total revenue	<u>2,992,485</u>	<u>2,992,485</u>	<u>2,919,420</u>	<u>(73,065)</u>
Expenditures and encumbrances:				
Operation and maintenance of plant	23,252	23,252	27,748	(4,496)
Food service operations	<u>3,155,279</u>	<u>3,155,279</u>	<u>2,798,630</u>	<u>356,649</u>
Total expenditures and encumbrances	<u>3,178,531</u>	<u>3,178,531</u>	<u>2,826,378</u>	<u>352,153</u>
Revenue over (under) expenditures and encumbrances	(186,046)	(186,046)	93,042	279,088
Fund balance, beginning of year	<u>723,452</u>	<u>723,452</u>	<u>702,861</u>	<u>(20,591)</u>
Fund balance, end of year	<u>\$ 537,406</u>	<u>\$ 537,406</u>	<u>\$ 795,903</u>	<u>\$ 258,497</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

ADULT SUPPLEMENTAL EDUCATION FUND

SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue:				
Charges for services	\$ —	\$ —	\$ 49,779	\$ 49,779
Expenditures and encumbrances:				
Instruction	53,950	53,950	—	53,950
School administration	5,800	5,800	5,204	596
Operation and maintenance of plant	<u>8,830</u>	<u>8,830</u>	<u>41,225</u>	<u>(32,395)</u>
Total expenditures and encumbrances	<u>68,580</u>	<u>68,580</u>	<u>46,429</u>	<u>22,151</u>
Revenue and other financing sources over (under) expenditures and encumbrances	(68,580)	(68,580)	3,350	71,930
Fund balance, beginning of year	<u>119,255</u>	<u>119,255</u>	<u>119,255</u>	<u>—</u>
Fund balance, end of year	<u>\$ 50,675</u>	<u>\$ 50,675</u>	<u>\$ 122,605</u>	<u>\$ 71,930</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

SPECIAL ASSESSMENT FUND

SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue:				
Taxes	\$ 46,281	\$ 46,281	\$ 44,089	\$ (2,192)
Expenditures:				
Facilities acquisition	<u>134,800</u>	<u>134,800</u>	<u>43,363</u>	<u>91,437</u>
Revenues over (under) expenditures	(88,519)	(88,519)	726	89,245
Fund balance, beginning of year	<u>92,342</u>	<u>92,342</u>	<u>92,342</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,823</u>	<u>\$ 3,823</u>	<u>\$ 93,068</u>	<u>\$ 89,245</u>



UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

BILINGUAL EDUCATION FUND

SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue and other financing sources:				
Transfers from other funds	\$ 848,098	\$ 848,098	\$ 848,098	\$ --
Expenditures and encumbrances:				
Instruction	<u>851,360</u>	<u>851,360</u>	<u>851,360</u>	<u>--</u>
Revenue and other financing sources over expenditures and encumbrances	(3,262)	(3,262)	(3,262)	--
Fund balance, beginning of year	<u>3,262</u>	<u>3,262</u>	<u>3,262</u>	<u>--</u>
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

FOUR YEAR OLD AT RISK FUND

SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue and other sources:				
Transfers in	\$ 117,040	\$ 117,040	\$ 117,040	\$ -
Expenditures:				
Instruction	<u>117,040</u>	<u>117,040</u>	<u>117,040</u>	<u>-</u>
Revenue and other sources over (under) expenditures	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

AT RISK FUND

SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue and other sources:				
Transfers in	\$ 2,909,797	\$ 2,909,797	\$ 2,909,810	\$ 13
Expenditures and encumbrances:				
Instruction	<u>2,909,810</u>	<u>2,909,810</u>	<u>2,909,810</u>	<u>—</u>
Revenue and other sources over expenditures and encumbrances	(13)	(13)	—	13
Fund balance, beginning of year	<u>13</u>	<u>13</u>	<u>—</u>	<u>(13)</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
COMBINING BALANCE SHEET - ALL NONMAJOR CAPITAL PROJECT FUNDS

June 30, 2012

	ARRA - Cooper Impact Aid Fund	Bond Project Fund	Total Nonmajor Capital Project Funds
<u>ASSETS</u>			
Assets:			
Cash including investments	\$ <u>      —</u>	\$ <u>      —</u>	\$ <u>      —</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ <u>      —</u>	\$ <u>  49,500</u>	\$ <u>  49,500</u>
Fund balances:			
Committed	—	30,425	30,425
Unassigned	<u>      —</u>	<u>  (79,925)</u>	<u>  (79,925)</u>
Total fund balances (deficit)	<u>      —</u>	<u>  (49,500)</u>	<u>  (49,500)</u>
Total liabilities and fund balances	\$ <u>      —</u>	\$ <u>      —</u>	\$ <u>      —</u>

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL NONMAJOR CAPITAL PROJECT FUNDS

Year Ended June 30, 2012

	ARRA - Cooper Impact Aid Fund	Bond Project Fund	Total Nonmajor Capital Project Funds
Revenues:			
Intergovernmental	\$ 213,427	\$ -	\$ 213,427
Expenditures:			
Capital Outlay:			
Facilities acquisition and construction	<u>213,427</u>	<u>49,500</u>	<u>262,927</u>
Net change in fund balance	-	(49,500)	(49,500)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ -</u>	<u>\$ (49,500)</u>	<u>\$ (49,500)</u>

## FIDUCIARY FUNDS

Fiduciary Funds are used to report assets held in a trustee or agent capacity for others and, therefore, are not used to support the government's own programs.

### **AGENCY FUNDS**

**Payroll Deductions Fund** – to account for the various taxes and other elected withholdings from employees of the District.

**Sales Tax Agency Fund** – to account for the collection of State and local sales tax on miscellaneous taxable sales of the District, generally fund raising activities of the student activity funds.

**Student Activity Funds** – to account for moneys held on behalf of the various student organizations.

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS

COMBINING STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES - ALL AGENCY FUNDS

Year ended June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<b><u>Payroll Deductions Fund</u></b>				
Assets:				
Cash and investments	<u>\$ 681,190</u>	<u>\$ 18,653,795</u>	<u>\$ 18,892,291</u>	<u>\$ 442,694</u>
Liabilities:				
Payroll withholdings payable	<u>\$ 681,190</u>	<u>\$ 18,653,795</u>	<u>\$ 18,892,291</u>	<u>\$ 442,694</u>
<b><u>Sales Tax Payable Fund</u></b>				
Assets:				
Cash and investments	<u>\$ 528</u>	<u>\$ 27,603</u>	<u>\$ 27,351</u>	<u>\$ 780</u>
Liabilities:				
Sales tax payable	<u>\$ 528</u>	<u>\$ 27,603</u>	<u>\$ 27,351</u>	<u>\$ 780</u>
<b><u>Student Activity Funds</u></b>				
Assets:				
Cash and investments	<u>\$ 330,338</u>	<u>\$ 549,620</u>	<u>\$ 550,014</u>	<u>\$ 329,944</u>
Liabilities:				
Due to student organizations	<u>\$ 330,338</u>	<u>\$ 549,620</u>	<u>\$ 550,014</u>	<u>\$ 329,944</u>
<b><u>Totals - All Agency Funds</u></b>				
Assets:				
Cash and investments	<u>\$1,012,056</u>	<u>\$ 19,231,018</u>	<u>\$ 19,469,656</u>	<u>\$ 773,418</u>
Liabilities:				
Payroll withholdings and taxes payable	<u>\$ 681,718</u>	<u>\$ 18,681,398</u>	<u>\$ 18,919,642</u>	<u>\$ 443,474</u>
Due to student organizations	<u>330,338</u>	<u>549,620</u>	<u>550,014</u>	<u>329,944</u>
Total liabilities	<u>\$1,012,056</u>	<u>\$ 19,231,018</u>	<u>\$ 19,469,656</u>	<u>\$ 773,418</u>

## **STATISTICAL SECTION**





## STATISTICAL SECTION

This part of the Derby Unified School District No. 260's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<b>Contents</b>	<b><u>Page</u></b>
Financial Trends.....	90
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity.....	96
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity.....	100
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information.....	104
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information.....	106
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

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UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
NET ASSETS BY COMPONENT OF GOVERNMENTAL ACTIVITIES  
LAST TEN YEARS

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net Assets										
Invested in capital assets,										
Net of related debt	\$ 17,559,662	\$ 19,988,219	\$ 22,754,269	\$ 21,958,292	\$ 23,523,361	\$ 24,903,553	\$ 24,968,016	\$ 26,150,495	\$ 30,108,339	\$ 32,137,347
Restricted for										
Debt service	2,057,594	3,438,553	3,712,159	3,719,461	3,658,642	3,439,822	3,270,419	3,118,073	2,986,754	2,864,462
Restricted for educational										
Services	-	-	-	-	-	-	-	-	-	7,598,700
Unrestricted	<u>2,014,955</u>	<u>5,091,076</u>	<u>5,690,380</u>	<u>6,532,752</u>	<u>6,532,752</u>	<u>4,699,943</u>	<u>721,626</u>	<u>3,340,187</u>	<u>3,344,898</u>	<u>(4,563,609)</u>
	<u>\$ 21,632,211</u>	<u>\$ 28,517,848</u>	<u>\$ 32,156,808</u>	<u>\$ 32,210,505</u>	<u>\$ 31,881,946</u>	<u>\$ 32,503,502</u>	<u>\$ 28,960,061</u>	<u>\$ 32,608,755</u>	<u>\$ 36,439,991</u>	<u>\$ 38,036,900</u>

Source: School District Financial Records.

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES  
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental Activities										
Primary Government										
Instruction	\$ 31,175,218	\$ 29,312,599	\$ 29,914,967	\$ 36,906,981	\$ 39,964,878	\$ 41,801,583	\$ 45,933,218	\$ 39,935,084	\$ 41,938,811	\$ 42,403,455
Student support services	2,468,164	2,811,107	2,865,460	3,055,337	3,453,444	3,402,703	4,342,434	3,859,961	3,599,410	4,109,789
Instructional support services	1,362,613	1,734,362	1,974,067	1,975,791	2,261,259	2,423,095	2,840,379	2,076,912	2,079,879	2,140,007
General administration	926,918	810,148	823,302	905,130	869,503	858,951	1,006,524	856,771	695,498	903,615
School administration	2,080,043	2,302,657	2,397,419	2,477,523	2,826,299	2,933,587	3,156,013	2,905,464	2,955,668	2,957,498
Operations and maintenance	4,534,966	5,833,857	4,908,507	5,376,315	5,711,013	5,940,673	6,962,041	6,169,698	6,349,247	5,813,514
Central support services	1,871,555	975,893	1,727,880	2,043,754	991,933	934,121	1,180,981	754,074	847,771	777,962
Student transportation	1,559,899	1,378,770	1,551,467	1,589,865	1,468,421	1,208,893	1,332,155	1,325,848	1,290,689	1,384,395
Food service operations	1,943,062	2,078,923	2,166,468	2,359,959	2,585,769	2,666,859	2,761,920	2,739,409	2,769,580	2,903,048
Community service operations	30,210	40,816	51,314	106,962	78,912	91,439	102,471	168,897	171,640	127,363
Recreation	1,361,727	2,162,306	1,837,593	1,966,711	2,708,217	2,461,276	2,711,556	2,836,889	2,964,864	2,973,777
Interest on long-term debt	1,503,753	1,341,532	1,394,970	1,398,411	1,274,875	1,145,524	1,117,003	741,001	308,101	288,688
Total Primary Government	\$ 50,818,128	\$ 50,782,970	\$ 51,613,414	\$ 60,162,739	\$ 63,564,523	\$ 65,868,704	\$ 73,446,695	\$ 64,370,008	\$ 65,971,158	\$ 66,783,111
<b>Program revenues</b>										
Governmental Activities										
Charges for Services										
Instruction	\$ 939,986	\$ 935,552	\$ 917,281	\$ 945,588	\$ 919,704	\$ 966,560	\$ 1,007,684	\$ 968,107	\$ 1,075,769	\$ 1,235,358
Student support services	241,038	226,404	299,311	332,638	326,329	362,991	436,712	439,278	483,125	499,399
Instructional support services	-	155	-	189	-	-	75	3,008	376	-
General administration	13,717	1,824	3,770	4,082	523	680	596	472	443	682
School administration	7,299	2,533	-	501	6,164	1,407	3,490	5,973	2,122	5,579
Operations and maintenance	118,225	109,819	30,512	19,030	16,790	23,327	82,743	16,275	47,969	49,833
Central support services	-	9,605	-	1,815	-	40	16	20	-	183
Student transportation	50,791	39,912	1,105	1,246,266	1,307	1,360	1,192	687	37,223	44,815
Food service operations	1,176,172	1,160,215	1,164,505	1,246,266	1,260,128	1,283,333	1,314,903	1,256,137	1,176,783	1,224,796
Recreation	-	-	-	-	-	-	-	214	-	-
Operating grants and contributions	9,283,790	10,196,987	11,324,002	12,116,305	12,702,135	13,712,249	14,930,044	16,586,878	15,933,077	15,198,486
Capital grants and contributions	-	-	-	-	-	-	579,954	384,380	1,694,573	213,427
Total Government program revenues	\$ 11,831,018	\$ 12,683,006	\$ 13,740,486	\$ 14,666,414	\$ 15,233,080	\$ 16,351,947	\$ 18,357,409	\$ 19,661,429	\$ 20,451,460	\$ 18,472,558
<b>NET (Expense)/Revenue</b>										
Total Government net expense	\$ (38,987,110)	\$ (38,099,964)	\$ (37,872,928)	\$ (45,496,325)	\$ (48,331,443)	\$ (49,516,757)	\$ (55,089,286)	\$ (44,708,579)	\$ (45,519,698)	\$ (48,310,553)

**UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS**  
**CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
**LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Revenues</b>										
Property taxes levied for:										
General purposes	\$ 10,376,198	\$ 14,053,609	\$ 11,756,972	\$ 11,942,301	\$ 12,983,259	\$ 13,939,381	\$ 15,743,009	\$ 16,560,040	\$ 18,157,499	\$ 18,413,459
Debt service	2,673,007	3,764,842	2,781,073	2,528,585	2,528,658	2,157,933	2,408,125	2,460,306	2,755,003	2,262,488
Capital Outlay	637,477	1,219,463	1,158,869	1,297,078	1,325,516	1,432,952	1,552,364	1,621,083	2,457,491	2,494,718
Grants and entitlements not restricted										
to specific programs	27,933,476	25,864,846	25,563,571	28,640,229	30,231,018	31,904,811	31,722,462	27,693,319	25,953,157	26,535,940
Investment earnings	111,777	78,703	251,403	648,715	934,433	703,236	119,885	22,525	27,784	200,857
Gain on sale of capital assets	11,414	2,138	-	-	-	-	-	-	-	-
Total General Revenue	<u>\$ 41,743,349</u>	<u>\$ 44,985,601</u>	<u>\$ 41,511,888</u>	<u>\$ 45,056,908</u>	<u>\$ 48,002,884</u>	<u>\$ 50,138,313</u>	<u>\$ 51,545,845</u>	<u>\$ 48,357,273</u>	<u>\$ 48,350,934</u>	<u>\$ 49,907,462</u>
<b>Change in Net Assets</b>										
Total Government change in net assets	<u>\$ (2,756,239)</u>	<u>\$ (6,885,637)</u>	<u>\$ (3,638,960)</u>	<u>\$ ( 439,417)</u>	<u>\$ ( 328,559)</u>	<u>\$ 621,556</u>	<u>\$ (3,543,441)</u>	<u>\$ 3,648,694</u>	<u>\$ 3,831,236</u>	<u>\$ 1,596,909</u>

Source: School District Financial Records

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UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011(1)	2012
General Fund										
Reserved for Encumbrances	\$ 1,423,553	\$ 1,731,524	\$ 959,623	\$ 910,197	\$ 315,325	\$ 345,398	\$ 125,113	\$ 218,379	\$ -	\$ -
Unreserved:										
Designated for subsequent years' expenditures	-	-	-	14,248	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	2,802,617	2,228,647
Assigned	-	-	-	-	-	-	-	-	557,396	684,160
Unassigned	-	-	-	-	-	-	-	-	566,685	191,890
Total General Fund	\$ 1,423,553	\$ 1,731,524	\$ 959,623	\$ 924,445	\$ 315,325	\$ 345,398	\$ 125,113	\$ 218,379	\$ 3,926,698	\$ 3,104,697
All Other Governmental Funds										
Reserved for Encumbrances	\$ 978,740	\$ 527,970	\$ 511,291	\$ 851,441	\$ 613,068	\$ 1,156,120	\$ 1,031,879	\$ 581,224	\$ -	\$ -
Reserved for debt service	-	-	7,682,881	7,666,687	7,650,492	7,634,297	7,618,102	3,118,078	-	-
Unreserved:										
Designated for subsequent years' expenditures, reported in:										
Special revenue funds	1,594,703	2,366,568	2,462,069	2,303,547	2,637,702	2,405,035	2,322,736	2,533,078	-	-
Debt service fund	2,057,594	3,438,553	3,712,159	3,719,461	3,658,642	3,439,822	3,270,419	-	-	-
Capital project funds	1,860,632	3,997,328	5,234,118	5,921,366	5,769,152	5,843,955	4,611,569	4,816,542	-	-
Undesignated, reported in:										
Special revenue funds	2,398,137	3,409,327	3,553,878	3,232,912	3,072,117	2,547,110	2,314,034	2,769,992	-	-
Capital project fund	-	-	-	-	-	-	(129,427)	212,000	-	-
Restricted	-	-	-	-	-	-	-	-	10,327,764	1,184,994
Committed	-	-	-	-	-	-	-	-	231,571	2,550,013
Assigned	-	-	-	-	-	-	-	-	-	684,160
Unassigned	-	-	-	-	-	-	-	-	-	111,965
Total All other Governmental funds	\$ 8,889,809	\$ 13,739,746	\$ 23,156,396	\$ 23,695,414	\$ 23,401,173	\$ 23,026,339	\$ 21,039,312	\$ 14,030,914	\$ 10,559,335	\$ 13,809,300

Source: School District Financial Records.

(1) Implementation of GASB 54.



**UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues:</b>										
Taxes	\$ 13,686,682	\$ 19,039,914	\$ 15,696,914	\$ 15,767,964	\$ 16,837,433	\$ 17,530,266	\$ 19,703,498	\$ 20,641,429	\$ 23,369,993	\$ 23,170,665
Intergovernmental	37,228,517	36,027,436	36,617,646	40,275,677	42,474,553	45,218,891	46,614,421	44,192,227	43,216,064	41,779,453
Charges for services	2,315,361	2,313,162	2,400,114	2,521,617	2,521,420	2,628,166	2,791,509	2,687,571	2,005,805	2,159,566
Investment earnings	123,026	78,703	313,738	911,921	1,197,638	966,441	383,091	154,128	27,784	200,857
Contributions	5,257	35,000	-	-	-	-	-	-	-	-
Miscellaneous	215,524	174,392	223,962	246,143	204,920	146,496	410,735	343,347	1,182,748	1,069,472
<b>Total revenues</b>	<b>53,574,367</b>	<b>57,668,607</b>	<b>55,252,374</b>	<b>59,723,322</b>	<b>63,235,964</b>	<b>66,490,260</b>	<b>69,903,254</b>	<b>68,018,702</b>	<b>69,802,394</b>	<b>68,380,020</b>
<b>Expenditures:</b>										
Current:										
Instruction	28,795,922	28,238,659	29,851,098	33,199,109	36,996,145	38,935,936	42,513,077	39,656,482	39,570,228	41,771,951
Student support services	2,491,624	2,612,245	2,875,236	3,068,423	3,465,383	3,398,918	4,220,304	3,955,435	3,919,397	4,118,082
Instructional support services	1,438,400	1,669,733	2,003,758	1,881,610	2,258,717	2,394,842	2,710,522	2,121,946	2,084,755	2,205,393
General administration	974,343	829,846	826,879	898,761	873,810	857,309	980,411	872,883	694,673	908,345
School administration	2,182,829	2,269,470	2,411,356	2,485,394	2,818,025	2,927,868	3,074,288	2,964,923	2,955,482	2,995,354
Operation and maintenance of plant	5,007,988	6,004,646	5,578,741	6,054,197	6,412,916	6,189,837	6,694,590	5,289,981	5,926,274	5,718,185
Central support services	1,635,349	1,472,509	1,728,990	1,668,460	1,466,491	919,587	1,041,982	783,855	845,223	822,798
Student transportation services	1,326,791	1,311,224	1,456,084	1,486,967	1,322,336	1,322,336	1,426,213	1,287,725	1,202,028	1,352,093
Food service operation	2,019,243	2,047,916	2,244,936	2,364,033	2,595,092	2,669,283	2,714,007	2,675,670	2,814,143	2,925,108
Community service operations	30,210	40,816	51,314	106,890	78,912	91,439	107,087	168,897	171,640	127,363
Recreation	1,361,727	2,162,306	1,837,593	1,966,711	2,078,217	2,461,276	2,711,556	2,836,889	2,964,864	2,973,777
Capital Outlay	1,988,213	1,116,486	59,969	43,709	51,039	770,808	2,680,271	445,506	2,159,968	385,953
Facilities acquisition and construction										
Debt service:										
Principal	2,281,974	2,367,223	2,465,117	2,564,914	2,744,122	2,717,753	3,143,696	11,069,803	3,813,062	3,526,358
Interest	1,528,183	1,367,617	1,374,155	1,430,304	1,305,894	1,177,729	1,141,758	803,839	443,917	308,225
<b>Total expenditures</b>	<b>53,062,796</b>	<b>52,510,696</b>	<b>54,765,226</b>	<b>59,219,482</b>	<b>64,139,325</b>	<b>66,834,921</b>	<b>75,159,762</b>	<b>74,933,834</b>	<b>69,565,654</b>	<b>70,138,985</b>
<b>Excess (deficiency) of revenues over Expenditures</b>	<b>511,571</b>	<b>5,157,911</b>	<b>487,148</b>	<b>503,840</b>	<b>(903,361)</b>	<b>(344,661)</b>	<b>(5,256,508)</b>	<b>(6,915,132)</b>	<b>236,740</b>	<b>(1,758,965)</b>

**UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other financing sources (uses):										
Proceeds from sale of general obligation	\$ -	\$ -	\$ 7,670,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Refunding bonds	-	-	-	-	-	-	-	-	-	-
Premium on general obligation	-	-	80,984	-	-	-	-	-	-	-
Refunding bonds	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of certificates of	-	-	-	-	-	-	-	-	-	-
Participation	-	-	-	-	-	-	-	-	-	-
Proceeds from capitalized lease obligations	-	-	-	-	-	-	1,500,000	-	-	-
Transfers in	8,085,253	9,150,079	8,231,858	9,933,011	11,260,615	12,861,135	1,549,096	12,959,209	236,740	1,082,232
Transfers out	(8,085,253)	(9,150,079)	(8,231,858)	(9,933,011)	(11,260,615)	(12,861,135)	13,976,501	(12,959,209)	14,249,293	-
							(13,976,501)			
Total other financing sources (uses)	-	-	8,157,601	-	-	-	3,049,096	-	-	1,082,232
Net change in fund balance	511,571	5,157,911	8,644,749	503,840	(903,361)	(344,661)	(2,207,412)	(6,915,132)	236,740	(676,733)
Fund balance, beginning of year	9,801,788	10,313,359	15,471,270	24,116,019	24,619,859	23,716,498	23,371,837	21,164,425	14,249,293	14,486,033
Fund balance, end of year	\$ 10,313,359	\$ 15,471,270	\$ 24,116,019	\$ 24,619,859	\$ 23,716,498	\$ 23,371,837	\$ 21,164,425	\$ 14,249,293	\$ 14,486,033	\$ 13,809,300
Ratio of total debt service expenditures										
to total non capital expenditures (1)	7.64%	7.42%	7.49%	7.03%	6.45%	5.97%	6.10%	15.88%	6.35%	5.78%

Source: School District Financial Reports.

(1) Debt service expenditures for 2010 includes debt retired through the District's escrow agent of \$7,749,700. Ratio without escrow agent debt service is 5.52%.

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 DIRECT AND OVERLAPPING GOVERNMENTS  
 LAST TEN FISCAL YEARS

FISCAL YEAR	<u>REAL PROPERTY</u>		<u>PERSONAL PROPERTY</u>	
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE
2003	\$ 209,969,246	\$ 1,375,494,050	\$ 46,448,295	\$ 190,036,290
2004	211,169,625	1,383,161,044	54,453,358	223,258,768
2005	223,794,120	1,496,780,780	65,278,608	267,644,969
2006	234,067,189	1,549,524,791	57,397,607	235,330,189
2007	251,758,814	1,657,991,526	71,037,334	263,569,812
2008	270,178,545	1,779,287,826	79,381,844	294,522,518
2009	284,999,905	1,876,895,374	83,905,254	311,305,274
2010	294,688,482	1,940,700,467	88,163,845	327,105,498
2011	294,894,411	1,943,354,168	88,556,759	328,545,576
2012	297,976,708	1,963,666,506	91,398,158	339,087,166

FISCAL YEAR	<u>UTILITIES</u>		TOTAL ASSESSED VALUE	TOTAL DIRECT TAX RATE	TOTAL ESTIMATED ACTUAL VALUE	RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE				
2003	\$ 7,401,455	\$ 22,428,652	\$ 263,818,996	49.55	\$ 1,587,958,992	16.6%
2004	7,899,546	23,935,624	273,522,529	54.87	1,630,355,436	16.8%
2005	8,029,119	24,330,664	297,101,847	52.08	1,788,756,413	16.6%
2006	8,082,500	24,489,975	299,547,296	53.97	1,809,344,955	16.6%
2007	8,054,717	24,636,915	330,850,865	51.40	1,946,198,253	17.0%
2008	7,738,870	23,670,804	357,299,259	50.96	2,097,481,148	17.0%
2009	7,814,371	23,901,035	376,719,530	54.12	2,212,101,683	17.0%
2010	8,243,613	25,208,969	391,095,940	58.32	2,293,014,934	17.1%
2011	8,422,396	25,772,532	391,873,566	57.63	2,297,672,276	17.1%
2012	8,566,016	26,181,409	397,940,882	59.31	2,328,935,081	17.1%

Source: The above information was obtained from the office of the Sedgwick County Clerk.

Assessed value is calculated by the appraised value times the state assessment percentage by property class. Property class assessment percentages are set by the State Constitution and cannot be adjusted by the county. Classifications of property are appraised at "market value", i.e., estimated actual value, except for Agricultural Land which is appraised at "use value". Property classes and their assessment percentages are as follows: Residential – 11.5%; Vacant Lots – 12.0%; Not For Profit Organizations – 12.0%; Commercial – 25.0%; Agricultural Improvements – 25.0%; Agricultural Land – 30.0%; and Other Not Elsewhere Classified – 30.0%.

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF ASSESSED VALUE)  
LAST TEN YEARS

FISCAL YEAR	GENERAL FUND	SUPPLE- MENTAL GENERAL FUND		CAPITAL OUTLAY	BOND & INTEREST	RECREATION GENERAL FUND	COMMISSION EMPLOYEE BENEFIT	SPECIAL ASSMT	TOTAL	STATE, COUNTY & OTHER DIST	CITY	TOTAL
2003	20.000	9.758	(1)	3.982	9.893	4.817	.910	.195	49.555	30.957	45.790	126.302
2004	20.000	15.681		3.995	9.091	4.833	1.134	.134	54.868	30.903	48.331	134.102
2005	20.000	14.486		4.000	7.620	4.839	1.137	-	52.082	31.885	48.352	132.319
2006	20.000	16.234		3.965	7.506	4.850	1.412	-	53.967	32.815	48.176	134.958
2007	20.000	14.782		3.940	5.788	5.504	1.391	-	51.405	32.833	48.155	132.393
2008	20.000	16.786		4.000	6.177	5.589	1.413	-	53.965	33.126	47.756	134.847
2009	20.000	16.771		4.000	6.128	5.589	1.414	.220	54.122	31.368	47.773	133.263
2010	20.000	18.525		6.000	6.578	5.589	1.412	.220	58.324	31.995	47.818	138.137
2011	20.000	19.265		6.000	5.273	5.589	1.412	.092	57.631	31.968	47.340	136.939
2012	20.000	18.297		5.998	7.949	5.587	1.411	.063	59.305	31.987	47.153	138.445

Source: The above information was obtained from the office of the Sedgwick County Clerk.

(1) Local school districts had the option to increase spending by 25% with a supplemental general fund levy. The legislature has since increased the limit to 31%.

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS PRIOR

TAXPAYER	2003 ASSESSED VALUATION	2012 ASSESSED VALUATION	JUNE 30, 2012 % OF TOTAL ASSESSED VALUATION
The Boeing Company	\$ 45,471,792	\$ 52,702,916	13.24%
Spirit Aerosystems Inc	-	52,095,295	13.09%
Mid-Western Aircraft Systems Inc	-	49,249,786	12.36%
City of Wichita, Various Industrial Revenue Bonds	56,930,600	-	
Derby Marketplace LC	-	3,867,250	.97%
Kansas Gas & Electric-A Westar Energy Co	3,115,903	3,517,309	.91%
Greens at Derby, The	-	3,500,142	.88%
WalMart Real Estate Business Trust	2,656,923	2,279,988	.57%
Dillon Companies	-	2,171,085	.55%
Target Corporation	-	2,040,200	.51%
Stagg II Wichita	-	1,901,750	.48%
Fairways at Derby LP	-	1,750,865	.44%
Greenberg, Jeffrey S. ETUX	2,514,860	-	
Chuzzy, Carl Living Trust	2,499,481	-	
Southwestern Bell Telephone	2,367,649	-	
Turnpike Drive Inc	970,825	-	
Fairchild Fasteners Fullerton Operation	815,460	-	
Derby Group LLC	765,750	-	
All Others	<u>145,709,753</u>	<u>222,864,296</u>	<u>56.00%</u>
TOTAL	<u>\$ 263,818,996</u>	<u>\$ 397,940,882</u>	<u>100.00%</u>

Source: Provided by Sedgwick County Clerk's Office.

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS (1)	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	TOTAL CURRENT YR OUTSTANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
2003	\$17,194,178	\$12,540,802	72.94%	\$ 305,066	\$12,845,868	74.71%	\$437,214 (2)	2.54%
2004	12,635,168	17,563,277	139.00%	337,761	17,901,038	141.42%	329,970 (3)	2.61%
2005	14,547,457	14,316,212	98.41%	210,567	14,526,779	99.86%	231,245	1.59%
2006	15,003,002	14,558,160	97.03%	330,954	14,889,114	99.24%	444,842	2.97%
2007	15,686,660	15,376,829	98.02%	218,024	15,594,853	99.41%	309,831	1.98%
2008	16,496,337	16,207,240	98.25%	182,908	16,390,148	99.36%	289,097	1.75%
2009	18,787,638	18,361,649	97.73%	258,956	18,620,605	99.11%	425,989	2.27%
2010	19,893,495	19,235,085	96.69%	414,153	19,649,238	98.77%	658,410	3.31%
2011	22,278,485	21,613,916	97.02%	229,974	21,843,890	98.05%	664,569	2.98%
2012	22,067,209	21,738,070	98.50%	-	21,738,070	98.51%	329,139	1.49%

Source: The above information was obtained from Sedgwick County Treasurer's Office.

- (1) County Treasurer's records do not provide a determination of which year the collections in subsequent years is applied to. For this schedule all collections of delinquent taxes are applied to the preceding year.
- (2) Taxes levied for fiscal year 2003 were anticipated without change in distribution dates (see note 3). Outstanding delinquent taxes for 2003 have been adjusted for comparison purposes by \$4,216,162.
- (3) Effective with the District's fiscal year ended June 30, 2004, the Kansas Legislature amended the second half property tax payment due date from June 20<sup>th</sup> to May 10<sup>th</sup>. The distribution of these tax collections were also accelerated from July 20<sup>th</sup> to June 5<sup>th</sup> and, accordingly, the District received an additional \$5,252,079 of property taxes prior to year end. The delinquent tax amount for 2004 has been computed net of the accelerated payment received for that year.

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
RATIOS OF NET GENERAL BONDED DEBT TO ASSESSED VALUE  
TOTAL BONDED DEBT PER CAPITA  
NET BONDED DEBT PER PUPIL  
LAST TEN YEARS

FISCAL YEAR	POPULATION (1)	TOTAL DISTRICT ENROLLMENT	ASSESSED VALUE	GROSS BONDED DEBT	AMOUNT AVAILABLE FROM DEBT SERVICE FUND	CAPITAL LEASES AND CERTIFICATES OF PARTICIPATION	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	TOTAL DEBT PER CAPITA	NET BONDED DEBT PER PUPIL	TOTAL DEBT AS A PERCENTAGE OF PERSONAL INCOME
2003	42,073	6,693	\$263,818,996	\$28,715,000	\$2,057,594	\$ 336,886	10.1%	\$ 691	\$ 3,983	.20%
2004	42,650	6,675	273,522,529	26,555,000	3,438,554	129,663	8.5%	626	3,463	.18%
2005	43,050	6,653	297,101,847	24,310,000 (2)	3,712,159	376,163	6.9%	573	3,096	.15%
2006	43,076	6,576	299,547,296	21,840,000 (2)	3,719,461	281,249	6.1%	574	2,756	.12%
2007	43,125	6,556	330,850,865	19,205,000 (2)	3,658,642	172,127	4.7%	449	2,371	.08%
2008	43,556	6,384	357,299,259	16,565,000 (2)	3,439,822	74,374	3.7%	382	2,059	.09%
2009	43,992	6,483	376,719,530	13,765,000 (2)	3,270,419	2,799,774	2.8%	377	1,619	.09%
2010	44,437	6,624	391,095,940	10,745,000	3,118,078	2,359,971	2.0%	295	1,151	*
2011	44,500	6,790	391,873,566	7,390,000	2,978,266	1,901,909	1.1%	209	650	*
2012	44,525	6,717	397,940,882	4,620,000	2,864,462	2,227,783	0.4%	154	261	*

Source: The above information was obtained from the Unified School District No. 260 financial records and the office of the Sedgwick County Clerk.

(1) Estimate of district population.

(2) Excludes crossover refunded debt of \$7,610,000.

\*Information not available.

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
RATIOS OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES  
AND GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES  
LAST TEN FISCAL YEARS

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	GENERAL BONDED DEBT	TOTAL GENERAL EXPENDITURES (1)	RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES	RATIO OF GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
2003	\$2,128,951	\$1,446,234	\$3,575,185	\$ 28,715,000	\$53,062,796	.07	.54
2004	2,160,000	1,345,720	3,505,720	26,555,000	52,510,696	.07	.51
2005	2,305,000	1,244,690 (2)	3,549,690	24,310,000	54,765,226	.06	.44
2006	2,470,000	1,131,851 (2)	3,601,851	21,840,000	59,219,782	.06	.37
2007	2,635,000	1,012,151 (2)	3,647,151	19,205,000	64,139,325	.06	.30
2008	2,620,000	891,613 (2)	3,511,613	16,585,000	66,834,921	.05	.25
2009	2,820,000	763,298 (2)	3,583,298	13,765,000	75,159,762	.05	.18
2010	3,020,000 (3)	558,975 (2)	3,578,975	10,745,000	74,933,834	.05	.14
2011	3,355,000	356,295	3,711,295	7,390,000	69,565,654	.05	.11
2012	2,770,000	237,965	3,007,965	4,620,000	70,138,985	.04	.07

Source: The above information was obtained from Unified School District No. 260 financial records.

(1) Includes general, special revenue, debt service and capital project funds of primary government only.

(2) Excludes payments by escrow agent totaling \$114,202 in 2005, \$279,400 in 2006, 2007, 2008, 2009 and \$139,700 in 2010.

(3) Excludes payments by escrow agent totaling \$7,610,000 in 2010.



UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2012

2012 Assessed valuation of taxable tangible property	\$397,940,882
Assessed valuation of motor vehicles	<u>36,185,457</u>
Equalized assessed tangible valuation for computation of bonded debt limit	<u>\$434,126,339</u>
2012 debt limit -- 14%	\$ 60,777,687
Less:	
Total bonded debt	<u>4,620,000</u>
Legal additional debt limit	<u>\$ 56,157,687</u>

Source: Assessed valuation obtained from Sedgwick County Treasurer

KSA 72-6761; 1997 Suppl. establishes authority for USD's to have bonded indebtedness of 14% of their equalized assessed valuation (total assessed valuation plus assessed motor vehicle valuation). USD's may apply to the Kansas State Board of Education to exceed the 14% limitation.

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN YEARS

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 41,209,059	\$ 42,739,379	\$ 46,186,421	\$ 46,700,952	\$ 51,278,251	\$ 55,164,757	\$ 51,564,398	\$ 59,964,520	\$ 60,000,592	\$ 60,777,687
Total net debt applicable to limit	28,715,000	26,555,000	24,310,000	21,840,000	19,205,000	16,585,000	13,765,000	10,745,000	7,390,000	4,620,000
Legal Debt Margin	<u>\$ 12,494,059</u>	<u>\$ 16,184,379</u>	<u>\$ 21,876,421</u>	<u>\$ 24,860,952</u>	<u>\$ 32,073,251</u>	<u>\$ 38,579,757</u>	<u>\$ 37,799,398</u>	<u>\$ 49,219,520</u>	<u>\$ 52,610,592</u>	<u>\$ 56,157,687</u>
Total net debt applicable to the limit	69.68%	62.13%	52.63%	46.77%	37.45%	30.06%	26.69%	17.92%	12.32%	7.6%
As a percentage of debt limit										

Source: Prior year annual reports, Derby Unified School District No 260.

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT COMPARISON  
CURRENT YEAR AND NINE YEARS AGO

GOVERNMENT UNITS	JUNE 30, 2003			JUNE 30, 2012		
	PRINCIPAL AMOUNT OF DEBT OUTSTANDING	% APPLICABLE TO TAXPAYERS OF USD NO 260(I)	TOTAL DIRECT AND OVERLAPPING DEBT	PRINCIPAL AMOUNT OF DEBT OUTSTANDING	% APPLICABLE TO TAXPAYERS OF USD NO 260(I)	TOTAL DIRECT AND OVERLAPPING DEBT
Sedgwick County, KS	\$ 113,370,000	8.03%	\$ 9,114,948	\$ 78,970,000	69%	\$ 544,893
City of Derby, KS	73,115,000	100.00%	73,115,000	71,330,000	99.16%	70,730,828
City of Wichita, KS	-	-	-	487,324,499	9.11%	44,395,261
Total Other Government Agencies	<u>186,485,000</u>		<u>82,229,948</u>	<u>637,624,499</u>		<u>115,670,982</u>
Unified School District, Derby, KS	<u>28,715,000</u>	100.00%	<u>28,715,000</u>	<u>4,620,000</u>	100.00%	<u>4,620,000</u>
Total	<u>\$ 215,200,000</u>		<u>\$110,944,948</u>	<u>\$ 642,244,499</u>		<u>\$120,290,982</u>

Source: The above information was obtained from the Sedgwick County, Kansas Clerk's Office.

(I) Allocation based on assessed valuation of Derby USD 260 portion of the total assessed valuation for the governmental unit.

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
DEMOGRAPHIC STATISTICS (1)  
LAST TEN FISCAL YEARS

Site (Year Opened 19XX)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Derby High School (93)										
Square Feet	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Capacity (students)	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Enrollment	2,109	2,158	2,155	2,120	2,179	2,116	2,040	1,958	1,831	1,891
Derby Middle School (59)										
Square Feet	179,141	179,141	179,141	179,141	179,141	179,141	179,141	179,141	179,141	179,141
Capacity (students)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,073	1,093	1,095	1,032	1,004	1,003	987	943	959	966
Derby Sixth Grade Center (52)										
Square Feet	154,627	154,627	154,627	154,627	154,627	154,627	154,627	154,627	154,627	154,627
Capacity (students)	501	501	501	501	501	501	501	501	501	501
Enrollment	535	541	510	518	501	462	487	495	572	512
Alternative High School (54)										
Square Feet	49,349	49,349	49,349	49,349	49,349	49,349	49,349	49,349	49,349	49,349
Capacity (students)	80	80	80	80	80	80	80	80	80	80
Enrollment (3)	-	-	-	-	-	-	-	-	-	-
Carlton Learning Center (92)										
Square Feet	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Capacity (students)	300	300	300	300	300	300	300	300	300	300
Enrollment (2)	-	-	-	-	-	-	-	-	-	-
Cooper Elementary (54)										
Square Feet	39,449	39,449	39,449	39,449	39,449	39,449	39,449	39,449	48,819	48,819
Capacity (students)	304	304	304	304	304	304	304	304	304	304
Enrollment	287	286	285	302	305	281	311	316	309	346
Derby Hills Elementary (85)										
Square Feet	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800
Capacity (students)	456	456	456	456	456	456	456	456	456	456
Enrollment	394	377	379	369	400	352	386	401	382	415
El Paso Elementary (66)										
Square Feet	53,195	53,195	53,195	53,195	53,195	53,195	53,195	53,195	53,195	53,195
Capacity (students)	456	456	456	456	456	456	456	456	456	456
Enrollment	360	375	374	370	354	381	348	394	411	402
Oaklawn Elementary (55)										
Square Feet	42,957	42,957	42,957	42,957	42,957	42,957	42,957	42,957	42,957	42,957
Capacity (students)	304	304	304	304	304	304	304	304	304	304
Enrollment	247	211	238	212	202	215	232	282	239	205
Park Hill Elementary (2002)										
Square Feet	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000
Capacity (students)	456	456	456	456	456	456	456	456	456	456
Enrollment	(2) 316	313	308	353	346	339	345	411	406	379
Pleasantview Elementary (55)										
Square Feet	43,559	43,559	43,559	43,559	43,559	43,559	43,559	43,559	43,559	43,559
Capacity (students)	304	304	304	304	304	304	304	304	304	304
Enrollment	259	285	270	284	289	277	305	338	290	284
Swaney Elementary (55)										
Square Feet	67,645	67,645	67,645	67,645	67,645	67,645	67,645	67,645	67,645	67,645
Capacity (students)	456	456	456	456	456	456	456	456	456	456
Enrollment	314	301	294	312	324	306	307	311	315	313
Tanglewood Elementary (81)										
Square Feet	56,890	56,890	56,890	56,890	56,890	56,890	56,890	56,890	56,890	56,890
Capacity (students)	456	456	456	456	456	456	456	456	456	456
Enrollment	280	272	285	289	287	300	339	361	401	428
Wineteer Elementary (59)										
Square Feet	61,330	61,330	61,330	61,330	61,330	61,330	61,330	61,330	61,330	61,330
Capacity (students)	512	512	512	512	512	512	512	512	512	512
Enrollment	519	463	460	415	400	396	412	414	411	407
Administration Center (63)										
Square Feet	8,901	8,901	8,901	8,901	8,901	8,901	8,901	8,901	8,901	8,901
Educational Support Center (75)										
Square Feet	18,225	18,225	18,225	18,225	18,225	18,225	18,225	18,225	18,225	18,225
Service Center (68)										
Square Feet	31,336	31,336	31,336	31,336	31,336	31,336	31,336	31,336	31,336	31,336

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions.  
Source: The above information was obtained from USD No. 260 State Audit and the District Facilities Office.  
(1) Based on September 20<sup>th</sup> head count at district attendance centers.  
(2) Carlton Learning Center closed June 30, 2002 with the opening of Park Hill Elementary.  
(3) Enrollment included in Derby High School Enrollment.

**UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Major Employers	Product/Service	2003			2012		
		Employees	Rank	%	Employees	Rank	%
USD #260	Education	1,029	1	56.0%	1,066	1	42.8%
Walmart	Retail Sales	233	2	14.0%	334	2	13.5%
Dillons	Grocery	77	5	5.0%	244	3	9.8%
City of Derby	Government	101	4	6.0%	190	4	7.7%
Lowe's Home Improvement	Retail Sales	-	-	-	135	5	5.5%
Walmart Financial	Insurance Claims	-	-	-	122	6	4.9%
Target	Retail Sales	-	-	-	90	7	3.6%
Kohl's	Retail Sales	-	-	-	82	8	3.4%
Westview Manor	Senior Housing	110	3	-	72	9	2.9%
Derby Family Medical Center	Health Care	-	-	-	70	10	2.8%
BRG Precision Products	Manufacturing	-	-	-	49	11	2.1%
Verus Bank	Banking	25	9	1.5%	34	12	1.0%
Walgreens	Retail	-	-	-	32	-	-
Q Corporation	Manufacturing	53	7	3.0%	25	-	-
Hampton Inn	Hotel	-	-	-	17	-	-
Food Barn	Grocery	66	6	4.0%	-	-	-
Boatman's	Banking	39	8	2.0%	-	-	-
Commerce Bank	Banking	11	10	1.0%	-	-	-

Major Restaurant Employers	Product/Service	2003			2012		
		Employees	Rank	%	Employees	Rank	%
Olive Garden	Restaurant	-	-	-	120	1	22.8%
Applebees	Restaurant	-	-	-	77	2	14.6%
Village Inn	Restaurant	-	-	-	75	3	14.2%
McDonald's	Restaurant	55	1	31%	48	4	9.1%
Rib Crib	Restaurant	-	-	-	45	5	8.5%
Buffalo Wild Wings	Restaurant	-	-	-	40	6	7.6%
Panera	Restaurant	-	-	-	36	7	6.8%
Freddy's Frozen Custard	Restaurant	-	-	-	34	8	6.4%
Riverside Café	Restaurant	-	-	-	28	9	5.5%
Spangles	Restaurant	-	-	-	24	10	4.5%
Spears	Restaurant	50	2	28%	-	-	-
Golden Corral	Restaurant	41	3	23%	-	-	-
Mike's Mesquite Steakhouse	Restaurant	30	4	18%	-	-	-

Source: City Clerk, Derby, Kansas.

**UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS**  
**STAFF/STUDENT INFORMATION BY BUILDING**  
**LAST TEN FISCAL YEARS**

Site	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Derby High School</b>										
Certified Instructional Staff FTE	106.7	106.7	106.7	108.5	102.9	111.8	110.7	102.7	98.7	98.1
Special Education Instructional FTE	20.0	19.7	20.5	20.2	18.5	19.5	20.0	19.5	18.9	17.3
Certified Non-Instructional Staff FTE	13.0	15.5	15.0	13.0	15.0	14.0	18.5	17.0	16.0	11.0
Enrollment	2,109	2,158	2,165	2,132	2,184	2,123	2,051	1,983	1842	1891
Number Free and Reduced Students	398	477	617	521	571	523	584	635	642	695
Percent of Free/Reduced to Total Students	18.9%	22.1%	28.5%	24.4%	24.1%	24.6%	28.5%	32.0%	34.9%	37.0%
Student Teacher Ratio	17:1	20:1	20:1	20:1	21:1	19:1	19:1	19:1	19:1	19:1
<b>Derby Middle School</b>										
Certified Instructional Staff FTE	58.7	57.4	57.0	56.4	58.4	60.4	60.9	56.9	62.5	56.4
Special Education Instructional FTE	10.5	12.3	12.4	13.8	15.6	18.0	17.0	14.0	13.0	13.0
Certified Non-Instructional Staff FTE	6.0	6.0	7.0	6.0	6.0	6.0	6.0	6.0	6.1	5.0
Enrollment	1,073	1,094	1,096	1,033	1,004	1,003	989	947	959	966
Number Free and Reduced Students	268	304	339	323	314	331	331	381	444	452
Percent of Free/Reduced to Total Students	25.0%	27.8%	30.9%	31.3%	31.3%	33.0%	33.5%	40.2%	46.3%	46.8%
Student Teacher Ratio	16:1	19:1	19:1	18:1	17:1	17:1	16:1	17:1	15:1	17:1
<b>Derby Sixth Grade Center</b>										
Certified Instructional Staff FTE	28.5	28.5	37.8	29.4	30.6	31.0	32.5	34.5	34.5	29.5
Special Education Instructional FTE	4.9	6.0	7.0	6.4	8.2	7.0	6.0	4.0	4.0	6.0
Certified Non-Instructional Staff FTE	3.0	3.5	5.0	3.0	3.0	3.0	3.0	3.0	2.5	3.5
Enrollment	535	542	511	518	501	462	487	498	573	512
Number Free and Reduced Students	153	160	164	176	178	130	206	222	229	252
Percent of Free/Reduced to Total Students	28.6%	29.5%	32.1%	34.0%	35.5%	28.1%	43.3%	44.6%	40%	49.3%
Student Teacher Ratio	16:1	19:1	14:1	18:1	16:1	15:1	15:1	14:1	16:1	17:1
<b>Cooper Elementary</b>										
Certified Instructional Staff FTE	19.7	20.1	23.5	25.0	27.7	27.6	28.7	26.5	26.5	25.3
Special Education Instructional FTE	2.5	3.0	3.0	3.5	2.6	3.0	3.0	3.0	3.0	6.2
Certified Non-Instructional Staff FTE	2.0	2.9	3.1	3.6	2.0	2.0	2.0	2.0	1.5	1.5
Enrollment	289	292	288	308	307	285	312	317	309	346
Number Free and Reduced Students	256	263	258	242	272	249	263	294	270	281
Percent of Free/Reduced to Total Students	88.6%	90.1%	89.6%	78.6%	88.6%	87.4%	84.3%	92.74%	87.4%	88.4%
Student Teacher Ratio	13:1	14:1	21:1	12:1	11:1	10:1	11:1	12:1	12:1	13:1
<b>Derby Hills Elementary</b>										
Certified Instructional Staff FTE	20.9	20.9	21.0	21.9	22.8	21.8	21.7	22.1	22.1	21.6
Special Education Instructional FTE	3.3	4.0	5.0	5.8	4.5	4.3	3.9	3.9	3.9	4.7
Certified Non-Instructional Staff FTE	3.0	2.7	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5
Enrollment	394	378	379	369	400	352	387	402	382	415
Number Free and Reduced Students	48	44	65	59	82	70	95	104	101	133
Percent of Free/Reduced to Total Students	12.2%	11.6%	17.2%	16.0%	20.5%	19.9%	24.6%	25.9%	26.4%	28.0%
Student Teacher Ratio	16:1	18:1	18:1	17:1	17:1	16:1	18:1	18:1	17:1	19:1
<b>El Paso Elementary</b>										
Certified Instructional Staff FTE	17.2	20.2	26.5	23.2	24.2	25.2	25.7	23.0	23.0	24.5
Special Education Instructional FTE	1.0	2.0	2.9	1.8	1.8	1.2	1.4	2.4	1.9	2.3
Certified Non-Instructional Staff FTE	2.0	2.8	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5
Enrollment	360	375	374	370	354	382	376	394	411	402
Number Free and Reduced Students	92	99	115	128	106	140	153	174	200	203
Percent of Free/Reduced to Total Students	25.6%	26.4%	30.8%	34.6%	29.9%	36.7%	40.7%	44.2%	48.7%	50.5%
Student Teacher Ratio	20:1	18:1	14:1	16:1	15:1	15:1	15:1	17:1	18:1	16:1

Source: Kansas Department of Education.

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
STAFF/STUDENT INFORMATION BY BUILDING  
LAST TEN FISCAL YEARS

Site	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Oaklawn Elementary</b>										
Certified Instructional Staff FTE	19.4	19.4	21.2	20.2	23.1	22.6	20.7	21.6	21.6	21.4
Special Education Instructional FTE	2.0	3.5	4.0	4.0	3.1	3.0	4.0	3.0	4.0	4.2
Certified Non-Instructional Staff FTE	1.0	2.9	2.9	2.9	2.0	2.0	3.0	2.0	1.5	2.5
Enrollment	247	211	238	212	202	217	233	289	240	238
Number Free and Reduced Students	207	177	206	178	174	183	195	221	211	205
Percent of Free/Reduced to Total Students	83.8%	83.9%	86.6%	84.0%	86.1%	84.3%	83.7%	76.5%	87.9%	86.1%
Student Teacher Ratio	12:1	11:1	11:1	11:1	9:1	10:1	11:1	13:1	11:1	10:1
<b>Park Hill Elementary</b>										
Certified Instructional Staff FTE	15.7	(1) 15.7	16.7	20.7	18.7	20.7	20.2	21.2	21.2	21.1
Special Education Instructional FTE	4.4	5.6	10.6	6.5	3.6	4.6	2.6	3.4	3.4	2.4
Certified Non-Instructional Staff FTE	2.0	3.5	3.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5
Enrollment	316	313	308	353	346	340	345	411	406	379
Number Free and Reduced Students	46	42	50	60	57	51	49	94	89	82
Percent of Free/Reduced to Total Students	14.6%	13.4%	16.2%	17.0%	16.5%	15.0%	14.2%	22.9%	21.9%	21.9%
Student Teacher Ratio	16:1	20:1	18:1	17:1	19:1	16:1	17:1	19:1	19:1	18:1
<b>Pleasantview Elementary</b>										
Certified Instructional Staff FTE	16.0	15.6	15.2	17.7	19.1	19.2	19.1	20.1	20.1	19.9
Special Education Instructional FTE	2.0	3.0	3.9	3.5	3.5	3.1	2.2	3.7	3.7	1.4
Certified Non-Instructional Staff FTE	2.0	2.9	2.4	2.9	2.0	2.0	2.0	2.0	1.5	1.5
Enrollment	261	285	271	284	289	278	305	339	290	284
Number Free and Reduced Students	86	108	106	119	115	109	143	172	171	184
Percent of Free/Reduced to Total Students	33.0%	37.9%	39.1%	41.9%	39.8%	39.2%	46.9%	50.7%	59.0%	64.8%
Student Teacher Ratio	14:1	18:1	18:1	16:1	15:1	15:1	16:1	16:1	14:1	14:1
<b>Swaney Elementary</b>										
Certified Instructional Staff FTE	17.2	18.0	16.0	18.0	19.7	19.9	20.1	19.0	19.0	18.4
Special Education Instructional FTE	3.6	4.9	3.6	2.6	4.6	5.4	4.4	5.4	5.4	5.3
Certified Non-Instructional Staff FTE	2.0	2.8	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5
Enrollment	314	300	295	312	324	306	307	311	315	313
Number Free and Reduced Students	75	112	104	114	138	128	135	148	159	153
Percent of Free/Reduced to Total Students	23.9%	37.3%	35.3%	36.5%	42.6%	41.8%	44.0%	47.6%	50.4%	48.9%
Student Teacher Ratio	15:1	17:1	18:1	17:1	16:1	15:1	15:1	16:1	16:1	17:1
<b>Tanglewood Elementary</b>										
Certified Instructional Staff FTE	14.7	14.8	15.8	15.7	16.6	16.8	20.2	20.1	20.1	22.1
Special Education Instructional FTE	3.5	4.6	4.6	5.0	3.6	3.8	3.7	3.7	3.7	4.4
Certified Non-Instructional Staff FTE	2.0	2.9	2.9	2.0	2.0	2.0	2.0	2.0	1.5	1.0
Enrollment	280	272	285	290	287	300	340	363	401	428
Number Free and Reduced Students	50	55	58	58	49	61	83	97	129	153
Percent of Free/Reduced to Total Students	17.9%	20.2%	20.4%	20.0%	17.1%	20.3%	24.4%	26.7%	32.2%	35.7%
Student Teacher Ratio	15:1	18:1	18:1	19:1	17:1	18:1	17:1	18:1	19:1	19:1
<b>Wineteer Elementary</b>										
Certified Instructional Staff FTE	29.8	27.7	25.9	26.7	27.3	29.8	31.3	30.8	30.8	26.8
Special Education Instructional FTE	2.3	2.8	3.5	3.1	2.2	3.0	3.2	3.2	3.2	5.5
Certified Non-Instructional Staff FTE	3.0	3.1	2.6	2.6	2.0	2.0	2.0	2.0	1.5	2.0
Enrollment	520	463	461	416	400	396	412	417	412	407
Number Free and Reduced Students	172	157	175	153	157	164	178	191	212	219
Percent of Free/Reduced to Total Students	33.1%	33.9%	38.0%	36.8%	39.3%	41.4%	43.2%	45.8%	51.4%	53.8%
Student Teacher Ratio	16:1	17:1	18:1	16:1	15:1	13:1	13:1	14:1	13:1	15:1

Source: Kansas State Department of Education.

**UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS**  
**MISCELLANEOUS STATISTICS**  
**JUNE 30, 2012**

Date of organization	1872
Form of Government	Seven Member Board
Area	50 square miles

**Education**

Pre-kindergarten through twelfth	180 days
Special Education	180 days
Vocational Education	180 days
English Speakers of Other Languages	180 days
Driver Training	Summer School
Summer School	4 weeks

**Support Centers**

Laundry	1
Warehouse	1
Service Center	1
Maintenance Center	1
Central Kitchen	1
Educational Support Center	1
Administrative Center	1

**Athletic Facilities**

Stadiums	2
Tennis Courts	2
Baseball Diamond	1
Gymnasiums	5
Track	1

**Employees**

Administration	28
Certified	539
Classified	443
Bus Drivers	45

**Transportation**

Buses	70
Vans	29
Trucks	23
Automobiles	2

Source: The above information was obtained from Unified School District No. 260 Business Office.

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
OTHER OPERATING STATISTICS  
LAST TEN FISCAL YEARS

YEAR	EXPENSES	ENROLLMENT	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL/ TEACHER RATIO (1)	STUDENT ATTENDANCE PERCENTAGE
2003	\$ 50,818,128	6,693	\$ 7,593	-	493	14:1	94%
2004	50,782,970	6,675	7,608	0.20%	484	14:1	95%
2005	51,613,414	6,653	7,758	1.97%	515	13:1	95%
2006	60,162,739	6,576	9,148	17.92%	526	13:1	94%
2007	63,564,523	6,556	9,696	5.99%	535	12:1	94%
2008	66,834,921	6,384	10,469	7.97%	539	12:1	94%
2009	75,159,762	6,483	11,593	10.74%	544	12:1	94%
2010	74,933,834	6,624	11,312	(2.4)%	549	12:1	94%
2011	69,565,654	6,790	10,245	(9.1)%	537	13:1	94%
2012	70,138,985	6,717	10,442	1.92%	538	12:1	94%

Source: School District Financial Records.

(1) Enrollment divided by pupil/teacher ratio rounded to the nearest whole number

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

YEAR	SEDGWICK COUNTY POPULATION		PERSONAL INCOME (1)	PER CAPITA PERSONAL INCOME	SEDGWICK COUNTY UNEMPLOYMENT RATE
2003	461,835	*	\$ 14,269,519	\$ 30,913	7.4%
2004	463,383	*	15,103,109	33,100	6.7%
2005	466,061	*	16,175,401	35,547	6.0%
2006	470,895	*	18,211,277	38,803	4.9%
2007	469,321	*	22,950,694	38,911	4.4%
2008	476,026	*	19,218,845	38,780	4.3%
2009	485,863	*	19,296,648	39,847	8.2%
2010	490,864	*	18,695,650	39,312	8.7%
2011	494,241	*	(2)	40,481	6.7%
2012	498,365	*	(2)	(2)	(2)

Source: Kansas Statistical Abstract, State of Kansas. An asterisk designates an estimate. All information based on Sedgwick County statistics.

(1) Expressed in thousands of dollars.

(2) 2011 and 2012 information not available at this time.



UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
BACHELOR'S TEACHERS SALARIES SCHEDULE AND FTE  
BY RANGE AND STEP FOR 2011-12

STEP	B	FTE	B+10	FTE	B+20	FTE	B+30	FTE	B+40	FTE
1	\$37,252	26.0	\$37,755	0.0	\$38,259	1.0	\$38,763	0.0	\$39,267	0.0
1.5	37,571	9.0	38,122	0.0	38,701	0.0	39,253	0.0	39,782	0.0
2	37,890	1.0	38,489	0.0	39,144	0.0	39,743	0.0	40,297	0.0
2.5	38,209	10.0	38,855	1.0	39,586	0.0	40,233	2.0	40,812	0.0
3	38,528	0.0	39,222	1.0	40,028	1.0	40,722	0.0	41,327	0.0
3.5	38,847	5.0	39,589	4.0	40,470	0.0	41,212	1.0	41,842	0.0
4	39,166	0.0	39,956	0.0	40,912	0.0	41,702	0.0	42,357	0.0
4.5	39,485	2.0	40,322	1.0	41,355	3.0	42,192	1.0	42,872	0.0
5	39,804	2.0	40,689	0.0	41,797	0.0	42,682	0.0	43,387	0.0
5.5	40,124	0.0	41,055	6.0	42,240	2.0	43,171	5.0	43,902	2.0
6	40,443	3.0	41,422	1.0	42,682	0.0	43,661	0.0	44,417	1.0
6.5	40,762	2.0	41,789	2.0	43,124	2.0	44,151	2.0	44,932	2.0
7	41,081	0.0	42,155	0.0	43,566	0.0	44,641	0.0	45,447	0.0
7.5	41,400	1.0	42,522	2.0	44,008	3.0	45,131	1.0	45,963	7.0
8	41,719	0.0	42,889	0.0	44,451	0.0	45,621	0.0	46,478	1.0
8.5	42,038	0.0	43,255	0.0	44,893	2.0	46,111	3.0	46,993	4.0
9	42,357	0.0	43,622	0.0	45,335	0.0	46,601	0.0	47,508	0.0
9.5	42,676	1.0	43,989	2.0	45,778	2.0	47,091	1.0	48,023	6.0
10	42,995	0.0	44,356	1.0	46,220	0.0	47,580	0.0	48,538	0.0
10.5	43,314	0.0	44,722	1.0	46,662	1.0	48,070	1.0	49,053	7.0
11	43,633	0.0	45,089	0.0	47,104	0.0	48,560	0.0	49,568	0.0
11.5	43,953	0.0	45,456	0.0	47,547	0.0	49,050	1.0	50,083	4.0
12	44,272	6.0	45,822	2.0	47,989	6.0	49,540	5.0	50,598	26.0
Total FTE by Range		68.0		24.0		23.0		23.0		60.0
										Totals Bachelors 198.0

Average Teacher's Salary      \$50,236

Information taken from the negotiated agreement with the Derby National Education Association.

UNIFIED SCHOOL DISTRICT NO. 260, DERBY, KANSAS  
MASTER'S TEACHERS SALARIES SCHEDULE AND FTE  
BY RANGE AND STEP FOR 2011-12

STEP	M	FTE	M+10	FTE	M+20	FTE	M+30	FTE	M+40	FTE	M+50	FTE	M+60	FTE
1	\$40,387	5.0	\$40,890	0.0	\$41,394	0.0	\$41,898	0.0	\$42,402	0.0	\$42,906	0.0	\$43,409	1.0
1.5	41,004	0.0	41,607	0.0	42,139	0.0	42,643	0.0	43,177	0.0	43,681	0.0	44,305	0.0
2	41,621	1.0	42,323	1.0	42,883	0.0	43,387	0.0	43,952	1.0	44,457	0.0	45,201	0.0
2.5	42,239	7.0	43,040	0.0	43,628	0.0	44,132	0.0	44,728	0.0	45,232	0.0	46,097	0.0
3	42,856	3.0	43,757	0.0	44,373	0.0	44,876	0.0	45,503	1.0	46,007	0.0	46,993	1.0
3.5	43,474	3.0	44,473	3.0	45,117	0.0	45,621	2.0	46,279	0.0	46,783	0.0	47,888	0.0
4	44,091	1.0	45,190	0.0	45,862	0.0	46,365	0.0	47,054	0.0	47,558	0.0	48,784	0.0
4.5	44,709	7.0	45,906	1.0	46,606	0.0	47,110	0.0	47,829	0.0	48,333	0.0	49,680	1.0
5	45,326	6.0	46,623	0.0	47,351	1.0	47,855	0.0	48,605	0.0	49,108	1.0	50,575	0.0
5.5	45,944	10.0	47,340	8.0	48,095	3.0	48,599	2.0	49,380	2.0	49,884	0.0	51,471	3.0
6	46,562	1.0	48,056	0.0	48,840	0.0	49,344	0.0	50,156	1.0	50,659	1.0	52,367	0.0
6.5	47,179	7.0	48,773	4.0	49,585	5.0	50,088	1.0	50,931	0.0	51,435	2.0	53,263	0.0
7	47,797	0.0	49,489	0.0	50,329	0.0	50,833	0.0	51,706	0.0	52,210	1.0	54,159	0.0
7.5	48,414	4.0	50,206	3.0	51,074	3.0	51,578	4.0	52,482	4.0	52,986	0.0	55,054	5.0
8	49,031	0.0	50,922	1.0	51,818	0.0	52,322	0.0	53,257	0.0	53,761	0.0	55,950	0.0
8.5	49,649	4.0	51,639	3.0	52,563	6.0	53,067	5.0	54,033	2.0	54,536	2.0	56,846	3.0
9	50,266	1.0	52,356	0.0	53,308	0.0	53,811	0.0	54,808	0.0	55,312	0.0	57,741	0.0
9.5	50,886	4.0	53,072	0.0	54,052	0.0	54,556	2.0	55,583	2.0	56,087	2.0	58,637	9.0
10	51,505	0.0	53,789	0.0	54,797	0.0	55,300	0.0	56,358	0.0	56,863	0.0	59,533	0.0
10.5	52,493	0.0	54,506	4.0	55,541	1.0	56,045	5.0	57,134	5.0	57,638	4.0	60,428	6.0
11	53,481	0.0	55,222	0.0	56,286	0.0	56,789	0.0	57,909	0.0	58,413	0.0	61,324	0.0
11.5	54,469	5.0	55,939	2.0	57,031	2.0	57,534	2.0	58,685	3.0	59,189	2.0	62,220	14.0
12	55,457	4.0	56,656	4.0	57,775	10.0	58,279	5.0	59,460	8.0	59,964	8.0	63,116	46.0
Total FTE by Range		73.0		34.0		31.0		28.0		29.0		23.0		89.0
Total Master Teachers														307.0

Information taken from the negotiated agreement with the Derby National Education Association.

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## **SINGLE AUDIT SECTION**



DERBY UNIFIED SCHOOL DISTRICT NO. 260

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
(continued on next page)

Year ended June 30, 2012

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA number</u>	<u>Expenditures</u>
U.S. Department of Education:		
Direct programs:		
Impact Aid - School Assistance in Federally Affected Areas	84.041	\$ 299,681
ARRA - Impact Aid - School Construction, Recovery Act	84.041	<u>360,625</u>
Total direct programs for U.S. Department of Education		<u>660,306</u>
Department of Defense:		
Direct programs:		
Department of Defense Education Activity - Promoting Student Achievement at Schools Impacted by Military Force Changes	12.030	<u>60,653</u>
Passed Through Kansas State Department of Education:		
Department of Education:		
Elementary and Secondary Education Act:		
Title I Grants to Local Educational Agencies:		
FY 11-12	84.010	777,423
FY 11-12	84.010	93,725
Individuals with Disabilities Education Act, Part B:		
Special Education - Grants to States:		
FY 11-12	84.027	1,247,242
FY 10-11	84.027	47,609
Carl Perkins Vocational Education Act:		
Vocational Education - Basic Grants to States:		
Secondary, Postsecondary and Adult - Title II Part C:		
Program Improvement:		
FY 11-12	84.048	50,205
FY 11-12, Reserve Fund	84.048	18,000
Career and Technical Education - National Programs	84.051	7,932
Special Education - Preschool Grants	84.173	23,661
Technology Literacy Challenge FY 11-12	84.318	85,000
English Language Acquisition FY 11-12	84.365	48,217
Improving Teacher Quality State Grants - Title II Part A		
FY 11-12	84.367	202,344
FY 10-11	84.367	147,953
ARRA - Education Technology State Grants, Recovery Act	84.386	
ARRA - Title I Grants to Local Educational Agencies, Recovery Act FY 09-10	84.389	46,907
Education Jobs Fund (Ed jobs)	84.410	<u>16,106</u>
Total Department of Education passed through Kansas State Department of Education		<u>2,812,324</u>

DERBY UNIFIED SCHOOL DISTRICT NO. 260

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
(continued from previous page)

Year ended June 30, 2012

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA number</u>	<u>Expenditures</u>
Passed through Kansas Board of Regents:		
Department of Education:		
Carl Perkins Vocational Education Act:		
Vocational Education - Basic Grants to States:		
Secondary, Postsecondary and Adult - Title II Part C:		
Rigorous Plan of Study - FY 11-12, Reserve Fund	84.048	<u>37,500</u>
Department of Health and Human Services:		
Passed through the Kansas State Department of Education:		
Cooperative Agreements to Support Comprehensive School		
Health Programs to Prevent the Spread of HIV and Other		
Important Health Problems	93.938	<u>635</u>
U.S. Department of Agriculture:		
Passed Through Kansas State Department of Education:		
School Breakfast Program	10.553	217,714
National School Lunch Program	10.555	1,423,572
Special Milk Program for Children	10.556	3,837
Summer Food Service Program for Children	10.559	13,092
Team Nutrition Training - FY 09	10.574	5,200
Team Nutrition Training - FY 10	10.574	<u>700</u>
Total U.S. Department of Agriculture		<u>1,664,115</u>
Total Expenditures of Federal Awards		<u>5,235,533</u>
Kansas State Department of Education:		
Parents as Teachers FY 11-12	N/A	122,652
School Food Assistance	N/A	35,814
Mentor Teacher Program Grant	N/A	97
State Safety Program	N/A	7,426
Kansas Health Foundation - Let's Move in Kansas Schools	N/A	100
Kansas Health Foundation - KFIT Program	N/A	<u>2,250</u>
Total Expenditures of State Awards		<u>168,339</u>
Total Expenditures of Federal and State Awards		<u>\$ 5,403,872</u>

DERBY UNIFIED SCHOOL DISTRICT NO. 260

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
(continued from previous page)

Year ended June 30, 2012

Notes to the Schedule of Expenditures of Federal Awards:

1. Basis of Presentation

This schedule is presented on the modified accrual basis of accounting which is the basis used by the District to present its basic financial statements for governmental funds. Under the modified accrual basis of accounting, expenditures are generally recognized when the fund liability is incurred except that, for federal and state award reporting purposes, the on-behalf payments for retirement contributions made by the State of Kansas are not included in the above program expenditures. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



## George, Bowerman & Noel, P.A.

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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**

Board of Education  
Derby Unified School District No. 260  
Derby, Kansas

We have audited the financial statements of governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Derby Unified School District No. 260 as of and for the year ended June 30, 2012, which collectively comprise the Derby Unified School District No. 260's basic financial statements and have issued a report thereon dated January 24, 2013. 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. The financial statements of the Derby Recreation Commission were not audited in accordance with *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

Management of the Derby Unified School District No. 260 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Derby Unified School District No. 260's internal control over financial reporting as a basis for designing our auditing procedures 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 Derby Unified School District No. 260's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Derby Unified School District No. 260's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or

material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Derby Unified School District No. 260's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Derby Unified School District No. 260 in a separate letter dated January 24, 2013.

This report is intended solely for the information and use of management, the Board of Education, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*George, Bowerman & Noel, P.A.*

Wichita, Kansas  
January 24, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education  
Derby Unified School District No. 260  
Derby, Kansas

**Compliance**

We have audited Derby Unified School District No. 260's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Derby Unified School District No. 260's major federal programs for the year ended June 30, 2012. Derby Unified School District No. 260's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Derby Unified School District No. 260's management. Our responsibility is to express an opinion on the Derby Unified School District No. 260's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Derby Unified School District No. 260's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Derby Unified School District No. 260's compliance with those requirements.

In our opinion, Derby Unified School District No. 260 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

## Internal Control Over Compliance

Management of Derby Unified School District No. 260 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Derby Unified School District No. 260's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Derby Unified School District No. 260's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Education, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*George Bowerman & Noel, P.A.*

Wichita, Kansas  
January 24, 2013

DERBY UNIFIED SCHOOL DISTRICT NO. 260

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(continued on next page)

Year ended June 30, 2012

Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Derby Unified School District No. 260.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Derby Unified School District No. 260 were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report On Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Derby Unified School District No. 260 expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs included:

<u>Program Name</u>	<u>CFDA No.</u>
Child Nutrition Cluster:	
School Breakfast Program	10.553
National School Lunch Program	10.555
Special Milk Program for Children	10.556
Summer Food Service Program for Children	10.559
Title I, Part A Cluster:	
Educationally Deprived Children (Chapter I)	84.010
ARRA – Title I Grants to Local Educational Agencies, Recovery Act	84.389

**DERBY UNIFIED SCHOOL DISTRICT NO. 260**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 (continued from previous page)

Year ended June 30, 2012

<u>Program Name</u>	<u>CFDA No.</u>
Special Education Cluster (IDEA):	
Education of the Handicapped Act (Title VI Part B)	84.027
Preschool Grants	84.173
Special Education – Grants to States (IDEA, Part B), Recovery Act	84.391
Special Education – Preschool Grants (IDEA, Preschool), Recovery Act	84.392
Impact Aid Cluster:	
School Assistance in Federally Affected Areas	84.041
ARRA – Impact Aid School Construction, Recovery Act (401A)	84.041
Improving Teacher Quality State Grants	84.367

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Derby Unified School District No. 260 was not determined to be a low risk auditee.

**Findings – Financial Statement Audit**

None

**Findings and Questioned Costs – Major Federal Award Programs Audit**

None

**DERBY UNIFIED SCHOOL DISTRICT NO. 260**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Year ended June 30, 2012**

**Findings – Financial Statement Audit**

**Significant Deficiency**

**2011-1 Bank Reconciliations**

*Condition:* Monthly bank reconciliations are not performed on a timely basis and are not fully completed.

*Criteria:* Internal controls over the bank reconciliation process should be in place to provide reasonable assurance that bank reconciliations are performed on a timely basis and that all reconciling items are properly identified and resolved.

*Cause:* Internal controls over the bank reconciliation process are not being observed.

*Effect:* Because of the failure to perform monthly bank reconciliations on a timely basis and because items identified in the reconciliation process are not acted upon on a timely basis, misstatements in the financial statements may occur and not be detected on a timely basis.

*Recommendation:* Procedures should be implemented requiring the completion of monthly bank reconciliations as soon as the month end bank statements become available. Further, monthly bank reconciliations should be reviewed by management to determine the propriety of the reconciling items and whether proper action has been taken for the identified items.

*Current Status:* During 2012, the Derby Unified School District No. 260 management implemented procedures that require monthly bank reconciliations to be completed on a timely basis and management is performing a detail review of those monthly bank reconciliations. No similar findings were noted in the 2012 audit.

**Findings and Questioned Costs – Major Federal Award Programs Audit**

**Significant Deficiency**

**2011-1 Bank Reconciliations – See Findings – Financial Statement Audit**



