

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

**July 01, 2020 to June 30, 2021**

**BOARD OF EDUCATION MEMBERS**

**Andy Waktins, President  
Robin Folkerts, Vice President  
Pamela Doyle  
R. Matthew Joyce  
Justin Kippenberger  
Tina Prunier  
Mark Tillison**

**Litona Hoyt, Clerk  
John Regier, Treasurer**

**SCHOOL ADMINISTRATORS**

**Heather Bohaty, Superintendent  
Becky Moeder, Asst. Superintendent, Human Resources  
Dr. Holly Putnam-Jackson, Asst. Superintendent, Curriculum & Instruction**

**Prepared by District Administration**

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

**For the Year Ended June 30, 2021**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b><u>INTRODUCTORY SECTION</u></b>	
Director of Finance's letter of Transmittal .....	1-4
List of Principal Officials .....	5
Organizational Chart.....	6
Government Finance Officers Association Certificate of Achievement.....	7
<b><u>FINANCIAL SECTION</u></b>	
Independent Auditor's Report .....	8-9
Management's Discussion and Analysis .....	10-16
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	17
Statement of Activities .....	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	20
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	22
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – Budgetary Basis for:	
General Fund .....	23
Special Education Fund .....	24
Notes to the Financial Statements .....	25-52
Required Supplementary Information:	
Schedule of Changes in the Total OPEB Liability – Healthcare .....	53
Schedule of the Total OPEB Liability as a Percentage of Covered Employee Payroll – Healthcare.....	54
Schedule of Changes in the Total OPEB Liability – KPERS Death and Disability .....	55
Schedule of the Total OPEB Liability as a Percentage of Covered Employee Payroll – KPERS Death and Disability.....	56
Schedule of the District's Proportionate Share of the Net Pension Liability.....	57
Schedule of District's Contributions .....	58
Notes to Required Supplementary information .....	59

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

**For the Year Ended June 30, 2021**

**TABLE OF CONTENTS (continued)**

	<b><u>Page</u></b>
Supplementary Information:	
Combining Balance Sheet – General Fund.....	61
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund.....	62
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis for:	
Supplemental General Fund.....	63
Professional Development Fund .....	64
Summer School Fund.....	65
Combining Balance Sheet – Nonmajor Governmental Funds .....	68-72
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	73-77
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis for:	
At Risk 4 Year Old Fund .....	78
At Risk K-12 Fund.....	79
Bilingual Education Fund .....	80
Virtual Education Fund.....	81
Driver Training Fund.....	82
Food Service Fund .....	83
Parent Education Fund.....	84
Career and Postsecondary Education Fund.....	85
KPERs Special Retirement Contribution Fund .....	86
Special Assessment Fund.....	87
Capital Outlay Fund.....	88
Bond and Interest Fund.....	89
Recreation Fund .....	90
Recreation – Employee Benefits Fund.....	91

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

**For the Year Ended June 30, 2021  
TABLE OF CONTENTS (continued)**

STATISTICAL SECTION

Financial Trends:

Net Position by Component Governmental Activities - Last Ten Fiscal Years (accrual basis of accounting).....	92
Changes in Net Position of Governmental Activities - Last Ten Fiscal Years (accrual basis of accounting).....	93
Fund Balances of Governmental Funds -Last Ten Fiscal Years .....	94
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years (modified accrual basis of accounting).....	95

Revenue Capacity:

Assessed Value and Estimated Actual Value of Taxable Property -Last Ten Fiscal Years .....	96
Property Tax Rates Direct and Overlapping Governments - Last Ten Fiscal Years .....	97
Principal Property Taxpayers -Current Year and Nine Years Prior .....	98
Property Tax Levies and Collections -Last Ten Fiscal Years.....	99

Debt Capacity:

Ratios of Net General Bonded Debt To Assessed Value, Total Bonded Debt Per Capita and Net Bonded Debt Per Pupil – Last Ten Fiscal Years .....	100
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 .....	101
Governmental Activities of Direct and Overlapping Debt -Current Year and Nine Years Ago.....	102
Computation of Legal Debt Margin .....	103
Legal Debt Margin Information -Last Ten Fiscal Years.....	103

Demographic and Economic Information:

Demographic Statistics -Last Ten Fiscal Years.....	104-106
Principal Employers -Current Year and Nine Years Ago.....	107

Operating Information:

Staff/Student Information By Building -Last Ten Fiscal Years.....	108-111
Miscellaneous Statistics .....	112
Other Operating Statistics -Last Ten Fiscal Years .....	113
Economic Statistics -Last Ten Fiscal Years .....	114
Bachelor's Teachers Salaries Schedule and FTE By Range and Step for 2019-2020.....	115
Master's Teachers Salaries Schedule and FTE By Range and Step for 2019-2020 .....	116

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

**For the Year Ended June 30, 2021**

**TABLE OF CONTENTS (continued)**

SINGLE AUDIT SECTION

	<b><u>Page</u></b>
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 <i>Government Auditing Standards</i> .....	117-118
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	119-120
Schedule of Expenditures of Federal Awards.....	121-122
Schedule of Findings and Questioned Costs.....	123-124
Summary Schedule of Prior Audit Findings .....	125

## **INTRODUCTORY SECTION**



December 7, 2021

To the Citizens of Unified School District No. 260:

This publication is an Annual Comprehensive Financial Report (ACFR) for Unified School District No. 260 (District) for the fiscal year ended June 30, 2021. Generally Accepted Accounting Principles require that these financial statements present the District (the primary government) and its component units. A component unit is a separate entity for which the District is financially accountable or the nature and significance of the relationship between the District and entity are such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has determined that the Derby Recreation Commission meets the criteria of a component unit and the financial data of the Derby Recreation Commission is included in the financial statements as a discretely presented component unit. 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.

Swindoll, Janzen, Hawk, & Loyd, LLC, Certified Public Accountants, have issued an unmodified opinion on the District's financial statements for the year ended June 30, 2021. 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 around 7,000 students located in southern Sedgwick County. With a population of approximately 53,000 patrons inside the District boundaries, 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. Spirit AeroSystems, Inc. and Mid-Western Aircraft Systems, Inc. are the largest taxpayers located within the District's boundaries. The student population of the school district is expected to increase students each 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 15,791 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. Six of the buildings are at least 50 years old including five of the nine elementary schools. During the 2015-16 year the district opened Derby North Middle School and closed the Derby Sixth Grade Center. The District now has two grade 6-8 middle schools. The high school, the largest building in the District at over 400,000 square feet, is twenty-six years old. The District has six buildings which are used for educational support functions.

The District recently passed a bond issue for upgrading and replacing several aging facilities. A bond issue not to exceed \$114,020,000 was given approval of the community on February 20, 2018. When all projects are completed, the three oldest elementary schools will be razed or sold, with one being completely replaced at a new location and two others will have the majority of the building rebuilt on the same site. In addition, all schools will be complete with storm shelters and significant security upgrades will enhance the safety and security of students and staff. Several buildings, to include Derby High School and Derby Middle School will receive recapitalization of mechanical systems that will provide for the needs of the users for many years to come.

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

The District is the largest employer in the City of Derby, employing approximately 1,240 individuals. The City of Derby has experienced consistent growth during the past ten years. While growth in the area showed a slowing over the past few years, both housing starts and commercial development are once again on the upswing. The area continues to show population growth due to a high quality of life in the community and the relatively low taxes combined with service and retail activity that meet most everyone's needs.

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 local economy has been slower to recover in the WMSA than the national economy. Local employment has shown improvement in the WMSA. The local economy was not immune to the COVID-19 pandemic, business closures, loss of employment was common for the area. The local and state wide economy has improved over the recent months and state revenues have consistently beaten projections.

McConnell Air Force Base is one of the major air refueling wings in the United States Air Force. Since McConnell is located within the District boundaries; we continually adjust to the changing enrollment demands that mobile military communities create for local school districts. Some years, many families move into the area and some years many move on to other assignments. Due to the broad mission of McConnell, demands and needs change often and sometimes with little notice. Though it is sometimes challenging, the Derby District strives to be adaptable and work with the enrollment numbers as they change. It is one way our community can support the Readiness of our military families.

### **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. Districts raise their operating funds through a Local Option Budget (LOB) resolution. 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 2020-21 school year was at the 30% maximum, which amounted to \$14,150,908.





The State Supreme Court continues to review the equitable distribution of funds and the adequacy of funding. A ruling was made in the spring of 2018 that said the funding from the state for Capital Outlay Funds and Supplemental General Funds was not equitable or adequate. Changes were made by the legislature in these areas that affected funding for the 2018-19 school year. The State Supreme Court has issued additional rulings towards the end of the 2018-19 year that has increased funding over the next four years starting in 2019-20 school year. The enrollment for the District decreased slightly for 2020-21. The total District budget authority for 2019-20 was \$119,868,654.

### ***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 online 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 2016-17 school year, the District adopted a fourth 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. Staff members are provided in-service time 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.

USD 260 will continue to collect assessment data and share it with students, parents and the community. 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.



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

The District continues to follow the 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 District presented plans for a \$114.02 million in improvements to the Board of Education and passed by the community in February 2018.

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement to Unified School District No. 260, Derby, Kansas for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. The 37<sup>th</sup> year in a row the District has received this award. 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 ACFR 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 timely preparation of the ACFR 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 Board members for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Sincerely,

  
Heather Bohaty, Superintendent

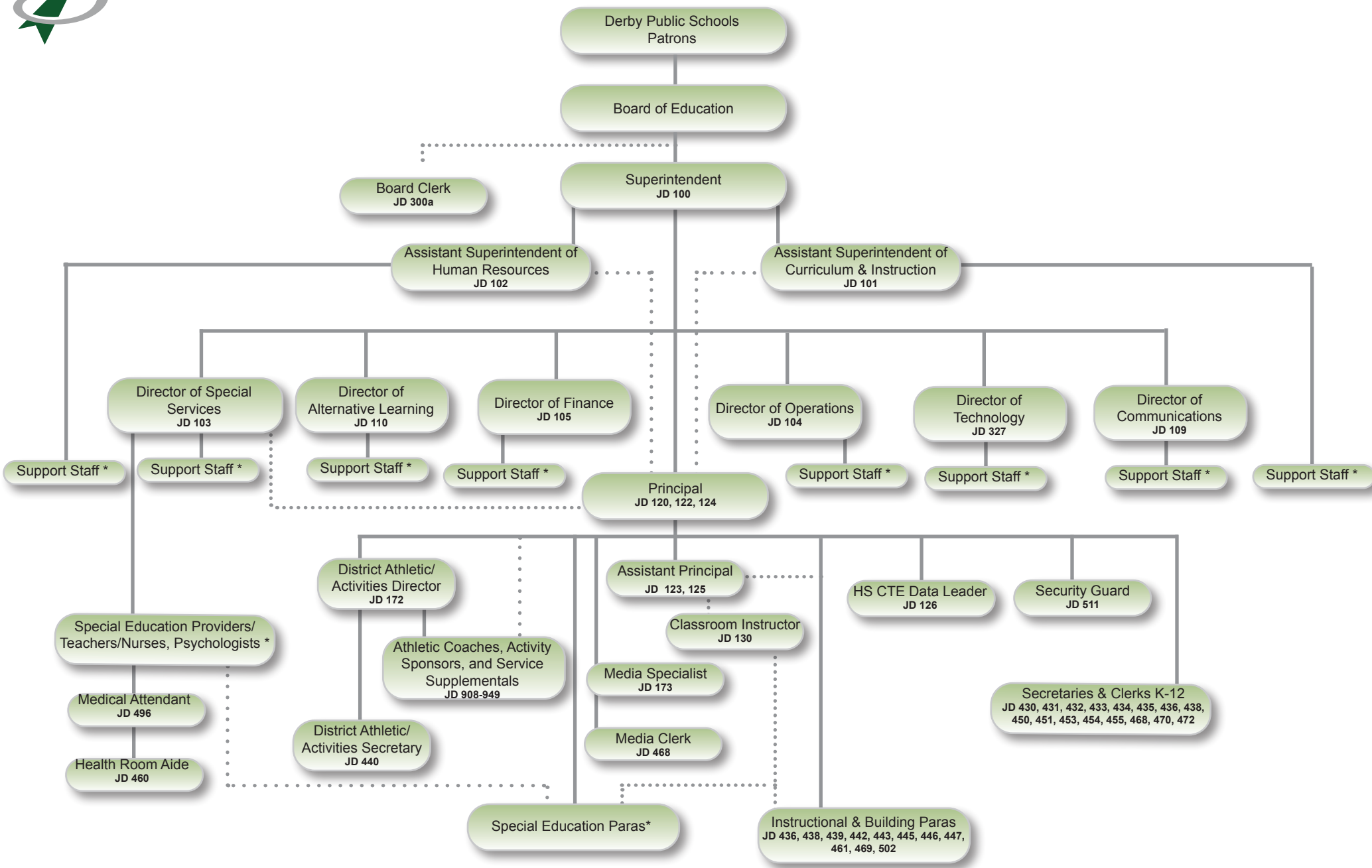
  
John Regier,  
Directors of Finance/Treasurer

  
Litona Hoyt, Clerk

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

**LIST OF PRINCIPAL OFFICIALS  
June 30, 2021**

School Board President	Andy Waktins
School Board Vice President	Robin Folkerts
School Board Member	Pamela Doyle
School Board Member	R. Matthew Joyce
School Board Member	Justin Kippenberger
School Board Member	Tina Prunier
School Board Member	Mark Tillison
Superintendent	Heather Bohaty
Asst. Supt. Human Resources	Becky Moeder
Asst. Supt. Curriculum & Instruction	Dr. Holly Putnam-Jackson
Director of Finance/Treasurer	John Regier
Director of Alternative Learning	Luan Sparks
Director of Communications	Katie Carlson
Director of Operations	Burke Jones
Director of Special Services	Nicole Seeley
Assistant Director of Special Services	Dawn Gresham
Assistant Director of Special Services	Carla Schartz
Director of Technology	Dennis Elledge
Board Clerk	Litona Hoyt



\* see department org charts



Government Finance Officers Association

Certificate of  
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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, 2020

*Christopher P. Morill*

Executive Director/CEO

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

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 the Unified School District No. 260, Derby, Kansas (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Derby Recreation Commission, which represents 100 percent, 100 percent, and 100 percent, respectively, of the assets, net position and revenues of the discretely presented component unit. Those statements were audited by an auditor whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, based on our audit and the report of the other auditor, 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 the Unified School District No. 260, Derby, Kansas, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows and the respective budgetary comparison for the General and Special Education Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Hutchinson Office**  
129 W. 2nd, Ste. A  
Hutchinson, KS 67504  
620.662.3358

**McPherson Office**  
123 S. Main  
McPherson, KS 67460  
620.241.1826

**Newton Office**  
3179 North Main Ste. A  
North Newton, KS 67117  
316.282.9905

**Wichita Office**  
220 W. Douglas, Ste. 300  
Wichita, KS 67202  
316.265.5600

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, other post-employment benefits other than pensions, the schedule of the District's proportionate share of the net pension liability, the schedule of the District's contributions, and the notes to the required supplementary information 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 and the other auditor, 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual general and nonmajor fund financial statements and schedules and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual general and nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Swindoll, Janzen, Hawk & Loyd, LLC*  
Swindoll, Janzen, Hawk & Loyd, LLC  
Hutchinson, Kansas  
December 7, 2021

**Unified School District No. 260, Derby, Kansas**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021

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, 2021. 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 financial reporting as prescribed by the Governmental Accounting Standards Board (GASB). 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 2020-2021, the Derby Unified School District would experience another year of increases in the cost for special education. The District continues to rely upon the General Fund and Local Option Budget (LOB) to provide funding for these increases.

**USING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)**

This Annual Comprehensive 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, deferred outflows of resources, liabilities, and deferred inflows of resources 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 revenues and expenses regardless of when cash is received or paid.

The first of the district-wide statements is the Statement of Net Position. The Statement of Net Position presents balance information for the entire District operations at a given point in time (June 30, 2021). 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 Position reports total net position of \$6.2 million deficit, 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 position to change from the prior year to the amount reported on the Statement of Net Position as of June 30, 2021. This statement answers the question, "How did we do financially during fiscal year 2021?" This change in net position is important because it tells the reader that, for the school district, the financial position has improved or diminished. The statement for 2021 indicates a decrease of \$1.09 million 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,
- the unfunded Kansas Public Employees Retirement System pension liability,
- the unfunded Other Pension Employee Benefits liabilities,
- 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 Position 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 position 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 the fund statements differ from the district-wide statements (Statement of Net Position and Statement of Activities) by excluding the following:

- cost of capital assets less accumulated depreciation,
- deferred outflows of resources related to pension and OPEB liabilities,
- long-term liabilities and,
- deferred inflows of resources related to pension and OPEB 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 Position.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's total net position was \$(6,209,177) on June 30, 2021.

DERBY UNIFIED SCHOOL DISTRICT NO. 260'S NET POSITION

	<u>2021</u>	<u>2020</u>	Change Increase (Decrease)
Current and other assets	\$ 53,364,464	\$ 94,149,778	\$ (40,785,314)
Capital assets, net	<u>178,236,772</u>	<u>142,613,963</u>	<u>35,622,809</u>
Total assets	<u>231,601,236</u>	<u>236,763,741</u>	<u>(5,162,505)</u>
Deferred outflows of resources	<u>37,941,717</u>	<u>21,213,914</u>	<u>16,727,803</u>
Long-term liabilities	268,581,605	251,080,079	17,501,526
Other liabilities	<u>4,267,090</u>	<u>6,716,341</u>	<u>(2,449,251)</u>
Total liabilities	<u>272,848,695</u>	<u>257,889,228</u>	<u>14,959,467</u>
Deferred inflows of resources	<u>2,903,435</u>	<u>5,294,472</u>	<u>(2,391,037)</u>
Net position:			
Net investment in capital assets	28,911,095	28,018,137	892,958
Restricted for capital projects	23,486,949	13,238,501	10,248,448
Restricted for debt service	8,852,994	7,843,981	1,009,013
Restricted for educational purposes	12,059,477	9,019,434	3,040,043
Unrestricted	<u>(79,519,692)</u>	<u>(63,233,290)</u>	<u>(16,286,402)</u>
Total net position	<u>\$ (6,209,177)</u>	<u>\$ (5,113,237)</u>	<u>\$ (1,095,940)</u>

The most significant changes from the preceding year include:

- Increase in capital assets due to new construction.
- Increase in long term liabilities due to two bond re-financings.
- Changes in net assets are primarily from the effects of the above activities on their respective net asset categories.

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

	2021	2020	Change Increase (Decrease)
Revenues:			
Charges for services	\$ 30,760,198	\$ 3,353,130	\$ 27,407,068
Operating grants and contributions	27,866,176	23,183,951	4,682,225
General revenues:			
Property taxes levied for:			
General purposes	10,537,926	6,938,228	3,599,698
Debt service	8,229,903	7,913,588	316,315
Capital outlay	3,989,819	3,937,068	52,751
Grants and entitlements not restricted to specific programs	47,128,111	46,120,419	1,007,692
Investment earnings	148,262	2,863,048	(2,714,786)
Total revenues	<u>128,660,395</u>	<u>94,309,432</u>	<u>34,350,963</u>
Expenses:			
Instruction	93,374,750	44,102,860	49,271,890
Student support services	6,179,960	5,520,317	659,643
Instructional support services	2,198,795	2,042,131	156,664
General administration	1,825,799	1,621,967	203,832
School administration	4,205,785	3,918,312	287,473
Operations and maintenance	3,128,945	1,655,449	1,473,496
Central support services	9,656,491	7,509,467	2,147,024
Student transportation services	2,278,031	2,163,150	114,881
Other support services	454,201	458,614	(4,413)
Food service operations	3,818,868	3,585,931	232,937
Community service operations	145,000	145,024	(24)
Recreation	-	-	-
Interest on long-term debt	1,341,664	5,924,004	(4,582,340)
Appropriations	<u>3,718,822</u>	<u>-</u>	<u>3,718,822</u>
Total expenses	<u>132,327,111</u>	<u>78,647,226</u>	<u>53,679,885</u>
Increase (decrease) in net position	<u>(3,666,716)</u>	<u>15,662,206</u>	<u>(19,328,922)</u>
Net position at July 1, as previously reported	(2,542,461)	(20,019,620)	17,477,159
Prior period adjustments	<u>-</u>	<u>(755,823)</u>	<u>755,823</u>
As restated	<u>(2,542,461)</u>	<u>(20,775,443)</u>	<u>18,232,982</u>
Net position at June 30	<u>\$ (6,209,177)</u>	<u>\$ (5,113,237)</u>	<u>\$ (1,095,940)</u>

Note: The 2020 ending net position does not agree to 2021's beginning net position due to the implementation of GASB 84. See Note 1 Summary of Significant Accounting Policies, Implementation of New Standard.

The most significant changes from the preceding year include:

- Property taxes levied – Property taxes overall increased approximately \$3.97 million. This is due to the new reporting structure and now including the Derby Recreation and Derby Recreation Employee Benefits make up the bulk of the increase (3.92 million). Other increases would be due to high realization of tax levies.

- Charges for Services – Due to a change in reporting structure, payroll deductions are not reported underneath charges for services, which is the reason for the bulk of the large increase.
- Investment earnings – The 2018 bond issue proceeds were put into an investment account at the end of the FY 2018. By the end of the 2021 year all investments had matured as the projects wind down, which caused the decrease in investment income.
- Instruction expense increased from prior year \$49.3 million. The bulk of that is due to the change in reporting structure that was offset by the charges for services. Other reasons for increase are is the construction in progress for instructional buildings, additional state aid being expensed out, additional Grant money made available from the COVID-19 that Derby used for various sources.
- Interest on long term debt – Two refunding's this year allowed this amount to be lessor due to savings on future payments.
- Appropriations – A new line this year due to the structure of reporting change, this is set aside for the amount that was issued to the Derby Recreation and Derby Recreation Employee Benefits fund made up entirely of tax levy dollars.

### DISTRICT FUNDS

As the District completed the year, its governmental funds reported combined fund balances of \$50 million. This is a decrease of \$38.5 million from FY 20.

#### DERBY UNIFIED SCHOOL DISTRICT No. 260'S CHANGES IN FUND BALANCE

Governmental Funds	2021	2020	Change Increase (Decrease)
General	\$ 7,103,245	\$ 4,205,851	\$ 2,897,394
Special Education	1,634,089	1,228,896	405,193
Debt Service	8,852,994	7,843,981	1,009,013
Capital Outlay	4,875,550	5,514,033	(638,483)
2018 Bond Project	21,691,112	66,168,430	(44,477,318)
Other Governmental Funds	5,874,482	3,606,608	2,267,874
Total Governmental Fund balances	<u>\$ 50,031,472</u>	<u>\$ 88,567,799</u>	<u>\$ (38,536,327)</u>

### General Fund

The School District's budget is prepared according to Kansas State Statutes and is based on the statutory basis of accounting, modified further by the encumbrance method of accounting. The most significant budgeted fund is the General Fund.

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. Management may amend the amount of a specific object or purpose appropriation without obtaining authorization from the Board of Education, providing the amendments or transfers do not create a total budgeted expenditure amount for a specific fund in excess of the amount originally adopted by the Board of Education.

The District's total General fund budget was not amended in FY 21. However, the final legal maximum budget was reduced by \$1,916,653 to match funding weightings to audited amounts.

The District's ending unobligated cash balance in the General fund was \$0, the same as the final budgeted fund balance amount.

### Special Education Fund

The Special Education fund balance remained stable FY 21, with a moderate increase of \$405,193. The ending fund balance will enable the District to fund the program until state aid is received in October. Since Special Education is a special revenue fund, all fund balances are restricted for special education purposes.

### Debt Service Fund

The Debt Service restricted fund balance of \$8.8 million is available only to make principal and interest payments on the long-term debt obligations of the District, as authorized by the various bond elections. The fund balance increased by \$1,009,013 to a total fund balance of \$8.8 million. This increase is due to the increase in state aid and property tax levied. The mill levy increase from 7.478 in FY 18 to 16.706 in FY 20 to fund future debt obligations resulting from the 2018 and 2019 bond issues. The entire fund balance on June 30, 2021 is restricted for payment of bond principal, interest, and issuance costs.

### Capital Outlay Fund

The District has the authority to levy up to 8 mills in the Capital Outlay fund. The District levied 8 mills during the FY 21 year to take full advantage of the state aid.

Capital Outlay Fund expenditures exceeded revenues by \$636,483 due to additional needs of from the bond project needing to come out of Capital Outlay.. resulting in an ending balance of \$4.8 million primarily for projects related to facility improvement, utility equipment updates, and technology purchases for student learning opportunities.

### 2018 Bond Project Fund

Interest earnings on the bond investments totaled \$146,396 during 2021. The bond project expenditures incurred during 2021 were related to construction of \$44,928,431 resulting in an ending fund balance of \$21,691,112. The entire fund balance is restricted for the construction related project expenditures.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the fiscal 2020 and 2021 years, the District had a net investment of \$142.6 million and \$178.2 million respectively invested in land, buildings, vehicles, artwork and equipment. Continued increases are expected as construction and remodeling projects under the 2018 bond issues are completed.

#### DERBY UNIFIED SCHOOL DISTRICT No. 260'S CAPITAL ASSETS - NET OF DEPRECIATION

	2021	2020	Change Increase (Decrease)
Land	\$ 7,467,952	\$ 3,990,923	\$ 3,477,029
Buildings and improvements	93,619,993	72,591,075	21,028,918
Improvements other than buildings	2,495,479	2,808,332	(312,853)
Furniture and equipment	10,405,548	5,876,724	4,528,824
Construction work in process	64,247,800	57,346,909	6,900,891
Total capital assets - net of depreciation	<u>\$ 178,236,772</u>	<u>\$ 142,613,963</u>	<u>\$ 35,622,809</u>

Further information on capital assets can be found in the notes to the financial statements, Note 4 (Capital Assets).

### Long-term Debt

Kansas statutes limit the amount of outstanding indebtedness. The District has \$174.2 million outstanding (subject to the debt limit) on June 30, 2021.

#### DERBY UNIFIED SCHOOL DISTRICT No. 260'S Outstanding Debt, at End of Year

	2021	2020	Change Increase (Decrease)
Series 2012	\$ 5,630,000	\$ 20,495,000	\$ (14,865,000)
Series 2014	2,200,000	2,405,000	(205,000)
Series 2016 Refunding	28,960,000	29,060,000	(100,000)
Series 2018	68,600,000	107,675,000	(39,075,000)
Series 2019	5,980,000	6,150,000	(170,000)
Series 2020-A	13,340,000	-	13,340,000
Series 2020-B	49,555,000	-	49,555,000
Total outstanding debt	<u>\$ 174,265,000</u>	<u>\$ 165,785,000</u>	<u>\$ 8,480,000</u>

The change in outstanding debt is a result of the normal annual bond payments. Further information on long-term debt can be found in the notes to the financial statements, Note 5 (Long-term Debt).

### 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, 1550 E Walnut Grove Rd., Derby, Kansas 67037.

## **BASIC FINANCIAL STATEMENTS**

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**



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

**Statement of Net Position  
For the Year Ended June 30, 2021**

	Governmental Activities	Component unit
<b>Assets</b>		
Cash, cash equivalents and investments	\$ 49,408,603	\$ 4,331,202
Receivables:		
Accrued interest	105,701	-
Property taxes	564,288	-
State aid	3,140,615	-
Federal aid	140,973	-
Other	4,284	26,552
Capital assets:		
Nondepreciable - land, construction in progress, other	71,715,752	-
Other capital assets, net of accumulated depreciation	106,521,020	9,343,619
Total assets	<u>231,601,236</u>	<u>13,701,373</u>
<b>Deferred outflows of resources</b>		
Deferred charge on refunding	17,841,959	-
Pension contributions subsequent to the measurement date	6,597,330	-
Deferred outflows relating to pensions	13,080,015	585,023
Deferred outflows relating to other post employment benefits - healthcare	190,584	-
Deferred outflows relating to other post employment benefits - KPERS	231,829	-
Total deferred outflows of resources	<u>37,941,717</u>	<u>585,023</u>
<b>Liabilities</b>		
Accounts payable	1,014,723	266,553
Accrued salaries and wages payable	1,753,980	122,779
Accrued interest payable	1,498,387	13,152
Noncurrent liabilities:		
Due within one year	9,509,438	403,631
Due in more than one year	259,072,167	6,828,360
Total liabilities	<u>272,848,695</u>	<u>7,634,475</u>
<b>Deferred inflows of resources</b>		
Deferred inflows for property taxes receivable	564,288	-
Deferred inflows relating to pensions	1,721,563	133,180
Deferred inflows relating to other post employment benefits - healthcare	493,727	-
Deferred inflows relating to other post employment benefits - KPERS	123,857	-
Total deferred inflows of resources	<u>2,903,435</u>	<u>133,180</u>
<b>Net Position:</b>		
Net investment in capital assets	28,911,095	4,013,619
Restricted for:		
Instruction and support services	9,655,812	-
Facilities and capital projects	23,486,949	-
Debt service	8,852,994	-
Special education	1,634,089	-
Nutrition services	769,576	-
Employee benefits	-	27,067
Unrestricted	<u>(79,519,692)</u>	<u>2,478,055</u>
Total net position	<u>\$ (6,209,177)</u>	<u>\$ 6,518,741</u>

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

**Statement of Activities  
June 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Total Governmental Activities	Component Unit
Governmental Activities:						
Instruction	\$ 93,374,750	\$ 30,233,085	\$ 11,418,709	\$ -	\$ (51,722,956)	\$ -
Student support services	6,179,960	156,727	3,748,917	-	(2,274,316)	-
Instructional support services	2,198,795	-	676,037	-	(1,522,758)	-
General administration	1,825,799	-	1,304,158	-	(521,641)	-
School administration	4,205,785	-	(586,805)	-	(4,792,590)	-
Central support services	3,128,945	-	1,278,102	-	(1,850,843)	-
Operations and maintenance	9,656,491	268,011	3,146,475	-	(6,242,005)	-
Student transportation services	2,278,031	-	111,674	-	(2,166,357)	-
Other support services	454,201	-	27,820	-	(426,381)	-
Food service operations	3,818,868	102,375	4,038,303	-	321,810	-
Community service operations	145,000	-	(3,627)	-	(148,627)	-
Interest on long-term debt	1,341,664	-	2,706,413	-	1,364,749	-
Intergovernmental:						
Appropriations	3,718,822	-	-	-	(3,718,822)	-
Total Governmental Activities	<u>\$ 132,327,111</u>	<u>\$ 30,760,198</u>	<u>\$ 27,866,176</u>	<u>\$ -</u>	<u>(73,700,737)</u>	<u>-</u>
Component Unit:						
Derby Recreation Commission	<u>\$ 5,867,888</u>	<u>\$ 2,147,724</u>	<u>\$ 45,493</u>	<u>\$ -</u>	<u>-</u>	<u>(3,674,671)</u>
General Revenues and Transfers:						
General Revenues:						
Property taxes levied for:						
General purposes					10,537,926	2,744,789
Debt service					8,229,903	-
Capital outlay					3,989,819	-
Employee benefits					-	974,032
State aid not restricted to specific purposes					47,128,111	-
Investment earnings					148,262	7,746
Total general revenues and transfers					<u>70,034,021</u>	<u>3,726,567</u>
Change in net position					<u>(3,666,716)</u>	<u>51,896</u>
Net position (deficit) at beginning of year:					<u>(2,542,461)</u>	<u>6,466,845</u>
Net position at end of year					<u>\$ (6,209,177)</u>	<u>\$ 6,518,741</u>

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

## **FUND FINANCIAL STATEMENTS**

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

**Balance Sheet - Governmental Funds  
June 30, 2021**

	General	Special Education	Debt Service	Capital Outlay	2018 Bond Project	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>							
Cash, cash equivalents and investments	\$ 6,705,737	\$ 391,791	\$ 8,852,994	\$ 5,402,272	\$ 21,676,670	\$ 6,379,139	\$ 49,408,603
Accrued interest receivable	-	-	-	-	105,701	-	105,701
Property taxes receivable	161,358	-	202,408	95,543	-	104,979	564,288
State aid receivable	3,140,615	-	-	-	-	-	3,140,615
Federal receivable	-	-	-	-	-	140,973	140,973
Other receivable	4,283	-	-	-	-	-	4,283
Due from other funds	-	1,548,540	-	-	-	-	1,548,540
<b>Total assets</b>	<b>\$ 10,011,993</b>	<b>\$ 1,940,331</b>	<b>\$ 9,055,402</b>	<b>\$ 5,497,815</b>	<b>\$ 21,782,371</b>	<b>\$ 6,625,091</b>	<b>\$ 54,913,003</b>
<b>Liabilities:</b>							
Accounts payable	\$ 291,577	\$ 10,638	\$ -	\$ 526,722	\$ 91,259	\$ 94,527	\$ 1,014,723
Accrued salaries & wages payable	1,163,808	295,604	-	-	-	294,568	1,753,980
Due to other funds	1,292,005	-	-	-	-	256,535	1,548,540
<b>Total liabilities</b>	<b>2,747,390</b>	<b>306,242</b>	<b>-</b>	<b>526,722</b>	<b>91,259</b>	<b>645,630</b>	<b>4,317,243</b>
<b>Deferred Inflows of Resources:</b>							
Property taxes receivable	161,358	-	202,408	95,543	-	104,979	564,288
<b>Total deferred inflows of resources</b>	<b>161,358</b>	<b>-</b>	<b>202,408</b>	<b>95,543</b>	<b>-</b>	<b>104,979</b>	<b>564,288</b>
<b>Fund Balances:</b>							
Restricted	-	-	8,852,994	-	21,192,647	4,488,351	34,533,992
Committed	4,573,958	1,633,745	-	4,273,008	-	1,355,614	11,836,325
Assigned	7,465	344	-	602,542	498,465	-	1,108,816
Unassigned	2,521,822	-	-	-	-	30,517	2,552,339
<b>Total fund balances</b>	<b>7,103,245</b>	<b>1,634,089</b>	<b>8,852,994</b>	<b>4,875,550</b>	<b>21,691,112</b>	<b>5,874,482</b>	<b>50,031,472</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 10,011,993</b>	<b>\$ 1,940,331</b>	<b>\$ 9,055,402</b>	<b>\$ 5,497,815</b>	<b>\$ 21,782,371</b>	<b>\$ 6,625,091</b>	<b>\$ 54,913,003</b>

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

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

**Reconciliation of the Balance Sheet of Governmental Funds  
To the Statement of Net Position  
June 30, 2021**

Total Governmental Fund Balances		\$ 50,031,472
Amounts reported for governmental activities in the statement of net position 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):		
Cost	\$ 254,541,650	
Accumulated depreciation	<u>(76,304,877)</u>	
		178,236,773
Deferred outflows of resources related to unamortized refunding bond costs are not due as a payable in the current period and therefore are not reported as liabilities in the funds		17,841,959
Pension contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position		19,677,345
Pension fundings are reported as a revenue in the funds and as a deferred inflows of resources in the governmental activities in the statement of net position		(1,721,563)
Other than pension benefits (OPEB) payments are reported as expenditures in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position		422,413
Other than pension benefits (OPEB) funding are reported as a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position		(617,584)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable	1,498,387	
Compensated absences payable	593,445	
Other postemployment benefits payable - healthcare	2,158,546	
Other postemployment benefits payable - KPERS	912,380	
Early retirement payable	8,259,436	
Net pension liability payable	70,166,826	
General obligation bonds payable	174,265,000	
Unamortized premium on general obligation bonds	6,666,107	
Capital lease obligations payable	<u>5,559,865</u>	
		<u>(270,079,992)</u>
Net Position of Governmental Activities		<u>\$ (6,209,177)</u>

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

**Statement of Revenues, Expenditures and Changes  
In Fund Balances - Governmental Funds  
Year Ended June 30, 2021**

	General	Special Education	Debt Service	Capital Outlay	2018 Bond Project	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Taxes	\$ 6,612,539	\$ -	\$ 8,226,351	\$ 3,989,819	\$ -	\$ 3,925,383	\$ 22,754,092
State aid	36,178,465	9,791,430	2,706,413	1,591,559	-	15,084,492	65,352,359
Federal aid	142,925	2,413,094	-	61,254	-	6,896,903	9,514,176
Charges for services	156,727	12,123	-	-	-	785,305	954,155
Earnings on investments	-	-	-	1,866	146,396	-	148,262
Contributions	-	-	-	-	-	41,956	41,956
Other	28,859,611	79,390	3,552	536,022	-	416,820	29,895,395
<b>Total revenues</b>	<b>71,950,267</b>	<b>12,296,037</b>	<b>10,936,316</b>	<b>6,180,520</b>	<b>146,396</b>	<b>27,150,859</b>	<b>128,660,395</b>
<b>Expenditures:</b>							
<b>Current:</b>							
Instruction	53,178,367	8,260,618	-	3,339,758	-	13,307,375	78,086,118
Student support services	2,217,153	2,537,435	-	45,127	-	1,027,623	5,827,338
Instructional support services	1,702,058	-	-	-	-	359,297	2,061,355
General administration	1,100,063	494,930	-	-	-	133,128	1,728,121
School administration	3,509,129	-	-	3,060	-	406,711	3,918,900
Central support services	1,142,016	-	-	163,452	-	1,753,077	3,058,545
Operation and maintenance	6,636,408	2,610	-	1,456,340	1,063,917	440,979	9,600,254
Student transportation services	1,146,535	550,287	-	655,061	-	262,534	2,614,417
Other support services	366,429	44,964	-	56,205	-	(18,047)	449,551
Food service operation	-	-	-	-	-	3,752,708	3,752,708
Community service operations	145,000	-	-	-	-	-	145,000
Architectural and engineering services	-	-	-	-	-	219,267	219,267
Site maintenance	-	-	-	900,000	9,414,131	-	10,314,131
<b>Intergovernmental:</b>							
Appropriations	-	-	-	-	-	3,718,822	3,718,822
<b>Capital Outlay:</b>							
Facilities acquisition and construction	-	-	-	200,000	34,450,383	-	34,650,383
<b>Debt service:</b>							
Principal	-	-	3,785,000	-	-	-	3,785,000
Interest and other charges	-	-	6,142,303	-	-	-	6,142,303
<b>Total expenditures</b>	<b>71,143,158</b>	<b>11,890,844</b>	<b>9,927,303</b>	<b>6,819,003</b>	<b>44,928,431</b>	<b>25,363,474</b>	<b>170,072,213</b>
<b>Revenues over (under) expenditures</b>	<b>807,109</b>	<b>405,193</b>	<b>1,009,013</b>	<b>(638,483)</b>	<b>(44,782,035)</b>	<b>1,787,385</b>	<b>(41,411,818)</b>
<b>Other Financing Sources (Uses):</b>							
Issuance of debt	-	-	-	-	63,090,000	-	63,090,000
Premium on bond issuance	-	-	-	-	(393,962)	-	(393,962)
Payment to refunded bonds escrow agent	-	-	-	-	(62,391,321)	-	(62,391,321)
Capital lease	-	-	-	4,105,124	-	-	4,105,124
Capital lease acquisition	-	-	-	(4,105,124)	-	-	(4,105,124)
Transfers in	441,670	-	-	-	-	-	441,670
Transfers out	(441,670)	-	-	-	-	-	(441,670)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>304,717</b>	<b>-</b>	<b>304,717</b>
<b>Net change in fund balances</b>	<b>807,109</b>	<b>405,193</b>	<b>1,009,013</b>	<b>(638,483)</b>	<b>(44,477,318)</b>	<b>1,787,385</b>	<b>(41,107,101)</b>
<b>Fund balances, beginning year</b>	<b>6,296,136</b>	<b>1,228,896</b>	<b>7,843,981</b>	<b>5,514,033</b>	<b>66,168,430</b>	<b>4,087,097</b>	<b>91,138,573</b>
<b>Fund balances, end of year</b>	<b>\$ 7,103,245</b>	<b>\$ 1,634,089</b>	<b>\$ 8,852,994</b>	<b>\$ 4,875,550</b>	<b>\$ 21,691,112</b>	<b>\$ 5,874,482</b>	<b>\$ 50,031,472</b>

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

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

**Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2021**

Net Change in Fund Balances - Total Governmental Funds		\$ (41,107,101)
Amounts reported for governmental activities in the statement of net position 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 outlays	\$ 47,598,572	
Depreciation	<u>(7,289,993)</u>	
Excess capital outlays over depreciation		40,308,579
In the statement of activities, the loss on the disposition of capital assets is reported as a functional expense whereas, in the governmental funds statement a loss on disposition of capital assets is not reported		
		(4,685,769)
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due		
		115,258
Pension contributions is an expenditure in the governmental funds but reduces the net pension liability in the statement of net position. Additionally, the effect of changes in deferred outflows and inflows for pensions are only recorded in the statement of activities.		
		(2,340,399)
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 payments	(8,480,000)	
Capital lease obligation payments	<u>(2,639,216)</u>	
Total payments on long-term liabilities		(11,119,216)
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	(1,017,923)	
Compensated absences payable	15,539	
Other postemployment benefits payable - healthcare, including deferred outflows and inflows	(46,473)	
Other postemployment benefits payable - KPERS, including deferred outflows and inflows	(522,092)	
Unamortized bond refunding costs	12,349,637	
Amortization of premium on issuance of general obligation bonds	<u>4,383,244</u>	
Total other expenses		<u>15,161,932</u>
Change in Net Position of Governmental Activities		<u>\$ (3,666,716)</u>

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

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
General Fund  
Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
State aid	\$ 48,571,019	\$ 46,654,366	\$ 46,686,441	\$ 32,075
Federal aid	175,000	175,000	142,925	(32,075)
Miscellaneous	-	751,976	751,976	-
Total revenues	48,746,019	47,581,342	47,581,342	-
Expenditures and encumbrances:				
Instruction	22,978,287	22,978,287	22,678,657	(299,630)
Student support services	1,777,039	1,777,039	1,734,417	(42,622)
Instructional support services	488,177	488,177	411,702	(76,475)
General administration	166,644	166,644	23,225	(143,419)
School administration	3,283,806	3,283,806	3,358,750	74,944
Central support services	676,923	676,923	561,468	(115,455)
Operation and maintenance	789,904	789,904	389,786	(400,118)
Student transportation services	1,173,712	1,173,712	1,002,623	(171,089)
Other support services	474,461	474,461	337,605	(136,856)
Community service operations	-	-	145,000	145,000
Transfers out	16,937,066	16,937,066	16,938,109	1,043
Total expenditures and encumbrances	48,746,019	48,746,019	47,581,342	(1,164,677)
Adjustment to legal maximum budget	-	(1,916,653)	-	1,916,653
Adjustment for other reimbursed expenses	-	751,976	-	(751,976)
Total expenditures and transfers subject to budget	48,746,019	47,581,342	47,581,342	-
Revenues over (under) expenditures and encumbrances	-	-	-	-
Unencumbered cash, beginning of year	-	-	-	-
Unencumbered cash, end of year	\$ -	\$ -	\$ -	\$ -
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	-
Separately budgeted general fund subfunds:				
Supplemental General, including \$25,882 of encumbrances			586,917	
Professional Development, including \$714 of encumbrances			148,108	
Summer School			3,380	
Non-budgeted general fund subfunds:				
Contingency Reserve			3,835,551	
Latchkey Program, including \$10,398 of encumbrances			81,514	
Payroll deductions			2,442,883	
sales tax payable			-	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			4,892	
GAAP fund balance, end of year			\$ 7,103,245	

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



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

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Special Education Fund  
Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
State aid	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Federal aid	2,203,686	2,203,686	2,413,094	209,408
Charges for services	-	-	12,123	12,123
Miscellaneous	35,000	35,000	79,390	44,390
Transfers in	9,799,855	9,799,855	9,791,429	(8,426)
Total revenues	12,063,541	12,063,541	12,296,036	232,495
Expenditures and encumbrances:				
Instruction	8,816,834	8,816,834	8,260,797	(556,037)
Student support services	2,465,476	2,465,476	2,537,435	71,959
Instructional support services	10,872	10,872	-	(10,872)
General administration	530,921	530,921	494,970	(35,951)
School administration	276,661	276,661	-	(276,661)
Operation and maintenance	-	-	2,622	2,622
Student transportation services	884,658	884,658	550,319	(334,339)
Other support services	306,936	306,936	44,964	(261,972)
Total expenditures and encumbrances	13,292,358	13,292,358	11,891,107	(1,401,251)
Revenues over (under) expenditures and encumbrances	(1,228,817)	(1,228,817)	404,929	1,633,746
Unencumbered cash, beginning of year	1,228,817	1,228,817	1,228,815	(2)
Unencumbered cash, end of year	\$ -	\$ -	\$ 1,633,744	\$ 1,633,744
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 1,633,744	
Encumbrances			345	
GAAP fund balance, end of year			\$ 1,634,089	

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

## **NOTES TO FINANCIAL STATEMENTS**

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

**Notes to the Financial Statements**

**June 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Derby Unified School District No. 260 (the District) is a Kansas school district governed by an elected seven-member board. As required by generally accepted accounting principles in the United States of America (GAAP), 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 column in the government-wide financial statements (see note below for description) includes 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 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 accounting principals generally accepted in the United States of America as applied to governmental units. The *Governmental Accounting Standards Board* (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant accounting policies of the District are described here-in.

The District's basic financial statements include both government-wide, including a statement of net position 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 position and the statement of activities display information about the District as a whole. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. 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.

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

### **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. Expenditures in the financial statements are grouped by function. The following are descriptions of the District's functions;

Instruction - activities dealing directly with the interaction between teachers and students, and contracted instructional services.

Student support services - Activities designed to assess and improve the well-being of students and to supplement the teaching process.

Instructional support services - Activities associated with assisting the instructional staff with the content and process of providing learning experiences for students.

General administration - Activities concerned with establishing and administering policy for operating the school

School administration - Activities concerned with overall administrative responsibility for a school.

Central support services - Activities concerned with supporting other administrative and instructional functions including fiscal services, human resources, planning, and administrative information technology.

Operations and maintenance - Activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the groups, buildings, and equipment in effective working condition.

Student transportation services - Activities concerned with conveying students to and from school, as provided by state and federal law.

Other support services - All other support services not classified elsewhere.

Food services operations - Activities concerned with providing food to students and staff in the school district.

Community service operations - Activities concerned with providing community services to students, staff, or other community participants.

Architectural and engineering services - The activities of architects and engineers related to acquiring and improving sites and buildings for those preliminary activities that may or may not result in additions to the school district's

Facilities acquisition and construction - Activities concerned with acquiring land and buildings, remodeling buildings, constructing buildings and additions to buildings, initially installing or extending service systems and other built-in equipment, and improving sites.

Debt service - Activities relating to servicing the long-term debt of the school district, including payments of both principal and interest.

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.

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

### **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, as are the proprietary funds and fiduciary fund financial statements, except for agency funds, which have no measurement focus. All assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources associated with the operation of the District are included on the statement of net position. 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be 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 revenues to be available 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal 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 - the General Fund is the District's primary operating fund.

Special Education Fund - used to account for programs which deliver educational services to special needs students. Major resources include federal and state aid are restricted for this purpose.

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.

2018 Bond Project Fund - used to account for the proceeds and redemption of the general obligation bonds issued April 21, 2018 in the principal amount of \$2,000,000; \$107,775,000 issued May 21, 2018; and \$6,150,000 issued May 1, 2019 that were approved by the voters in the District on February 20, 2018. The proceeds of the bonds are being used to (a) construct, equip and furnish additions to and make renovations and other improvements, including storm shelters, to existing District facilities: Tanglewood Elementary, Derby Hills Elementary, Park Hill Elementary, Swaney Elementary, El Paso Elementary, Wineteer Elementary, Derby Middle School and Derby High School for enhanced safety and security, improved teaching and learning environments, educational and building operating efficiencies, and ADA and other code compliance; (b) construct, equip and furnish a new 3-section Elementary School within the District; (c) construct, equip and furnish a new District facility for Education Support Services/Special Services/Administration and Storm Shelter to be located at the Tanglewood Elementary site; (d) demolish portions and construct, equip, and furnish replacement additions to the existing Oaklawn Elementary and Cooper Elementary Schools within the District; (e) remodel and make needed improvements to the District Maintenance and Transportation Buildings; (f) make needed improvements to District Athletic facilities; (g) make all other necessary improvements appurtenant thereto; and (h) pay the costs of issuance and interest on the general obligation bonds of the District issued to finance the project during the construction thereof.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

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. They also include the Recreation Commission funds as these are not the District's monies, but act as the tax levying and collection entity on the Recreation Commission's behalf. These funds are then remitted to the Recreation Commission.

### **Cash, cash equivalents and investments**

Cash resources of the individual funds (except for the proceeds of general obligation bonds, which are separately invested) are combined to form a pool of cash and temporary investments that are managed by the District Treasurer. Investments of the pooled accounts consist primarily of certificates of deposits. Interest income earned is allocated to various funds based upon statutory requirements detailed in K.S.A. 72-5166. Restricted cash and investments include the unspent proceeds from general obligation bond issues.

For purposes of the statement of cash flows, the District considers all investments by fund in the District's cash and investment pool to be cash equivalents.

K.S.A. 12-1675 authorizes the District to invest moneys not regulated by other statutes in: savings deposits, time deposits, certificates of deposit with maturities not more than two years, repurchase agreements consisting of obligations insured by the U.S. government or any agency thereof, direct obligations of or obligations that are insured by the United States or any agency thereof, and the Kansas Municipal Investment Pool.

District investments are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District uses the fair value hierarchy established by Generally Accepted Accounting Principles which require an entity to maximize the use of observable inputs when measuring fair value.

Investments of proceeds of long-term debt are governed by specific statutes and authorize the District to invest in direct obligations of the U.S. government or any other agency thereof, money market funds comprised entirely of obligations of the U.S. Treasury and agencies thereof, obligations of any municipality of Kansas, or investment agreements with a financial institution rated in the three highest rating categories by Moody's or Standard and Poor's.

### **Inventories**

Inventories are considered to be immaterial and are not recorded.

### **Receivables**

Taxes are assessed on a calendar-year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all tax 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. Tax installments paid to the County Treasurer in May are budgeted to finance the current year's operations and are distributed to the District prior to fiscal year end. State statutes provide that in the month of June of each school year, payment (from the State to District) shall be made of the full amount of the general state aid for the year. The State did not make the final state aid payment of \$3,140,615 for the fiscal year ended June 2021 until July 2021. The District was instructed by the State to record the final payment as though it has been received on June 30, 2021. This receipt was recorded for the budgeted basis; however it was recorded as a receivable by the General and Supplemental General Funds for the government-wide and fund financial statements.

### **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.

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

### **Capital assets**

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

Depreciation is computed using the straight line method over the following estimated useful lives:

<b><u>Asset</u></b>	<b><u>Life/Years</u></b>
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**

The District provides compensated absence benefits for the following:

Vacation - 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 - 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. Accumulated sick leave under 180 days is payable upon separation in good standing from the District.

The 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.

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 retirement obligations were liquidated from the District's Supplemental General Fund during the fiscal year ended June 30, 2021 and the cost of the termination benefits for the year ended June 30, 2021 was \$1,392,037. At June 30, 2021, there were 190 former employees receiving early retirement benefit payments. The discount rate applied in the determination of the early retirement benefit liability at June 30, 2021 was 1.708%.

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

### **Long-term obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### **Pensions**

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of employee service and the plan's net fiduciary position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expense, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liability.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERS) and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

### **Implementation of new standard**

During the year, the District implemented GASB Statement No. 84, *Fiduciary Activities (GASB 84)*. The District evaluated the funds that, before implementation of GASB 84, were considered to be agency funds. These funds were determined to be special revenue funds under the new criteria in GASB 84. As such, the District no longer has any funds that are considered to be fiduciary or custodial in nature. The effect on beginning net position was \$2,570,776.

### **New standards**

- GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the District beginning with its year ending June 30, 2022. The objective of this Statement is to improve consistency in accounting and financial reporting for leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, issued June 2018, will be effective for the District beginning with its year ending June 30, 2021. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.
- GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the District beginning with its year ending June 30, 2022. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.



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

### **New standards (cont.)**

- GASB Statement No. 92, Omnibus 2020, issued January 2020, will be effective for the District beginning with its year ending June 30, 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.
- GASB Statement No. 93, Replacement of Interbank Offered Rates, issued March 2020, will be effective for the District beginning with its year ending June 30, 2022. The objectives of this Statement are to address other accounting and financial reporting implications that result from the replacement of an IBOR.
- GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, issued March 2020, will be effective for the District beginning with its year ending June 30, 2023. The objectives of this Statement are to address issues related to public-private and public-public partnership arrangements. It also provides guidance for accounting and financial reporting for availability payment arrangements.
- GASB Statement No. 96, Subscription-Based Information Technology Arrangements, issued May 2020, will be effective for the District beginning with its year ending June 30, 2023. The objectives of this Statement are to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users.

The District's management has not yet determined the effect these statements will have on the District's financial statements.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and is not recognized as an outflow of resources (expense/expenditure) until the future period. The District reports amounts related to pensions, OPEB liabilities and unamortized bond refunding costs on the government-wide statement of net position as a deferred outflow of resources. A deferred charge in refunding results from the difference in the carrying value of refunded debt versus reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Notes 8, 9, and 10 for more information on the deferred outflows for pensions and OPEB.

In addition to liabilities, the statement of net position and balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and is not recognized as an inflow of resources (revenue) until that time. The District reports amounts related to pensions, OPEB liabilities and property taxes receivable on the government-wide statement of net position and unavailable revenues on the governmental funds balance sheet as deferred inflows of resources. See Notes 8, 9, and 10 for more information on the deferred inflows for pensions and OPEB.

### **Net Position**

In the government-wide financial statements, net position is classified into three components:

- Net investment in capital assets - consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, leases, or other borrowing that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position - consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District first utilizes restricted resources to finance qualifying activities.
- Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

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

### Fund Balance

Governmental fund balance classifications are based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be expended. In the governmental funds financial statements, fund balance is classified into potentially five components:

- *Nonspendable* - assets that are not in spendable form (such as inventory). The District does not have any nonspendable fund balances as of June 30, 2021.
- *Restricted fund balances* - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed fund balances* - includes 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 fund balances* - the assigned portion of fund balance is comprised of 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 fund balances* - is the residual classification for the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

## 2. BUDGETARY PRINCIPLES

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, Payroll Deductions, Sales Tax Payable, Textbook Revolving, Athletic and Activity, CARES, SPARK Broadband, ESSER II CARES, Stemkamp, Americorps, Special Grants, Kansas Beef Council Grant, Title II A, Title I, English Language Learners Title III, Kansas Coordinated School Health Grant, Alcohol and Drug Prevention Grant - City of Derby, Derby Education Foundation/Boeing/Derby Community Foundation Grant, Preschool Block Grant - The Opportunity Project, Military Academic/Support Program Grant, Title IV, Student Activity, and District Activity funds. In addition, the 2018 Bond Project fund is not subject to an annual budget.

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 10 days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

## 2. BUDGETARY PRINCIPLES (CONT.)

All budgets are prepared utilizing the statutory basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable and encumbrances (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 budget for previously unbudgeted increases in revenue, other than ad valorem property taxes. This process requires a notice of public hearing to amend the budget to be published in the local newspaper. At least ten days after publication the hearing may be held and the Board of Education may amend the budget at that time. There were no individual fund budgets amended during the year ended June 30, 2021.

The General Fund and Supplemental General Fund amended budgets represent the legal maximum budgets for each fund as determined by the Kansas Department of Education.

In preparing a 12-month budget, the remaining taxes from the levy of the preceding calendar year are recognized as assets. All revenues and expenditures are estimated on a 12-month basis. The tax levy required to finance the budget is on a calendar year basis.

## 3. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash Equivalents - Investment Type	Carrying Amount/Fair Value	Cost	Weighted Average Months to Maturity	Rating	Fair Value Hierarchy
U.S. Government Treasury Securities (U.S. Treasury Bills and Notes)	\$ 209,187	\$ 198,496	1.00	S&P AA+	Level 2
U.S. Government agency Securities	-	-	-	S&P AA+	Level 2
U.S. Government agency securities and mortgage- backed securities (overnight sweep account investments)	<u>16,399,518</u>	<u>16,399,518</u>	-	S&P AA+	Level 2
Total	<u>\$ 16,608,705</u>	<u>\$ 16,598,013</u>			

The U.S. Government agency securities and mortgage-backed securities related to the bond project have staggered maturities, which correspond with the estimated cash flow requirements for the bond project. These securities are reported at their fair value as determined by national security markets (Level 2). Level 2 inputs to the valuation methodology include: (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. The adjustment to fair value of \$461,959 is reflected in investment earnings. The calculation of realized and unrealized gains and losses is independent of the calculation of the change in fair value of investments and there are no realized gains and losses of the current period that include unrealized amounts from prior periods. The overnight U.S. Government agency securities and mortgage-backed securities are carried at cost, which approximates their market values due to the short-termed duration of these investments.

### 3. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONT.)

Kansas Statutes Annotated (K.S.A.) 9-1401 establishes the depositories that may be used by governmental entities in Kansas. The statutes 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 bank 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

#### **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 ad 9-1405. The investments held by the District are related to the bond project and are authorized by the authorizing bond resolution. These investments are not subject to collateralization. The District's allocation of cash and investments as of June 30, 2021, is as follows:

Investment	Percentage of Investments
U.S. Government Treasury and Agency Securities and mortgage backed securities	100%

#### **Custodial Credit Risk - Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's policy follows applicable State Statutes and requires deposits to be 100% secured by collateral (pledge securities) valued at market, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. State Statutes define the allowable pledge securities.

At year-end, the carrying amount of the District's deposits was \$49,408,603 with the bank balances of such accounts being \$27,541,836. Of the bank balances, \$500,000 was covered by federal depository insurance and the remaining balance of \$27,041,836 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 investment agencies was \$31,626,081 at June 30, 2021.

#### **Custodial Credit Risk - Investments**

For an investment, there 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.

A reconciliation of cash, cash equivalents and investments as reported in the financial statements at June 30, 2021, is as follows:

#### Cash and cash equivalents:

Deposits in financial bank institutions	\$ 32,798,434
Certificates of deposits	209,187
U.S. Treasury and Government agency securities and mortgage backed securities	16,400,982
Total cash and cash equivalents	<u>\$ 49,408,603</u>

A reconciliation of this cash to the basic financial statements is as follows:

Cash and cash equivalents per the Statement of Net Position	\$ 49,408,603
Cash and cash equivalents per the Statement of Fiduciary Net Position	-
Total shown on basic financial statements	<u>\$ 49,408,603</u>

#### 4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<u>Governmental Activities:</u>				
Non-depreciable capital assets:				
Land	\$ 3,990,923	\$ 3,477,029	\$ -	\$ 7,467,952
Construction work in progress	57,346,909	44,096,970	37,196,079	64,247,800
Total non-depreciable capital assets	61,337,832	47,573,999	37,196,079	71,715,752
Depreciable capital assets:				
Buildings	125,956,423	30,311,109	3,472,621	152,794,911
Improvements other than buildings	6,889,713	1,200,079	1,640,241	6,449,551
Furniture and equipment	18,569,180	5,473,573	461,318	23,581,435
Total depreciable capital assets	151,415,316	36,984,761	5,574,180	182,825,897
Accumulated depreciation:				
Buildings	53,365,348	6,063,428	253,858	59,174,918
Improvements other than buildings	4,081,381	314,809	442,118	3,954,072
Furniture and equipment	12,692,456	675,867	192,436	13,175,887
Total accumulated depreciation	70,139,185	7,054,104	888,412	76,304,877
Total depreciable capital assets (net)	81,276,131	29,930,657	4,685,768	106,521,020
Governmental activities capital assets (net)	\$ 142,613,963	\$ 77,504,656	\$ 41,881,847	\$ 178,236,772

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Instruction	\$ 6,200,795
Student support services	501
Instructional support services	6,757
General administration	3,676
School administration	17,106
Operation/maintenance of plant	2,954
Central support services	532,366
Student transportation services	221,384
Other support services	2,173
Food service operations	66,392
Total governmental activities depreciation and amortization expense	\$ 7,054,104

The cost and accumulated amortization included in tables above of computer and technology equipment under capital leases at June 30, 2021 is \$922,545 and \$184,509, respectively.

## 5. LONG-TERM DEBT

The following is a summary of changes in long-term debt transactions of the District for the year ended June 30, 2021:

	Outstanding July 1, 2020	Additions	Deletions	Outstanding June 30, 2021	Due Within One Year
General obligation bonds	\$ 165,785,000	\$ 63,090,000	\$ 54,610,000	\$ 174,265,000	\$ 4,640,000
Capital leases	2,920,649	4,105,124	1,465,908	5,559,865	1,354,086
Early Retirement	7,241,514	2,513,302	1,495,380	8,259,436	1,496,408
Compensated absences	608,984	350,131	365,670	593,445	593,445
Net premium on issuance of general obligation bonds	11,049,351		4,383,244	6,666,107	1,425,499
Total other postemployment benefits obligation - healthcare	2,014,325	179,576	35,355	2,158,546	-
Total other postemployment benefits obligation - KPERS	798,515	170,291	56,426	912,380	-
Net pension liability	60,661,742	9,505,084	-	70,166,826	-
Total long-term liabilities - Governmental activities	<u>\$ 251,080,080</u>	<u>\$ 79,913,508</u>	<u>\$ 62,411,983</u>	<u>\$ 268,581,605</u>	<u>\$ 9,509,438</u>

### General obligation bonds

General obligation bonds payable are serial bonds to be retired through the fiscal year ended June 30, 2044. Debt service on the general obligation bonds is recorded in the Debt Service Fund of the District. At June 30, 2021 the bonds consist of the following.

	Interest rates	Bonds outstanding
General Obligation Refunding and School Improvement Bonds, Series 2012, issued July 1, 2012	2.00% - 5.00%	\$ 5,630,000
General Obligation Bonds, Series 2014 issued June 1, 2014	2.00% - 3.00%	2,200,000
General Obligation Refunding Bonds, Series 2016, issued March 30, 2016	2.00% - 5.00%	28,960,000
General Obligation Refunding and School Building Bonds, Series 2018-B, issued May 21, 2018	3.00% - 5.00%	68,600,000
General Obligation Refunding and School Improvement Bonds, Series 2019, issued May 1, 2019	2.25% - 3.00%	5,980,000
General Obligation Refunding Bonds, Series 2020-A, issued August 5, 2020	1.63%	13,340,000
General Obligation Refunding Bonds, Series 2020-B, issued November 2, 2020	0.39% - 3.00%	<u>49,555,000</u>
Total general obligation bonds outstanding		<u>\$ 174,265,000</u>

On July 1, 2012, the District issued \$61,750,000 of 2.0% to 5.0% General Obligation Refunding and School Improvement Bonds, Series 2012. \$1,595,000 principal amount of the Series 2012 bonds were issued to pay \$1,600,000 of principal due under the District's 2004 bonds due October 1, 2012. The remaining principal amount of \$60,155,000 was issued to provide permanent financing to (a) construct, equipment and furnish a new grade 6-8 middle school; (b) construct, equipment 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 6th Grade Center building and the existing Central Kitchen facility; and (h) make all other necessary improvements appurtenant thereto. The Series 2012 bonds maturing on October 1, 2023, and thereafter, are subject to redemption and payment prior to their stated maturity on October 1, 2022, and thereafter, as a whole or in part at any time at the redemption price of 100% of the principal amount plus accrued interest to the redemption date.

## 5. LONG-TERM DEBT (CONT.)

On June 1, 2014, the District issued \$3,300,000 of 2.0% to 3.0% General Obligation Bonds, Series 2014 to provide for the remaining costs related to the school improvements noted in the preceding paragraph. The Series 2014 bonds maturing on October 1, 2024, and thereafter, are subject to redemption and payment prior to maturity on October 1, 2023 and thereafter, as a whole or in part at any time at the redemption price of 100% of the principal amount plus accrued interest to the redemption date.

On March 30, 2016, the District issued \$29,430,000 of 2.0% to 5.0% General Obligation Refunding Bonds, Series 2016 to refund \$28,570,000 of Series 2012 Bonds maturing October 1, 2014 through October 1, 2031 which will be called for early redemption on October 1, 2022. The Series 2016 bonds received a rating of "Aa3" from Moody's Investors Service.

On May 21, 2018, the District issued \$107,775,000 of 3.00% to 5.00% of General Obligation Refunding and School Building Bonds, Series 2018-B to provide funding for school building improvements authorized in the public vote on February 20, 2018. The total bonds authorized by the vote were to not exceed \$114,020,000. The Series 2018-B serial bonds maturing on October 1, 2027, and thereafter, are subject to redemption and payment prior to maturity on October 1, 2026 and thereafter, as a whole or in part at any time at the redemption price of 100% of the principal amount plus accrued interest to the redemption date. The term bonds with a stated maturity of October 1, 2043 in the principal amount of \$20,380,000 shall be subject to mandatory redemption and payment prior to their stated maturity date at a redemption price of 100% of the principal amount plus accrued interest to the redemption date. The mandatory redemption dates are October 1, 2042 in the principal amount of \$9,900,000 and October 1, 2043 in the principal amount of \$10,480,000. The Series 2018-B bonds received a rating of "Aa3" from Moody's Investors Service.

On May 1, 2019, the District issued \$6,150,000 of 2.25% to 3.00% of General Obligation Refunding and School Building Bonds, Series 2019 to provide funding for school building improvements in addition to the total authorized bond total approved on February 20, 2018. The total bonds authorized by the vote were to not exceed \$114,020,000. The Series 2019 serial bonds maturing on October 1, 2039, and thereafter, are subject to redemption and payment prior to maturity on October 1, 2039 and thereafter, as a whole or in part at any time at the redemption price of 100% of the principal amount plus accrued interest to the redemption date. The Series 2019 bonds received a rating of "Aa3" from Moody's Investors Service.

On September 14, 2020, the District issued \$13,535,000 of .1630% of General Obligation Refunding and School Building Bonds, Series 2020-A to provide funding for school building improvements in addition to the total authorized bond total approved on February 20, 2018. The total bonds authorized by the vote were to not exceed \$114,020,000. The Series 2020-A serial bonds maturing on October 1, 2032, and thereafter, are subject to redemption and payment prior to maturity on October 1, 2032 and thereafter, as a whole or in part at any time at the redemption price of 100% of the principal amount plus accrued interest to the redemption date. The Series 2020-B bonds received a rating of "Aa3" from Moody's Investors Service.

On September 14, 2020, the District issued \$49,555,000 of .391% to 3.002% of General Obligation Refunding and School Building Bonds, Series 2020-B to provide funding for school building improvements in addition to the total authorized bond total approved on February 20, 2018. The total bonds authorized by the vote were to not exceed \$114,020,000. The Series 2020-B serial bonds maturing on October 1, 2043, and thereafter, are subject to redemption and payment prior to maturity on October 1, 2043 and thereafter, as a whole or in part at any time at the redemption price of 100% of the principal amount plus accrued interest to the redemption date. The Series 2020-B bonds received a rating of "Aa3" from Moody's Investors Service.

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

Year ended June 30:	Principal	Interest	Total
2022	\$ 4,640,000	\$ 5,910,483	\$ 10,550,483
2023	4,845,000	5,740,235	10,585,235
2024	5,170,000	5,599,658	10,769,658
2025	5,415,000	5,441,052	10,856,052
2026	5,785,000	5,218,248	11,003,248
2027-2031	34,585,000	22,596,017	57,181,017
2032-2036	38,735,000	15,902,610	54,637,610
2037-2041	44,580,000	8,512,642	53,092,642
2042-2045	30,510,000	1,396,831	31,906,831
Total	<u>\$174,265,000</u>	<u>\$ 76,317,776</u>	<u>\$ 250,582,776</u>

## 5. LONG-TERM DEBT (CONT.)

### General obligation bonds (cont.)

The District's limitation on bond issues is established by Kansas Statute 72-6761 which states that the aggregate amount of bonds which the District can issue without authority from the State Board of Education is 14% of the assessed valuation. The State Board of Education authorized the District to exceed its statutory limit in November 2017 for the 2018 General Obligation Bond Issue.

14% of assessed valuation	\$ 70,628,315
General obligation debt applicable to limitation	(174,265,000)
Less debt service fund	<u>8,852,994</u>
Debt in excess of limitation	<u>\$ (94,783,691)</u>

### Capitalized lease obligations

The District has entered into various lease agreements for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been reported at the present value of their future minimum lease payments as of the inception date. The equipment purchased under capital leases totals \$10,160,940.14 and are included in the capital assets of the District according to the District's capital asset policy. The amortization of this equipment has been included in the District's depreciation expense. Obligations of the District's governmental activities under capital leases at June 30, 2021, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,354,086	\$ 68,488	\$ 1,422,574
2023	1,313,076	84,419	1,397,495
2024	1,187,649	61,634	1,249,283
2025	873,879	44,521	918,400
2026	316,509	27,040	343,549
2027	325,096	9,183	334,279
2028	189,570	13,250	202,820
	<u>\$ 5,559,865</u>	<u>\$ 308,535</u>	<u>\$ 5,868,400</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, 2021 is \$593,445, which will primarily be liquidated from the General Fund. Vacation is only carried for a maximum of one year and then is lost. Sick leave is calculated using the ratio method over 5 years. This liability is approximately the same as the average payout. Therefore the sick leave liability is also considered to be 100% short term.

## 6. INTERFUND RECEIVABLES/PAYABLES

Individual fund receivable/payable balances at June 30, 2021 are as follows:

	<u>Due To (Receivable)</u>	<u>Due From (Payable)</u>
Major Funds		
General	\$ 1,292,005	\$ -
Non-major funds		
ESSER I Cares	172,581	-
Americorp Grant	25,779	-
Title IIA Teacher Quality	6,089	-
Title I	30,289	-
Preschool Block Grant - The Opportunity Project	21,750	-
Title IV	58	-
Military Academic/Support Program Grant	-	-
Special Education	-	1,548,551
Total all funds	<u>\$ 1,548,551</u>	<u>\$ 1,548,551</u>

The interfund receivable/payable balances are the result of commitments in the various funds prior to year-end that are to be funded by federal and state aid that was due to be paid to the District during the month of June 2021. However, the District did not receive the aid payments until July 2021.



## 7. 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 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 Supplemental 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:

	Statutory authority	Transfers In	Transfers Out
Major Funds:			
General	72-6428	\$ -	\$ 16,496,439
Supplemental General	72-6433	-	1,710,809
Special Education	72-6428	9,791,430	-
Nonmajor Funds:			
Professional Development	72-6428	187,097	-
Parent Education Program	72-6428	123,998	-
Virtual Education	72-6428	85,000	-
Food Service	72-6428	300,000	-
Bilingual Education	72-6428	1,045,384	-
Four Year Old At Risk	72-6428	126,966	-
At Risk (K-12)	72-6428	4,127,373	-
Vocational	72-6428	1,075,000	-
Textbook Revolving	72-6428	1,345,000	-
		<u>\$ 18,207,248</u>	<u>\$ 18,207,248</u>

## 8. 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 Kansas law and administered by KPERS, a body corporate and an instrumentality of the State of Kansas. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available, stand-alone comprehensive annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737, or at the KPERS website at [www.kpers.org](http://www.kpers.org).

KPERS provides benefits to the following statewide pension groups under one plan, as provided by K.S.A 74 article 49:

- Public employees, which include:
  - State/School
  - Local
- Police and Fireman
- Judges

Substantially all public employees in Kansas are covered by the pension plan. The Statute of Kansas and Kansas schools are required to participate, while participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the pension plan for the District are included in the State/School group.

## **8. PENSION PLAN (CONT.)**

### **Benefits Provided**

Benefits are established by statute and may only be changed by the Legislature. Members with ten or more years of credited service, may retire as early as age 55, with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of credited service equal 85 "points."

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. The monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc postretirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

### **Contributions**

Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the internal revenue code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2020.

The actuarially determined employer contribution rates and the statutory contribution rates for school employees are 16.15% and 14.41%, respectively. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members.

### **Employer Allocations**

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Fireman
- Judges

## 8. PENSION PLAN (CONT.)

### Employer Allocations (cont.)

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2020, are based on the ratio of the employer's contributions to total employer and nonemployer contributions of the group for the fiscal years ended June 30, 2020. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. The employer allocation percentages have been rounded for presentation purposes. Therefore, use of these percentages to recalculate individual employer amounts presented in the schedules of pension amounts by employer and nonemployer may result in immaterial differences due to rounding.

### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, from the valuation report dated June 30, 2020, the District reported a liability of \$70,166,826 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, which was rolled forward to June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal year ended June 30, 2020. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. As of the June 30, 2020 valuation report, the District's proportion was 0.93907% percent, which was an increase of 0.0012% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$9,664,544, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
District contributions subsequent to the measurement date	\$ -	\$ -
Differences between expected and actual experience	977,126	771,227
Net difference between projected and actual earnings on pension plan investments	6,216,712	-
Changes in assumptions	3,583,075	-
Changes in proportion	2,303,102	950,336
Total	<u>\$ 13,080,015</u>	<u>\$ 1,721,563</u>

The deferred outflows of resources related to pensions totaling \$6,597,330, resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Amount
2022	\$ 3,415,890
2023	2,814,534
2024	2,695,719
2025	2,337,278
2026	95,031
Thereafter	-
	<u>\$ 11,358,452</u>

## 8. PENSION PLAN (CONT.)

### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The District contributes 100% of the contributions to the pension plan, therefore, there is no revenue recognized for the support provided by nonemployer contributing entities.

### **Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

- |   |  |
|---|--|
| • Price Inflation   | 2.75 percent                               |
| • Wage Inflation  | 3.50 percent                               |
| • Salary increases, including wage increases  | 3.25 to 11.75 percent, including inflation |
| • Long-term rate of return, compounded annually, net of investment expense, and including price inflation | 7.50 percent                               |

Mortality rates were based on the RP-2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the calculation of the total pension liability were based on the results of the most recent actuarial experience study. It covered the three-year period of January 1, 2016 through December 31, 2018 and was dated January 7, 2020.

The actuarial assumptions changes adopted by the Pension Plan for all groups based on the experience study:

- Price inflation lowered from 3.00 percent to 2.75 percent
- Investment return assumption was lowered from 8.00 percent to 7.75 percent
- General wage growth assumption was lowered from 4.00 percent to 3.5 percent
- Payroll growth assumption was lowered from 4.00 percent to 3.00 percent

There were no changes between the measurement date of December 31, 2019, rolled forward to June 30, 2020, and the District's reporting date of June 30, 2021.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated November 18, 2016, as provided by KPER's investment consultant, are summarized in the following table.

Asset class	Long-term target allocation	Long-term expected real rate of return
U.S. Equities	23.50%	5.20%
Non-U.S. Equities	23.50%	6.40%
Private Equity	8.00%	9.50%
Private Real Estate	11.00%	4.45%
Yield Driven	8.00%	4.70%
Real Return	11.00%	3.25%
Fixed Income	11.00%	1.55%
Short-term Investments	4.00%	0.25%
Total	100.00%	

### **Discount Rate**

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate was based on member and employer contributions as outlined below.

## 8. PENSION PLAN (CONT.)

### Discount Rate (cont.)

In KPERS, the State/School and Local groups do not necessarily contribute the full actuarial determined rate. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap for Fiscal Year 2020 was 1.2 percent.

In recent years, the Legislature has made several changes to statutory rates that deviate from the scheduled contribution increases set under the caps established in 2012 for the State/School group. Under 2015 SB 4, the previously certified State/School statutory rate for Fiscal Year 2015 of 11.27 percent was reduced to 8.65 percent for the last half of the fiscal year as part of the Governor's allotment. That same session, SB 228 recertified statutory rates for the State/School group to 10.91 percent for Fiscal Year 2016 and 10.81 percent for Fiscal Year 2017 in anticipation of the issuance of \$1 billion in pension obligation bonds. Legislation in the 2016 session (SB 161) provided for the delay of up to \$100 million in State and School contributions to the Pension Plan. Legislation passed by the 2017 Legislature removed the repayment provisions included in SB 161.

In addition, 2017 Senate Sub for Sub HB 2052 delayed \$64.1 million in Fiscal Year 2017 State/School contributions, to be repaid over 20 years in level dollar installments. The first payment of \$6.4 million was paid in full at the beginning of Fiscal Year 2019, and appropriations for Fiscal Year 2019 were made at the statutory contribution rate of 12.01 percent for the State/School group. Additional legislation in the 2017 Session (Senate Sub for HB 2002) provided for a reduction of \$194 million from the previously certified contribution rate of 13.21 percent in the State/School contributions for Fiscal Year 2019. Like the Fiscal Year 2017 reduction, it is to be paid back over a 20-year period, beginning in Fiscal Year 2020. Therefore, both reductions will be accounted for as long-term receivables by the Pension Plan. The 2019 Legislature passed House Sub for Sen Bill 109, which directed onbehalf payments of \$56 million and \$82 million be made to the System. The \$56 million payment was received by the System on June 30, 2018, and recorded as Fiscal Year 2018 contributions. The \$82 million was received July 1, 2019, and was recorded as Fiscal Year 2019 contributions. The 2019 Legislative session passed Senate Bill 9 which authorized a transfer of \$115 million to KPERS, received in March 2020. House Sub for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School group in Fiscal Year 2020 of \$51 million.

Based on employer contribution history as described above, it is a reasonable estimate that the State/School group's contribution rate may not be certified at the statutory rate. It has been assumed that contribution rates will be made within the same range as have been seen in the past few years, between 11 to 12 percent. Using this assumption, actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date.

### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents District's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

1% Decrease (6.50%)	Discount rate (7.50%)	1% Increase (8.50%)
\$93,036,637	\$70,166,826	\$50,885,706

## 9. OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB)

### Plan Description

The Plan provides healthcare benefits, including medical and dental, to retirees and their dependents. For GASB 75 purposes, the District is considered to be participating in a single employer plan. Retiree health coverage is provided for under K.S.A. 12-5040. 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 Government Accounting Standards Board Statement No. 75. 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 coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age or dies.

## 9. OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) (CONT.)

### Plan Description (cont.)

As of January 1, 2021, plan membership consisted of the following:

Covered Employees	-
Retirees and beneficiaries receiving benefits	33
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>555</u>
Total	<u>588</u>

### Funding Policy

The contribution requirement of plan members and the District are established and can be amended by the Board of Education. Contributions are made to the plan on a pay-as-you-go basis. District retirees pay 100% of their healthcare premiums; the District is not required to share costs of retiree premiums.

### Annual OPEB Cost and Total OPEB Obligation

The District's annual OPEB cost (expense) consists of the service cost plus interest on total OPEB liability and changes in assumptions and inputs. The service cost is the portion of the Actuarial Present Value of OPEB benefits that is allocated to the current year by the Actuarial Cost method. The following table presents the components of the District's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the District's total OPEB obligation to the Plan.

	<u>June 30, 2021</u>
Total OPEB liability - beginning of year	<u>\$ 2,014,325</u>
Service cost	125,306
Interest cost	54,270
Changes in benefit terms	-
Differences between actual and expected experience	151,621
Changes in assumptions and inputs	(82,364)
Employer contributions (benefit payments)	<u>(104,612)</u>
Net changes	<u>144,221</u>
Total OPEB liability - end of year	<u>\$ 2,158,546</u>

The District saw no benefit changes to the disability's percentage of replacement income due to the changes from FY20 to FY21.

Changes in assumptions and other inputs reflect a change in the discount rate from 2.6 percent in 2020 to 2.0 percent in 2021.

Changes from the beginning to the end of year measurement for FY 2020-21 are noted below:

- The assumed mortality was changed from Society of Actuaries Scale MP-2019 Full Generational Improvement to the Society of Actuaries Scale MP-2021 Full Generational Improvement.
- The assumed salary scale was changed from 2.6% to 2.0%.
- Update trend taking the January 1, 2021 renewal into account.
- Retirement and turnover assumptions were updated based on the latest available statistics from KPERS pension valuation reports.

## 9. OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) (CONT.)

### **Total OPEB Liability**

The District's total OPEB liability of \$2,158,546 reported as of June 30, 2021, and was determined by an actuarial valuation as of February 1, 2020, using the following actuarial assumptions:

Inflation	2.50%
Salary increases	3.00%
Discount rate	2.00%
Healthcare cost trend rates	6.5 percent for 2021, decreasing .5 percent until year 2022 then decreasing .25 percent per year to an ultimate rate of 4.50 percent for 2028 and later
Retirees share of benefit-related costs	6.0 percent of projected health insurance

### **Sensitivity of Total OPEB Liability to changes in Healthcare Cost Trend Rate**

The following presents the total OPEB liability of the District as well as what the District's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	<u>1% Decrease</u>	<u>Current Trend Assumption</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,911,949	\$ 2,158,546	\$ 2,453,564

### **Sensitivity of Total OPEB Liability of changes in the Discount Rate**

The following present the total OPEB liability of the District as of June 30, 2021 as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.0%) or 1 percentage point higher (3.0%) than the current rate (2.0%).

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 2,322,669	\$ 2,158,546	\$ 2,004,127

### **OPEB Expense**

For the year ended June 30, 2021, the District recognized OPEB expense of \$144,221, which includes the changes in the total OPEB liability, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

### **Deferred Outflows of Resources and Deferred Inflows of Resources**

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Under GASB 75, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Economic and demographic gains and losses and changes in the total OPEB liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. As of June 30, 2021, and deferred inflows and outflows of resources are as follows:

<u>Category</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between actual and expected experience	\$ 139,958	\$ 261,084
Changes in assumptions	50,626	232,643
Benefit payments subsequent to the measurement date	-	-
Total	<u>\$ 190,584</u>	<u>\$ 493,727</u>

## 9. OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) (CONT.)

### Deferred Outflows of Resources and Deferred Inflows of Resources (cont.)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as an expense/(income) item in future years' OPEB expense as follows:

<u>Year ended June 30:</u>	<u>Amount</u>
2022	\$ (28,491)
2023	(28,491)
2024	(28,491)
2025	(28,491)
2026	(28,491)
Thereafter	(160,688)
	<u>\$ (303,143)</u>

## 10. OTHER POSTEMPLOYMENT BENEFIT PLAN - KPERS DEATH & DISABILITY

### Plan Description

The District participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the plan) which is administered by the Kansas Public Employees Retirement System (KPERS). For GASB 75 purposes, the District is considered to be participating in a single employer long-term disability plan. The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

### Benefits

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60% (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60% of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability to retirement benefits, workers' compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than giving the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

The District has the following employees covered by the Plan as of June 30, 2021:

Retirees and beneficiaries receiving benefits	3
Active plan members	<u>1,072</u>
Total	<u><u>1,075</u></u>



# **10. OTHER POSTEMPLOYMENT BENEFIT PLAN - KPERS DEATH & DISABILITY (CONT.)**

## **Total OPEB Liability**

The District's total OPEB liability of \$912,380 reported as of June 30, 2021, using the report dated June 30, 2020, was measured as of June 30, 2020 (the measurement date), and was determined by an actuarial valuation as of December 31, 2019, using the participant census as of December 31, 2019.

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included measurement, unless otherwise noted:

Inflation	2.75%
Salary increases	3.00%
Discount rate	2.21%

## **Changes in the total OPEB liability**

Total OPEB liability - beginning of year	\$ 798,515
Service cost	89,743
Interest cost	30,110
Changes in benefit terms	-
Differences between actual and expected experience	-
Changes in economic/demographic gains or losses	8,092
Changes in assumptions and inputs	42,346
Employer contributions (benefit payments)	(56,426)
Net changes	113,865
Total OPEB liability - end of year	\$ 912,380

## **Changes in assumptions**

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21% in accordance with GASB 75.

Mortality rates used for the death benefits were based on the RP-2014 Healthy Annuitant Mortality Table for Males and Females, adjusted for generational mortality improvement using MP-2018. Mortality rates used for the disability benefits were based on the RP-2014 Disabled Life Table with generational mortality improvement using MP-2018.

The actuarial assumptions used in the June 30, 2021, valuation were based on an actuarial experience study for the period July 1, 2016 - June 30, 2018.

## **Sensitivity of Total OPEB Liability to changes in Healthcare Cost Trend Rate.**

The following presents the total OPEB liability of the District as of June 30, 2021, calculated using the current healthcare cost trend rates as well as what the District's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates. The reader should note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS, but this exhibit is provided as it is a required disclosure under GASB 75.

	1% Decrease	Current Trend Assumption	1% Increase
Total OPEB Liability	\$ 912,380	\$ 912,380	\$ 912,380

## **Sensitivity of Total OPEB Liability to changes in the Discount Rate**

The following present the total OPEB liability of the District as of June 30, 2021, calculated using the discount rate of 2.21%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current rate.

	1% Decrease 1.21%	Current Single Discount Rate Assumption 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 942,148	\$ 912,380	\$ 879,250

## 10. OTHER POSTEMPLOYMENT BENEFIT PLAN - KPERS DEATH & DISABILITY (CONT.)

### OPEB Expense

For the year ended June 30, 2021, the District recognized OPEB expense of \$113,865, which includes the changes in the total OPEB liability, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

### Deferred Outflows of Resources and Deferred Inflows of Resources

Under GASB 75, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Economic and demographic gains and losses and changes in the total OPEB liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. As of June 30, 2021 and deferred inflows and outflows of resources are as follows:

Category	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$ 183,635	\$ 109,254
Changes in assumptions	48,194	14,603
Benefit payments subsequent to the measurement date	-	-
Total	<u>\$ 231,829</u>	<u>\$ 123,857</u>

The deferred outflows related to OPEB totaling \$0 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent fiscal year. For FY2021 there was a moratorium so there were no Death and Disability insurance payments required. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as an expense/(income) item in OPEB expense as follows:

Year ended June 30:	Amount
2022	\$ 10,446
2023	10,446
2024	10,446
2025	10,446
2026	10,446
Thereafter	55,742
	<u>\$ 107,972</u>

## 11. OPERATING LEASES

The District leases certain duplicating and printing equipment under noncancelable operating leases. The total cost of the five years the District is in contract with Great America Financial Services is \$303,957. The lease agreements are classified as an operating lease for accounting purposes. Lease payments for the year ending June 30, 2021 were \$69,657.

## 12. FUND BALANCE CLASSIFICATIONS

Fund balance classifications reported on the governmental funds balance sheet at June 30, 2021 were as follows:

	General	Special Education	Debt Service	Capital Outlay	2018 Bond Project	Other Governmental Funds	Total Governmental Funds
Fund Balances:							
Restricted for:							
Debt Service	\$ -	\$ -	\$ 8,852,994	\$ -	\$ -	\$ -	\$ 8,852,994
2018 Bond Project	-	-	-	-	21,192,647	-	21,192,647
Vocational Education	-	-	-	-	-	206,594	206,594
Driver Training	-	-	-	-	-	60,616	60,616
Special Assessment	-	-	-	-	-	964,260	964,260
CARES	-	-	-	-	-	589	589
ESSER II CARES	-	-	-	-	-	(179,881)	(179,881)
Stemkamp	-	-	-	-	-	6,256	6,256
Textbook Revolving	-	-	-	-	-	3,281,242	3,281,242
Special Grants	-	-	-	-	-	38,727	38,727
Kansas Beef Council Grant	-	-	-	-	-	17,099	17,099
English Language Learners Title III	-	-	-	-	-	1,399	1,399
Alcohol and Drug Prevention Grant	-	-	-	-	-	2,567	2,567
Derby Education Foundation/Boeing	-	-	-	-	-	10,692	10,692
Military Academic/Support Program Grant	-	-	-	-	-	2,949	2,949
Virtual Education	-	-	-	-	-	75,242	75,242
Committed:							
Supplemental General	586,919	-	-	-	-	-	586,919
Professional Development	148,108	-	-	-	-	-	148,108
Summer School	3,380	-	-	-	-	-	3,380
Contingency	3,835,551	-	-	-	-	-	3,835,551
Special Education	-	1,633,745	-	-	-	-	1,633,745
Capital Outlay	-	-	-	4,273,008	-	-	4,273,008
Food Service	-	-	-	-	-	769,576	769,576
Parent Education Program	-	-	-	-	-	13,910	13,910
Student Activity	-	-	-	-	-	499,464	499,464
District Activity	-	-	-	-	-	72,664	72,664
Assigned:							
General	4,890	-	-	-	-	-	4,890
Capital Outlay	-	-	-	602,542	-	-	602,542
Special Education	-	344	-	-	-	-	344
2018 Bond Project	-	-	-	-	498,465	-	498,465
Latchkey Program	2,575	-	-	-	-	-	2,575
Unassigned:							
Latchkey Program	78,939	-	-	-	-	-	78,939
Military Academic/Support Program Grant	-	-	-	-	-	30,517	30,517
Payroll Deductions	2,442,883	-	-	-	-	-	2,442,883
Total Fund Balances	\$ 7,103,245	\$ 1,634,089	\$ 8,852,994	\$ 4,875,550	\$ 21,691,112	\$ 5,874,482	\$ 50,031,472

### Stabilization Agreements

Under Kansas statutes, the district is permitted to maintain a Contingency Fund. Under current statutes the ending unencumbered cash balance does not have a maximum limitation. This fund can only be spent if the District's Board passes a resolution. The ending balance for June 30, 2021, in the Contingency Fund was \$3,835,551.

## 13. CAPITAL PROJECT AUTHORIZATIONS

The District prepares annual operating budgets for the majority of the governmental funds; however, for the capital project funds project length budgets are prepared which are based on the project authorizations by the Board of Education. At June 30, 2021, individual project authorizations compared with project expenditures from inception are as follows:

	Project authorizations	Expenditures from project inception to June 30, 2021
2020 Bond Project	\$ 63,090,000	\$ 44,478,601

#### **14. 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.

#### **15. TAX ABATEMENTS**

Derby USD No. 260 participates in tax abatement agreements entered into by the City of Derby, Kansas and Sedgwick County, Kansas. Those tax abatement programs include Economic Development Exemptions which Article 11, Section 13 of the Kansas Constitution gives counties and cities the authority to exempt from ad valorem taxation all or any portion of the valuation of buildings, land or other improvements used to facilitate business expansion and new employment creation. Kansas Statutes Annotated 79-213 et. seq. establishes procedures by which the taxable value of personal property being financed by industrial revenue bonds may be wholly or partially exempt.

The tax abatements granted by the City of Derby, Kansas and Sedgwick County, Kansas applicable to tax levied by the District were approximately \$2,129,391 for the year ended June 30, 2021.

#### **16. ADVANCE REFUNDING**

On March 30, 2016, the District entered into an advance refunding transaction whereby it issued \$29,430,000 of General Obligation Refunding Bonds, Series 2016, with interest rates from 2.00% to 5.00%, to advance refund \$28,570,000 of outstanding General Obligation Refunding and School Improvement Bonds, Series 2012 with an interest rate of 5.00%. Proceeds from the Series 2016 Bonds in the amount of \$34,849,862 were placed with the District's escrow agent, to provide for the principal amount and interest to the call date, October 1, 2022, to advance refund the General Obligation Refunding and School Improvement Bonds, Series 2012 maturing on October 1, 2024 to October 1, 2031. Included in the deposit with the escrow agent was \$87,000 of Series 2016 bond proceeds to pay for all costs of issuance related to the Series 2016 bonds.

The District entered into the refunding transaction for the General Obligation Refunding Bonds Series 2016 to reduce its total debt service payments over the next 17 years by \$1,343,534 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,075,160.

On May 21, 2018, the District entered into an advance refunding transaction whereby it issued \$107,775,000 of General Obligation Refunding and School Building Bonds, Series 2018-B with interest rates from 3.00% to 5.00%, to advance refund \$2,000,000 of outstanding General Obligation Bonds, Series 2018-A with an interest rate of 3.25% maturing on September 1, 2019. Proceeds from the Series 2018-B bonds in the amount of \$2,017,153 were placed with the District's escrow agent to provide for the principal amount and interest to the call date of August 1, 2018 for the Series 2018-A bonds.

The District entered into the refunding transaction for the General Obligation Bonds, Series 2018-A which increased its total debt service payments over the next 5 years by \$98,932 however, the District obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$43,415.

On November 2, 2020, the District entered into an advance refunding transaction whereby it issued \$13,535,000 of General Obligation Refunding Bonds, Series 2020-A, with an interest rate of 1.630%, to advance refund \$12,265,000 of outstanding General Obligation Refunding and School Improvement Bonds, Series 2012 with an interest rate of 4.00%. Proceeds from the Series 2020-A Bonds in the amount of \$13,380,595 were placed with the District's escrow agent, to provide for the principal amount and interest to the call date, October 1, 2022, to advance refund the General Obligation Refunding and School Improvement Bonds, Series 2012 maturing on October 1, 2020 to October 1, 2022. Included in the deposit with the escrow agent was \$154,405 of Series 2020-A bond proceeds to pay for all costs of issuance related to the Series 2020-A bonds.

The District entered into the refunding transaction for the General Obligation Refunding Bonds Series 2020-A to reduce its total debt service payments over the next 12 years by \$679,700 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,711,838.

## **16. ADVANCE REFUNDING (CONT.)**

On November 2, 2020, the District entered into an advance refunding transaction whereby it issued \$49,555,000 of General Obligation Refunding Bonds, Series 2020-B, with interest rates of .391% to 2.802%, to advance refund \$38,560,000 of outstanding General Obligation Refunding and School Improvement Bonds, Series 2018 with an interest rate of 4.00%. Proceeds from the Series 2020-B Bonds in the amount of \$49,010,725 were placed with the District's escrow agent, to provide for the principal amount and interest to the call date, October 1, 2022, to advance refund the General Obligation Refunding and School Improvement Bonds, Series 2018 maturing on April 1, 2021 to October 1, 2026. Included in the deposit with the escrow agent was \$544,275 of Series 2020-B bond proceeds to pay for all costs of issuance related to the Series 2020-B bonds.

The District entered into the refunding transaction for the General Obligation Refunding Bonds Series 2020-B to reduce its total debt service payments over the next 22 years by \$2,251,921 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$12,046,262.

## **17. COMMITMENTS AND CONTINGENCIES**

### **Commitments**

At June 30, 2021, the District had outstanding commitments related to building and facility improvements, architectural engineering fees and equipment acquisitions in the amount of \$498,465 from the 2018 Bond Project Fund and \$602,542 from the Capital Outlay Fund.

### **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, 2021.

### **Arbitrage**

The District's general obligation bond issues are subject to the arbitrage provisions of Section 148 of the Internal Revenue Code. These provisions include the potential for rebates to the Federal Government of the earnings on the bond proceeds in excess of the yield on the bonds. The amounts of any future rebates due on the bonds have not been determined. The District does not expect that bond proceeds will be used in a manner that would cause any bond to be an "arbitrage bond" within the meaning of Code Section 148 and the regulations.

### **Continuing Disclosure Requirements**

The Securities and Exchange Commission of the United States has adopted Rule 15c2-12 (the Rule) in order to regulate and improve the market for securities (generally Bonds) issued by state and local governmental bodies (Governmental Issuers). The Rule directly regulates only bond underwriters (the parties that purchase bonds with a view of reselling them), but indirectly requires persons committed to support payment of Bonds (Obligated Persons) to make continuing disclosure. The Rule requires that an underwriter, prior to purchasing or selling Bonds in connection with a covered Bond offering, determine that the Governmental Issuer, has undertaken in writing to provide every nationally recognized municipal securities information repository and to the appropriate State information depository, if any, the following:

- By a specified date; annual financial and operating information for the Governmental Issuer for whom financial information or operating data is presented in the official statement (an Annual Information Filing);
- When and if available, audited financial statements for Obligated Persons (Audits); In a timely manner, notice of the occurrence of one of eleven material events (a Material Event Filing); and
- In a timely manner, notice of a failure of any person required to provide the Annual Information Filing referred to above, on or before the date specified in the continuing disclosure agreement (Notice of Failure).

The specific continuing disclosure obligation required is set forth in the District's "Omnibus Continuing Disclosure Undertaking" as adopted by the District in 2014 and included with its bond issuance documents. Those documents require the District to provide the Annual Information Filing within 180 days after the end of the District's fiscal year.

## **17. COMMITMENTS AND CONTINGENCIES (CONT.)**

During the past five years, the District may not have made timely filings of certain event notices. The District believes this information was disseminated or available through other sources.

## **18. COVID-19**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2022. Future potential impacts may include a decrease in certain revenues, reduced customer traffic and the temporary closure of operating hours of our offices.

## **19. CRF AND CARES ACT FUNDING**

As a result of COVID-19, the State of Kansas has received Coronavirus Relief Funds (CRF) under the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CRF were passed through to the counties of Kansas through Strengthening People and Revitalizing Kansas (SPARK). SPARK's first round distribution was to local governments in the amount of \$400 million. The District received CRF in the amount of \$1,690,320 during 2020. The CRF are to be used to strengthen health, to allow the economy to reopen safely and to remain open. The goals are to be fair, impactful and timely. Additional information and updates on SPARK, the CARES Act and CRF, which includes audit requirements, can be found at <https://covid.ks.gov/>.

The CARES Act also included Elementary and Secondary School Emergency Relief (ESSER) Funds for K-12 schools. The ESSER grants will provide school districts with emergency relief funds to address the impact COVID-19 has had on elementary and secondary schools. It is being allocated to the Districts in three phases, ESSER I, II, and III. The ESSER I under the CARES Act began in March 2020, the ESSER II under the CRRSA Act began in December 2020, and the ESSER III under the ARP Act began in March 2021. The District was allocated \$660,593 for ESSER I, \$2,642,818 for ESSER II, and \$5,935,393 for ESSER III. As of June 30, 2021 the District spent \$559,089 of ESSER I, \$174,806 of ESSER II, and \$0 of ESSER III.

## **20. SUBSEQUENT EVENTS**

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

**Schedule of Changes in the Total OPEB Liability - Healthcare  
For the Year Ended June 30, 2021**

	Last 10 Fiscal Years									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total OPEB Liability - Beginning of year	<u>\$2,014,325</u>	<u>\$2,299,354</u>	<u>\$2,331,270</u>	<u>\$ 2,242,415</u>	For 2012 to 2017, this data is not yet available.					
Service Cost	125,306	133,644	130,955	121,922	For 2012 to 2017, this data is not yet available.					
Interest Cost	54,270	71,040	78,844	77,922	For 2012 to 2017, this data is not yet available.					
Changes in Benefit Terms	-	-	-	18,226	For 2012 to 2017, this data is not yet available.					
Differences between actual and expected experience	151,621	(174,622)	(147,322)	-	For 2012 to 2017, this data is not yet available.					
Changes in assumptions and inputs	(82,364)	(185,091)	51,607	15,785	For 2012 to 2017, this data is not yet available.					
Employer contributions	<u>(104,612)</u>	<u>(130,000)</u>	<u>(146,000)</u>	<u>(145,000)</u>	For 2012 to 2017, this data is not yet available.					
Net Changes	<u>144,221</u>	<u>(285,029)</u>	<u>(31,916)</u>	<u>88,855</u>	For 2012 to 2017, this data is not yet available.					
Total OPEB Liability - End of year	<u>\$2,158,546</u>	<u>\$2,014,325</u>	<u>\$2,299,354</u>	<u>\$ 2,331,270</u>	For 2012 to 2017, this data is not yet available.					

\* The District adopted GASB 75 in fiscal year 2017-2018. The information for years 2012-2017 is not available under the measurement requirements of GASB 75.



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

**Schedule of the Total OPEB Liability as a Percentage of Covered Employee Payroll - Healthcare  
For the Year Ended June 30, 2021**

	Last 10 Fiscal Years									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total OPEB Liability	\$ 2,158,546	\$ 2,014,325	\$ 2,299,354	\$ 2,331,270	For 2012 to 2017, this data is not yet available.					
Fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	For 2012 to 2017, this data is not yet available.					
Net OPEB liability	<u>\$ 2,158,546</u>	<u>\$ 2,014,325</u>	<u>\$ 2,299,354</u>	<u>\$ 2,331,270</u>	For 2012 to 2017, this data is not yet available.					
Fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	For 2012 to 2017, this data is not yet available.					
Covered payroll	\$26,466,107	\$26,466,107	\$22,609,222	\$22,609,222	For 2012 to 2017, this data is not yet available.					
Total OPEB liability as a percentage of covered payroll	8.16%	7.61%	10.17%	10.31%	For 2012 to 2017, this data is not yet available.					

\* The District adopted GASB 75 in fiscal year 2017-2018. The information for years 2012-2017 is not available under the measurement requirements of GASB 75.

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

**Schedule of Changes in the Total OPEB Liability - KPERS Death and Disability  
For the Year Ended June 30, 2021**

	Last 10 Fiscal Years*									
	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total OPEB Liability - Beginning of year	\$ 798,515	\$ 544,315	\$ 629,162	\$ 808,100	For 2012 to 2017, this data is not yet available.					
Service Cost	89,743	82,347	81,892	85,800	For 2012 to 2017, this data is not yet available.					
Interest Cost	30,110	22,613	24,980	21,700	For 2012 to 2017, this data is not yet available.					
Changes in Benefit Terms	-	-	-	-	For 2012 to 2017, this data is not yet available.					
Differences between actual and expected experience	8,092	221,991	(158,247)	-	For 2012 to 2017, this data is not yet available.					
Changes in assumptions and inputs	42,346	12,752	(6,623)	(17,100)	For 2012 to 2017, this data is not yet available.					
Employer contributions	<u>(56,426)</u>	<u>(85,503)</u>	<u>(26,849)</u>	<u>(269,300)</u>	For 2012 to 2017, this data is not yet available.					
Net Changes	<u>113,865</u>	<u>254,200</u>	<u>(84,847)</u>	<u>(178,900)</u>	For 2012 to 2017, this data is not yet available.					
Total OPEB Liability - End of year	<u>\$ 912,380</u>	<u>\$ 798,515</u>	<u>\$ 544,315</u>	<u>\$ 629,200</u>	For 2012 to 2017, this data is not yet available.					

\* The District adopted GASB 75 in fiscal year 2017-2018. The information for years 2012-2017 is not available under the measurement requirements of GASB 75.

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

**Schedule of the Total OPEB Liability as a Percentage of Covered Employee Payroll - KPERS Death and Disability  
For the Year Ended June 30, 2021**

	Last 10 Fiscal Years*									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total OPEB Liability	\$ 912,380	\$ 798,515	\$ 544,315	\$ 629,200	For 2012 to 2017, this data is not yet available.					
Fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	For 2012 to 2017, this data is not yet available.					
Net OPEB liability	<u>\$ 912,380</u>	<u>\$ 798,515</u>	<u>\$ 544,315</u>	<u>\$ 629,200</u>	For 2012 to 2017, this data is not yet available.					
Fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	For 2012 to 2017, this data is not yet available.					
Covered payroll	\$ 43,599,108	\$ 41,724,163	\$ 39,930,000	\$ 38,286,000	For 2012 to 2017, this data is not yet available.					
Total OPEB liability as a percentage of covered payroll	2.09%	1.91%	1.36%	1.64%	For 2012 to 2017, this data is not yet available.					

\* The District adopted GASB 75 in fiscal year 2017-2018. The information for years 2012-2017 is not available under the measurement requirements of GASB 75.

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

**Schedule of the District's Proportionate Share of the Net Pension Liability  
For the Year Ended June 30, 2021**

**Kansas Public Employees Retirement System  
Last 10 Fiscal Years\***

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportionate percentage of the net pension liability	0.93907%	0.93792%	0.95320%	0.92877%	0.94955%	0.73513%	0.72499%	0.88922%	For 2012 to 2013, this data is not yet available.	
District's proportionate share of the net pension liability	\$ 70,166,826	\$ 60,661,742	\$ 62,181,798	\$ 62,403,962	\$ 63,819,632	\$ 50,903,781	\$ 46,326,026	\$ 64,591,784	For 2012 to 2013, this data is not yet available.	
District's covered payroll	\$ 52,473,464	\$ 47,939,804	\$ 42,286,638	\$ 43,066,520	\$ 40,675,151	\$ 37,540,999	\$ 39,562,898	\$ 36,010,040	For 2012 to 2013, this data is not yet available.	
District's proportionate share of the net pension liability as a percentage of its covered payroll	133.72%	126.54%	147.05%	144.90%	156.90%	135.60%	117.09%	179.37%		
Plan fiduciary net position as a percentage of the total pension liability	64.81%	68.05%	66.75%	64.90%	63.27%	61.32%	63.30%	57.13%		

\* Data became available with the inception of GASB Statement No. 68 during fiscal year 2014, therefore 10 years of data is unavailable.

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

**Schedule of District's Contributions  
For the Year Ended June 30, 2021**

**Kansas Public Employees Retirement System  
Last 10 Fiscal Years\***

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 6,692,117	\$ 6,038,281	\$ 5,458,916	\$ 5,321,619	\$ 3,558,899	\$ 3,720,313	\$ 3,912,771	\$ 3,966,428	For 2012 to 2013, this data is not yet available.	
Contributions in relation to the contractually required contribution	<u>(6,692,117)</u>	<u>(6,038,281)</u>	<u>(5,458,916)</u>	<u>(5,321,619)</u>	<u>(3,558,899)</u>	<u>(3,720,313)</u>	<u>(3,912,771)</u>	<u>(3,966,428)</u>	For 2012 to 2013, this data is not yet available.	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	For 2012 to 2013, this data is not yet available.	
District's covered employee payroll	\$ 47,541,979	\$ 52,473,464	\$ 47,939,804	\$ 44,309,901	\$ 39,987,866	\$ 37,540,999	\$ 39,562,898	\$ 39,193,953	For 2012 to 2013, this data is not yet available.	
Contributions as a percentage of covered payroll	14.08%	11.51%	11.39%	12.01%	8.90%	9.91%	9.89%	10.12%	For 2012 to 2013, this data is not yet available.	

\* Data became available with the inception of GASB Statement No. 68 during fiscal year 2014, therefore 10 years of data is unavailable. Data is measured as of the most recent fiscal year end.

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

**Notes to Required Supplementary Information  
For the Year Ended June 30, 2021**

**Other Post Employment Benefits - Healthcare**

**Changes in benefit terms:**

There are no changes in benefits.

**Changes in assumptions:**

Changes of assumptions and other inputs reflect a change in the discount rate from 2.6% in 2020 to 2.0% in 2021.

Changes from the beginning to the end of year measurement for FY 2020-21 are noted below:

- The assumed mortality was changed from Society of Actuaries Scale MP-2019 Full Generational Improvement to the Society of Actuaries Scale MP-2021 Full Generational Improvement.
- The assumed salary scale was changed from 2.6% to 2.0%.
- Update trend taking the January 1, 2021 renewal into account.
- Retirement and turnover assumptions were updated based on the latest available statistics from KPERS pension valuation reports.

**Other Post Employment Benefits - KPERS Death and Disabilities**

**Changes in benefit terms:**

There are no changes in benefits.

**Changes in assumptions:**

Changes from the beginning to the end of year measurement for the valuation report dated June 30, 2020, are noted below:

- Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% in 2019 to 2.21% in 2020.
- Mortality rates used for the death benefits were based on the RP-2014 Healthy Annuitant Mortality Table for Males and Females, adjusted for generational mortality improvement using MP-2018. Mortality rates used for the disability benefits were based on the RP-2014 Disabled Life Table with generational mortality improvement using MP-2018.

**Defined Benefit Pension Plan**

**Changes in benefit terms:**

There are no changes in benefits.

**Changes in assumptions:**

Changes from the beginning to the end of year measurement for the valuation report dated June 30, 2020, are noted below:

- Price inflation lowered from 3.00 percent to 2.75 percent
- Investment return assumption was lowered from 7.75 percent to 7.50 percent
- General wage growth assumption was lowered from 4.00 percent to 3.5
- Payroll growth assumption was lowered from 4.00 percent to 3.00 percent

**COMBINING FINANCIAL STATEMENTS  
AND  
INDIVIDUAL FUND SCHEDULES**

## **GOVERNMENTAL FUNDS**

### **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 has no maximum balance limitations under current state law.

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

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

**Sales Tax Payable 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.



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

**Combining Balance Sheet  
General Fund  
June 30, 2021**

	General Fund								Total General Fund
	General	Supplemental General	Professional Development	Summer School	Contingency Reserve	Latchkey Program	Payroll Deductions	Sales Tax Payable	
<b>Assets:</b>									
Cash, cash equivalents and investments	\$ -	\$ 188,412	\$ 150,067	\$ 5,418	\$ 3,835,551	\$ 83,406	\$ 2,442,883	\$ -	\$ 6,705,737
Property tax receivable	-	161,358	-	-	-	-	-	-	161,358
State aid receivable	2,554,015	586,600	-	-	-	-	-	-	3,140,615
Other receivable	-	-	-	-	-	-	-	4,283	4,283
<b>Total assets</b>	<b>\$ 2,554,015</b>	<b>\$ 936,370</b>	<b>\$ 150,067</b>	<b>\$ 5,418</b>	<b>\$ 3,835,551</b>	<b>\$ 83,406</b>	<b>\$ 2,442,883</b>	<b>\$ 4,283</b>	<b>\$ 10,011,993</b>
<b>Liabilities:</b>									
Accounts payable	\$ 104,075	\$ 182,044	\$ 1,528	\$ 2,038	\$ -	\$ 1,892	\$ -	\$ -	\$ 291,577
Accrued payroll	1,157,328	6,049	431	-	-	-	-	-	1,163,808
Due to other funds	1,287,722	-	-	-	-	-	-	4,283	1,292,005
<b>Total liabilities</b>	<b>2,549,125</b>	<b>188,093</b>	<b>1,959</b>	<b>2,038</b>	<b>-</b>	<b>1,892</b>	<b>-</b>	<b>4,283</b>	<b>2,747,390</b>
<b>Deferred Inflows of Resources:</b>									
Property taxes receivable	-	161,358	-	-	-	-	-	-	161,358
<b>Fund Balances:</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	586,919	148,108	3,380	3,835,551	-	-	-	4,573,958
Assigned	4,890	-	-	-	-	2,575	-	-	7,465
Unassigned	-	-	-	-	-	78,939	2,442,883	-	2,521,822
<b>Total fund balances</b>	<b>4,890</b>	<b>586,919</b>	<b>148,108</b>	<b>3,380</b>	<b>3,835,551</b>	<b>81,514</b>	<b>2,442,883</b>	<b>-</b>	<b>7,103,245</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,554,015</b>	<b>\$ 936,370</b>	<b>\$ 150,067</b>	<b>\$ 5,418</b>	<b>\$ 3,835,551</b>	<b>\$ 83,406</b>	<b>\$ 2,442,883</b>	<b>\$ 4,283</b>	<b>\$ 10,011,993</b>

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

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
General Fund  
For the Year Ended June 30, 2021**

	General Fund								
	General	Supplemental General	Professional Development	Summer School	Contingency Reserve	Latchkey Program	Payroll Deductions	Sales Tax Payable	Total General Fund
Revenues:									
Taxes	\$ -	\$ 6,612,539	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,612,539
State aid	30,190,002	5,779,267	209,196	-	-	-	-	-	36,178,465
Federal aid	142,925	-	-	-	-	-	-	-	142,925
Charges for services	-	-	-	-	-	156,727	-	-	156,727
Other	751,976	150	-	16,227	-	-	28,081,695	9,563	28,859,611
Total revenue	<u>31,084,903</u>	<u>12,391,956</u>	<u>209,196</u>	<u>16,227</u>	<u>-</u>	<u>156,727</u>	<u>28,081,695</u>	<u>9,563</u>	<u>71,950,267</u>
Expenditures:									
Instruction	22,707,889	2,712,254	-	19,564	-	-	27,729,097	9,563	53,178,367
Student support services	1,734,344	424,337	-	-	-	58,472	-	-	2,217,153
Instructional support services	411,717	1,215,558	74,783	-	-	-	-	-	1,702,058
General administration	23,225	1,076,838	-	-	-	-	-	-	1,100,063
School administration	3,359,525	149,604	-	-	-	-	-	-	3,509,129
Central services	562,706	579,310	-	-	-	-	-	-	1,142,016
Operations and maintenance	391,292	6,240,880	-	1,454	-	2,782	-	-	6,636,408
Student transportation services	1,022,772	83,855	-	-	-	39,908	-	-	1,146,535
Other support services	339,190	4,989	22,250	-	-	-	-	-	366,429
Community service operations	145,000	-	-	-	-	-	-	-	145,000
Total expenditures	<u>30,697,660</u>	<u>12,487,625</u>	<u>97,033</u>	<u>21,018</u>	<u>-</u>	<u>101,162</u>	<u>27,729,097</u>	<u>9,563</u>	<u>71,143,158</u>
Excess of revenues over (under) expenditures	<u>387,243</u>	<u>(95,669)</u>	<u>112,163</u>	<u>(4,791)</u>	<u>-</u>	<u>55,565</u>	<u>352,598</u>	<u>-</u>	<u>807,109</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	441,670	-	-	-	441,670
Transfers out	(441,670)	-	-	-	-	-	-	-	(441,670)
Total other financing sources (uses)	<u>(441,670)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>441,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(54,427)</u>	<u>(95,669)</u>	<u>112,163</u>	<u>(4,791)</u>	<u>441,670</u>	<u>55,565</u>	<u>352,598</u>	<u>-</u>	<u>807,109</u>
Fund balances at beginning of year	<u>59,317</u>	<u>682,588</u>	<u>35,945</u>	<u>8,171</u>	<u>3,393,881</u>	<u>25,949</u>	<u>2,090,285</u>	<u>-</u>	<u>6,296,136</u>
Fund balances at end of year	<u>\$ 4,890</u>	<u>\$ 586,919</u>	<u>\$ 148,108</u>	<u>\$ 3,380</u>	<u>\$ 3,835,551</u>	<u>\$ 81,514</u>	<u>\$ 2,442,883</u>	<u>\$ -</u>	<u>\$ 7,103,245</u>

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Supplemental General Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
Taxes	\$ 6,828,566	\$ 6,266,680	\$ 6,612,539	\$ 345,859
State aid	7,787,482	7,787,482	7,490,076	(297,406)
Reimbursement	-	-	150	150
Total revenue	<u>14,616,048</u>	<u>14,054,162</u>	<u>14,102,765</u>	<u>48,603</u>
Expenditures and encumbrances:				
Instruction	3,001,684	3,001,684	2,654,653	(347,031)
Student support services	317,181	317,181	422,537	105,356
Instructional support services	1,107,869	1,107,869	1,215,668	107,799
General administration	1,073,000	1,073,000	1,070,912	(2,088)
School administration	193,972	193,972	149,604	(44,368)
Central services	167,977	167,977	579,310	411,333
Operations and maintenance	5,897,640	5,897,640	6,258,469	360,829
Student transportation services	46,300	46,300	83,956	37,656
Other support services	-	-	4,990	4,990
Transfers out to other funds	<u>2,907,171</u>	<u>2,907,171</u>	<u>1,710,809</u>	<u>(1,196,362)</u>
Total expenditures and encumbrances	<u>14,712,794</u>	<u>14,712,794</u>	<u>14,150,908</u>	<u>(561,886)</u>
Adjustment to legal maximum budget	<u>-</u>	<u>(561,886)</u>	<u>-</u>	<u>561,886</u>
Total expenditures and transfers subject to budget	<u>14,712,794</u>	<u>14,150,908</u>	<u>14,150,908</u>	<u>-</u>
Revenue over (under) expenditures and encumbrances	(96,746)	(96,746)	(48,143)	48,603
Unencumbered cash, beginning of year	<u>609,181</u>	<u>609,181</u>	<u>609,181</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ 512,435</u>	<u>\$ 512,435</u>	<u>\$ 561,038</u>	<u>\$ 48,603</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 561,038	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>25,881</u>	
GAAP fund balance, end of year (combined with General Fund for GAAP presentation)			<u>\$ 586,919</u>	

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Professional Development Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
State aid	\$ 20,250	\$ 20,250	\$ 22,099	\$ 1,849
Transfer from other funds	100,000	100,000	187,097	87,097
Total revenue	120,250	120,250	209,196	88,946
Expenditures and encumbrances:				
Instructional support services	96,773	96,773	75,497	(21,276)
Other support services	55,000	55,000	22,250	(32,750)
Total expenditures and encumbrances	151,773	151,773	97,747	(54,026)
Revenue over (under) expenditures and encumbrances	(31,523)	(31,523)	111,449	142,972
Unencumbered cash, beginning of year	35,945	35,945	35,945	-
Unencumbered cash, end of year	<u>\$ 4,422</u>	<u>\$ 4,422</u>	<u>\$ 147,394</u>	<u>\$ 142,972</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 147,394	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>714</u>	
GAAP fund balance, end of year (combined with General Fund for GAAP presentation)			<u>\$ 148,108</u>	

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Summer School Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
Reimbursement	\$ 10,000	\$ 10,000	\$ 16,226	\$ 6,226
Transfer from other funds	<u>7,821</u>	<u>7,821</u>	<u>-</u>	<u>(7,821)</u>
Total revenue	<u>17,821</u>	<u>17,821</u>	<u>16,226</u>	<u>(1,595)</u>
Expenditures and encumbrances:				
Instruction	24,322	24,322	19,564	(4,758)
Operations and maintenance	<u>1,672</u>	<u>1,672</u>	<u>1,455</u>	<u>(217)</u>
Total expenditures and encumbrances	<u>25,994</u>	<u>25,994</u>	<u>21,019</u>	<u>(4,975)</u>
Revenue over (under) expenditures and encumbrances	(8,173)	(8,173)	(4,793)	3,380
Unencumbered cash, beginning of year	<u>8,173</u>	<u>8,173</u>	<u>8,173</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,380</u>	<u>\$ 3,380</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 3,380	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>-</u>	
GAAP fund balance, end of year (combined with General Fund for GAAP presentation)			<u>\$ 3,380</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:

**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 K-12 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.

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

**Virtual Education Fund** - used to account for moneys received and expenses to operate a program of virtual education.

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

**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.

**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.

**Career and Postsecondary 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.

**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.

**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.

**CARES Fund** - used to account for expenditures related to the COVID-19 pandemic that will be reimbursed from funds made available through the Coronavirus Aid, Relief, and Economic Security Act.

**SPARK Broadband Grant Fund** - used to account for grant moneys received through the CARES Act which was to ensure devices and connectivity was available for all students to continue learning no matter where their learning was taking place.

**ESSER II CARES Fund** - used to account for moneys made available to school districts based upon the Title-I Allocations in each District nationwide to combat learning loss, provide support for students and staff, and ensure Districts can respond adequately to the ever-changing COVID-19 landscape.

**Stemkamp Fund** - used to account for a 5-day summer camp that offers hands-on STEM experiences for 3rd through 8th grade students at military-connected schools, this is an extension of military grants the District already receives.

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

**Athletic and Activity Fund** - used to account for athletic and other activity gate receipts and the expenditures incurred related to those functions.

**Americorp Grant Fund** - used to account for grant moneys received through the Kansas Department of Education. This grant provides funding geared to education and training of students to prepare them for the workforce.

**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 ID 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.

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

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

**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.

**Preschool Block Grant - The Opportunity Project Fund** - used to account for grant moneys received through The Opportunity Project (TOP) Early Learning Centers which was awarded by the Kansas Department of Children and Families to support working families and offer full and half-day learning opportunities to TOP kids through a variety of learning activities and programs.

**Military Academic/Support Program Grant Fund** - used to account for grant moneys received through Department of Defense Education Activity DoDEA Educational Partnership Program. The grant program specifically provides resources to military-connected local education agencies to develop and implement projects that are designed to increase academic performance based on college and career ready outcomes, support social emotional needs of military connected students, enhance and integrate technology through instruction and student work, and promote advanced placement and expanded learning opportunities.

**Title IV Fund** - used to account for revenues and expenditures related to the Student Support and Academic Enrichment Program Grant to provide all students with access to a well-rounded education, improve school conditions for student learning, and improve the use of technology in order to improve the academic achievement and digital literacy for all students.

**Derby 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.

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

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

**District Activity Fund** - used to account for revenue and expenses relating to co-curricular activities which have student participation in the activity, but are administered by the District.

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

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021**

	Special Revenue Funds					
	At Risk 4 Yr Olds	At Risk K-12	Bilingual Education	Virtual Education	Driver Training	Food Service
Assets:						
Cash, cash equivalents and investments	\$ -	\$ 152,283	\$ 39,176	\$ 75,242	\$ 75,088	\$ 824,474
Property tax receivable	-	-	-	-	-	-
Federal receivable	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 152,283</u>	<u>\$ 39,176</u>	<u>\$ 75,242</u>	<u>\$ 75,088</u>	<u>\$ 824,474</u>
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,898
Accrued payroll	-	152,283	39,176	-	14,472	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>152,283</u>	<u>39,176</u>	<u>-</u>	<u>14,472</u>	<u>54,898</u>
Deferred inflows of resources:						
Property tax receivable	-	-	-	-	-	-
Fund Balances:						
Restricted	-	-	-	75,242	60,616	-
Committed	-	-	-	-	-	769,576
Unassigned	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,242</u>	<u>60,616</u>	<u>769,576</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 152,283</u>	<u>\$ 39,176</u>	<u>\$ 75,242</u>	<u>\$ 75,088</u>	<u>\$ 824,474</u>

-Continued-



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

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021**

	Special Revenue Funds					
	Parent Education	Career and Postsecondary Education	KPERS Retirement	Special Assessment	CARES	SPARK Broadband Grant
<b>Assets:</b>						
Cash, cash equivalents and investments	\$ 15,889	\$ 247,252	\$ -	\$ 964,260	\$ 589	\$ -
Property tax receivable	-	-	-	13,892	-	-
Federal receivable	-	-	-	-	-	-
Total assets	<u>\$ 15,889</u>	<u>\$ 247,252</u>	<u>\$ -</u>	<u>\$ 978,152</u>	<u>\$ 589</u>	<u>\$ -</u>
<b>Liabilities:</b>						
Accounts payable	\$ 1,979	\$ 3,850	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	36,808	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>1,979</u>	<u>40,658</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources:</b>						
Property tax receivable	-	-	-	13,892	-	-
<b>Fund Balances:</b>						
Restricted	-	206,594	-	964,260	589	-
Committed	13,910	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>13,910</u>	<u>206,594</u>	<u>-</u>	<u>964,260</u>	<u>589</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 15,889</u>	<u>\$ 247,252</u>	<u>\$ -</u>	<u>\$ 978,152</u>	<u>\$ 589</u>	<u>\$ -</u>

-Continued-

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

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021**

Special Revenue Funds

	ESSER II CARES	Stemkamp	Textbook Revolving	Athletic and Activity	Americorp Grant	Kansas Beef Council Grant	Title IIA
<b>Assets:</b>							
Cash, cash equivalents and investments	\$ -	\$ 16,256	\$ 3,281,242	\$ 2,020	\$ -	\$ 17,099	\$ -
Property tax receivable	-	-	-	-	-	-	-
Federal receivable	-	-	-	-	25,806	-	7,802
Total assets	<u>\$ -</u>	<u>\$ 16,256</u>	<u>\$ 3,281,242</u>	<u>\$ 2,020</u>	<u>\$ 25,806</u>	<u>\$ 17,099</u>	<u>\$ 7,802</u>
<b>Liabilities:</b>							
Accounts payable	\$ 5,075	\$ -	\$ -	\$ 2,020	\$ 27	\$ -	\$ -
Accrued payroll	2,225	10,000	-	-	-	-	1,724
Due to other funds	172,581	-	-	-	25,779	-	6,078
Total liabilities	<u>179,881</u>	<u>10,000</u>	<u>-</u>	<u>2,020</u>	<u>25,806</u>	<u>-</u>	<u>7,802</u>
<b>Deferred inflows of resources:</b>							
Deferred property taxes	-	-	-	-	-	-	-
<b>Fund Balances:</b>							
Restricted	(179,881)	6,256	3,281,242	-	-	17,099	-
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>(179,881)</u>	<u>6,256</u>	<u>3,281,242</u>	<u>-</u>	<u>-</u>	<u>17,099</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 16,256</u>	<u>\$ 3,281,242</u>	<u>\$ 2,020</u>	<u>\$ 25,806</u>	<u>\$ 17,099</u>	<u>\$ 7,802</u>

-Continued-

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

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021**

Special Revenue Funds							
	Title I	English Language Learners Title III	Kansas Coordinated School Health Grant	Special Grants	Alcohol & Drug Prevention Grant - City of Derby	Derby Education Foundation/ Boeing/Derby Community Foundation Grant	Preschool Block Grant - The Opportunity Project
Assets:							
Cash, cash equivalents and investments	\$ -	\$ 1,399	\$ -	\$ 38,727	\$ 2,567	\$ 10,692	\$ -
Property tax receivable	-	-	-	-	-	-	-
Federal receivable	61,298	-	-	-	-	-	21,750
Total assets	<u>\$ 61,298</u>	<u>\$ 1,399</u>	<u>\$ -</u>	<u>\$ 38,727</u>	<u>\$ 2,567</u>	<u>\$ 10,692</u>	<u>\$ 21,750</u>
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	31,009	-	-	-	-	-	-
Due to other funds	30,289	-	-	-	-	-	21,750
Total liabilities	<u>61,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,750</u>
Deferred inflows of resources:							
Deferred property taxes	-	-	-	-	-	-	-
Fund Balances:							
Restricted	-	1,399	-	38,727	2,567	10,692	-
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>1,399</u>	<u>-</u>	<u>38,727</u>	<u>2,567</u>	<u>10,692</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 61,298</u>	<u>\$ 1,399</u>	<u>\$ -</u>	<u>\$ 38,727</u>	<u>\$ 2,567</u>	<u>\$ 10,692</u>	<u>\$ 21,750</u>

-Continued-

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

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021**

Special Revenue Funds							
	Military Academic/ Support Program Grant	Title IV	Derby Recreation Employee Benefits	Derby Recreation	Student Activity	District Activity	Total Nonmajor Governmental Funds
<b>Assets:</b>							
Cash, cash equivalents and investments	\$ 42,756	\$ -	\$ -	\$ -	\$ 499,464	\$ 72,664	\$ 6,379,139
Property tax receivable	-	-	23,273	67,814	-	-	104,979
Federal receivable	24,259	58	-	-	-	-	79,675
Total assets	<u>\$ 67,015</u>	<u>\$ 58</u>	<u>\$ 23,273</u>	<u>\$ 67,814</u>	<u>\$ 499,464</u>	<u>\$ 72,664</u>	<u>\$ 6,563,793</u>
<b>Liabilities:</b>							
Accounts payable	\$ 26,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,452
Accrued payroll	6,871	-	-	-	-	-	261,334
Due to other funds	-	58	-	-	-	-	53,665
Total liabilities	<u>33,549</u>	<u>58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>404,451</u>
<b>Deferred inflows of resources:</b>							
Deferred property taxes	-	-	23,273	67,814	-	-	104,979
<b>Fund Balances:</b>							
Restricted	2,949	-	-	-	-	-	4,668,232
Committed	-	-	-	-	499,464	72,664	1,355,614
Unassigned	30,517	-	-	-	-	-	30,517
Total fund balances	<u>33,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>499,464</u>	<u>72,664</u>	<u>6,054,363</u>
Total liabilities and fund balances	<u>\$ 67,015</u>	<u>\$ 58</u>	<u>\$ 23,273</u>	<u>\$ 67,814</u>	<u>\$ 499,464</u>	<u>\$ 72,664</u>	<u>\$ 6,563,793</u>

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

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2021**

	Special Revenue Funds					
	At Risk 4 Yr Olds	At Risk K-12	Bilingual Education	Virtual Education	Driver Training	Food Service
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State aid	126,966	4,127,373	1,045,384	85,000	-	337,374
Federal aid	-	-	-	-	-	3,700,932
Charges for services	-	-	-	-	-	99,692
Contributions	-	-	-	-	-	-
Other	-	-	-	-	23,700	2,683
Total revenue	126,966	4,127,373	1,045,384	85,000	23,700	4,140,681
Expenditures:						
Current:						
Instruction	162,760	4,123,699	1,045,384	58,980	27,352	-
Student support services	-	-	-	-	-	-
Instructional support services	-	1,501	-	-	-	-
General administration	-	-	-	-	-	-
School administration	-	-	-	-	-	-
Central services	-	-	-	-	-	-
Operations and maintenance	-	-	-	-	-	11,082
Student transportation services	-	2,173	-	-	-	11,360
Food service	-	-	-	-	-	3,576,849
Architectural and engineering services	-	-	-	-	-	-
Intergovernmental:						
Appropriations	-	-	-	-	-	-
Total expenditures	162,760	4,127,373	1,045,384	58,980	27,352	3,599,291
Net change in fund balances	(35,794)	-	-	26,020	(3,652)	541,390
Fund balances at beginning of year	35,794	-	-	49,222	64,268	228,186
Fund balances at end of year	\$ -	\$ -	\$ -	\$ 75,242	\$ 60,616	\$ 769,576

-Continued-

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

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2021**

	Special Revenue Funds					
	Parent Education	Career and Postsecondary Education	KPERS Retirement	Special Assessment	CARES	SPARK Broadband Grant
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ 206,561	\$ -	\$ -
State aid	345,065	1,075,000	6,597,330	-	-	-
Federal aid	-	37,551	-	-	559,680	1,278,000
Charges for services	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Other	-	18,581	-	-	-	-
Total revenue	<u>345,065</u>	<u>1,131,132</u>	<u>6,597,330</u>	<u>206,561</u>	<u>559,680</u>	<u>1,278,000</u>
Expenditures:						
Current:						
Instruction	-	1,105,554	4,486,182	-	178,909	-
Student support services	331,588	-	593,760	-	12,951	-
Instructional support services	-	-	131,947	-	4,639	-
General administration	-	-	131,947	-	472	-
School administration	-	-	395,840	-	10,675	-
Central services	1,041	-	131,947	-	300,971	1,278,000
Operations and maintenance	1,035	-	395,840	-	28,620	-
Student transportation services	-	33,079	197,920	-	14,844	-
Food service	-	-	131,947	-	10,384	-
Architectural and engineering services	-	-	-	219,267	-	-
Intergovernmental:						
Appropriations	-	-	-	-	-	-
Total expenditures	<u>333,664</u>	<u>1,138,633</u>	<u>6,597,330</u>	<u>219,267</u>	<u>562,465</u>	<u>1,278,000</u>
Net change in fund balances	11,401	(7,501)	-	(12,706)	(2,785)	-
Fund balances at beginning of year	<u>2,509</u>	<u>214,095</u>	<u>-</u>	<u>976,966</u>	<u>3,374</u>	<u>-</u>
Fund balances at end of year	<u>\$ 13,910</u>	<u>\$ 206,594</u>	<u>\$ -</u>	<u>\$ 964,260</u>	<u>\$ 589</u>	<u>\$ -</u>

-Continued-

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

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2021**

	Special Revenue Funds						
	ESSER II CARES	Stemkamp	Textbook Revolving	Athletic and Activity	Americorp Grant	Kansas Beef Council Grant	Title IIA
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State aid	-	-	1,345,000	-	-	-	-
Federal aid	-	-	-	-	95,791	-	116,830
Charges for services	-	-	380,380	45,855	-	-	-
Contributions	-	-	-	-	-	-	-
Other	-	22,206	3,694	-	-	26,325	-
Total revenue	-	22,206	1,729,074	45,855	95,791	26,325	116,830
Expenditures:							
Current:							
Instruction	133,778	15,950	311,663	47,758	95,791	-	-
Student support services	137	-	-	-	-	-	-
Instructional support services	647	-	-	-	-	-	116,121
General administration	-	-	-	-	-	-	709
School administration	-	-	-	196	-	-	-
Central services	41,118	-	-	-	-	-	-
Operations and maintenance	740	-	-	-	-	-	-
Student transportation services	3,158	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-
Food service	303	-	-	-	-	33,225	-
Architectural and engineering services	-	-	-	-	-	-	-
Intergovernmental:							
Appropriations	-	-	-	-	-	-	-
Total expenditures	179,881	15,950	311,663	47,954	95,791	33,225	116,830
Net change in fund balances	(179,881)	6,256	1,417,411	(2,099)	-	(6,900)	-
Fund balances at beginning of year	-	-	1,863,831	2,099	-	23,999	-
Fund balances at end of year	\$ (179,881)	\$ 6,256	\$ 3,281,242	\$ -	\$ -	\$ 17,099	\$ -

-Continued-

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

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2021**

	Special Revenue Funds						
		English Language Learners Title III	Kansas Coordinated School Health Grant	Special Grants	Alcohol & Drug Prevention Grant - City of Derby	Derby Education Foundation/ Boeing/Derby Community Foundation Grant	Preschool Block Grant - The Opportunity Project
Revenues:	Title I						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State aid	-	-	-	-	-	-	-
Federal aid	726,752	53,022	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Contributions	-	-	-	41,956	-	-	-
Other	-	-	-	-	-	798	85,800
Total revenue	<u>726,752</u>	<u>53,022</u>	<u>-</u>	<u>41,956</u>	<u>-</u>	<u>798</u>	<u>85,800</u>
Expenditures:							
Current:							
Instruction	685,705	51,623	798	31,862	-	-	85,800
Student support services	89,187	-	-	-	-	-	-
Instructional support services	-	-	-	-	-	-	-
General administration	-	-	-	-	-	-	-
School administration	-	-	-	-	-	-	-
Central services	-	-	-	-	-	-	-
Operations and maintenance	-	-	-	3,662	-	-	-
Student transportation services	-	-	-	-	-	-	-
Other support services	-	-	-	(18,047)	-	-	-
Food service	-	-	-	-	-	-	-
Architectural and engineering services	-	-	-	-	-	-	-
Intergovernmental:							
Appropriations	-	-	-	-	-	-	-
Total expenditures	<u>774,892</u>	<u>51,623</u>	<u>798</u>	<u>17,477</u>	<u>-</u>	<u>-</u>	<u>85,800</u>
Net change in fund balances	(48,140)	1,399	(798)	24,479	-	798	-
Fund balances at beginning of year	<u>48,140</u>	<u>-</u>	<u>798</u>	<u>14,248</u>	<u>2,567</u>	<u>9,894</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 1,399</u>	<u>\$ -</u>	<u>\$ 38,727</u>	<u>\$ 2,567</u>	<u>\$ 10,692</u>	<u>\$ -</u>

-Continued-



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

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2021**

	Special Revenue Funds						
	Military Academic/ Support Program Grant	Title IV	Derby Recreation Employee Benefits	Derby Recreation	Student Activity	District Activity	Total Nonmajor Governmental Funds
Revenues:							
Taxes	\$ -	\$ -	950,219	2,768,603	\$ -	\$ -	\$ 3,925,383
State aid	-	-	-	-	-	-	15,084,492
Federal aid	309,693	18,652	-	-	-	-	6,170,151
Charges for services	-	-	-	-	-	259,378	785,305
Contributions	-	-	-	-	-	-	41,956
Other	-	-	-	-	233,033	-	416,820
Total revenue	<u>309,693</u>	<u>18,652</u>	<u>950,219</u>	<u>2,768,603</u>	<u>233,033</u>	<u>259,378</u>	<u>26,424,107</u>
Expenditures:							
Current:							
Instruction	191,837	-	-	-	214,058	251,932	12,487,892
Student support services	-	-	-	-	-	-	938,299
Instructional support services	84,390	20,052	-	-	-	-	358,650
General administration	-	-	-	-	-	-	133,128
School administration	-	-	-	-	-	-	406,711
Central services	-	-	-	-	-	-	1,711,959
Operations and maintenance	-	-	-	-	-	-	440,239
Student transportation services	-	-	-	-	-	-	259,376
Other support services	-	-	-	-	-	-	(18,047)
Food service	-	-	-	-	-	-	3,752,405
Architectural and engineering services	-	-	-	-	-	-	219,267
Intergovernmental:							
Appropriations	-	-	950,219	2,768,603	-	-	3,718,822
Total expenditures	<u>276,227</u>	<u>20,052</u>	<u>950,219</u>	<u>2,768,603</u>	<u>214,058</u>	<u>251,932</u>	<u>24,408,701</u>
Net change in fund balances	33,466	(1,400)	-	-	18,975	7,446	2,015,406
Fund balances at beginning of year	-	1,400	-	-	480,489	65,218	4,038,957
Fund balances at end of year	<u>\$ 33,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 499,464</u>	<u>\$ 72,664</u>	<u>\$ 6,054,363</u>

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
At Risk 4 Year Old Fund  
For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Transfers from other funds	\$ 266,806	\$ 266,806	\$ 126,966	\$ (139,840)
Expenditures and encumbrances:				
Instruction	<u>302,600</u>	<u>302,600</u>	<u>162,760</u>	<u>(139,840)</u>
Revenue over (under) expenditures and encumbrances	(35,794)	(35,794)	(35,794)	-
Unencumbered cash, beginning of year	<u>35,794</u>	<u>35,794</u>	<u>35,794</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>-</u>	
GAAP fund balance, end of year			<u>\$ -</u>	

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Budgetary Basis**  
**At Risk K-12 Fund**  
**For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Transfers from other funds	\$ 6,555,144	\$ 6,555,144	\$ 4,127,373	\$ (2,427,771)
Expenditures and encumbrances:				
Instruction	6,403,507	6,403,507	4,123,699	(2,279,808)
Student support services	22,067	22,067	-	(22,067)
Instruction support staff	-	-	1,501	1,501
School administration	125,070	125,070	-	(125,070)
Student transportation services	4,500	4,500	2,173	(2,327)
Total expenditures and encumbrances	6,555,144	6,555,144	4,127,373	(2,427,771)
Revenue over (under) expenditures and encumbrances	-	-	-	-
Unencumbered cash, beginning of year	-	-	-	-
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			-	
GAAP fund balance, end of year			<u>\$ -</u>	

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Bilingual Education Fund  
For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Transfers from other funds	<u>\$ 1,196,259</u>	<u>\$ 1,196,259</u>	<u>\$ 1,045,384</u>	<u>\$ (150,875)</u>
Expenditures and encumbrances:				
Instruction	1,128,609	1,128,609	1,045,384	(83,225)
Instructional support staff	<u>67,650</u>	<u>67,650</u>	<u>-</u>	<u>(67,650)</u>
Total expenditures and encumbrances	<u>1,196,259</u>	<u>1,196,259</u>	<u>1,045,384</u>	<u>(150,875)</u>
Revenue over (under) expenditures and encumbrances	-	-	-	-
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered cash, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>-</u>	
GAAP fund balance, end of year			<u><u>\$ -</u></u>	

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Budgetary Basis**  
**Virtual Education Fund**  
**For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
Transfers from other funds	\$ 35,000	\$ 35,000	\$ 85,000	\$ 50,000
Expenditures and encumbrances:				
Instruction	81,615	81,615	58,980	(22,635)
Revenue over (under) expenditures and encumbrances	(46,615)	(46,615)	26,020	72,635
Unencumbered cash, beginning of year	49,222	49,222	49,222	-
Unencumbered cash, end of year	<u>\$ 2,607</u>	<u>\$ 2,607</u>	<u>\$ 75,242</u>	<u>\$ 72,635</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 75,242	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			-	
GAAP fund balance, end of year			<u>\$ 75,242</u>	

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Driver Training Fund  
For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
State aid	\$ 5,850	\$ 5,850	\$ -	\$ (5,850)
Other	<u>-</u>	<u>-</u>	<u>23,700</u>	<u>23,700</u>
Total revenue	<u>5,850</u>	<u>5,850</u>	<u>23,700</u>	<u>17,850</u>
Expenditures and encumbrances:				
Instruction	<u>33,577</u>	<u>33,577</u>	<u>27,352</u>	<u>(6,225)</u>
Revenue over (under) expenditures and encumbrances	(27,727)	(27,727)	(3,652)	24,075
Unencumbered cash, beginning of year	<u>64,268</u>	<u>64,268</u>	<u>64,268</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ 36,541</u>	<u>\$ 36,541</u>	<u>\$ 60,616</u>	<u>\$ 24,075</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 60,616	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>-</u>	
GAAP fund balance, end of year			<u>\$ 60,616</u>	

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Food Service Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
State aid	\$ 25,757	\$ 25,757	\$ 37,371	\$ 11,614
Federal aid	2,396,425	2,396,425	3,700,932	1,304,507
Charges for services	855,821	855,821	99,692	(756,129)
Other	4,000	4,000	2,684	(1,316)
Transfers from other funds	263,738	263,738	300,000	36,262
Total revenue	<u>3,545,741</u>	<u>3,545,741</u>	<u>4,140,679</u>	<u>594,938</u>
Expenditures and encumbrances:				
Operations and maintenance	12,420	12,420	11,082	(1,338)
Student transportation services	-	-	11,572	11,572
Food service	<u>3,739,162</u>	<u>3,739,162</u>	<u>3,568,382</u>	<u>(170,780)</u>
Total expenditures and encumbrances	<u>3,751,582</u>	<u>3,751,582</u>	<u>3,591,036</u>	<u>(160,546)</u>
Revenue over (under) expenditures and encumbrances	(205,841)	(205,841)	549,643	755,484
Unencumbered cash, beginning of year	<u>205,841</u>	<u>205,841</u>	<u>205,840</u>	<u>(1)</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 755,483</u>	<u>\$ 755,483</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 755,483	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>14,093</u>	
GAAP fund balance, end of year			<u>\$ 769,576</u>	

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Parent Education Fund  
For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
State aid	\$ 230,256	\$ 230,256	\$ 221,067	\$ (9,189)
Other	3,600	3,600	-	(3,600)
Transfer from other funds	<u>152,443</u>	<u>152,443</u>	<u>123,998</u>	<u>(28,445)</u>
Total revenue	<u>386,299</u>	<u>386,299</u>	<u>345,065</u>	<u>(41,234)</u>
Expenditures and encumbrances:				
Student support services	384,699	384,699	329,170	(55,529)
Operations and maintenance	-	-	1,035	1,035
Central services	<u>1,600</u>	<u>1,600</u>	<u>1,041</u>	<u>(559)</u>
Total expenditures and encumbrances	<u>386,299</u>	<u>386,299</u>	<u>331,246</u>	<u>(55,053)</u>
Revenue over (under) expenditures and encumbrances	-	-	13,819	13,819
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,819</u>	<u>\$ 13,819</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 13,819	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			91	
Inventory			<u>-</u>	
GAAP fund balance, end of year			<u>\$ 13,910</u>	



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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Career and Postsecondary Education Fund  
For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Federal aid	\$ 82,000	\$ 82,000	\$ 37,551	\$ (44,449)
Other	2,500	2,500	18,581	16,081
Transfer from other funds	<u>1,217,171</u>	<u>1,217,171</u>	<u>1,075,000</u>	<u>(142,171)</u>
Total revenue	<u>1,301,671</u>	<u>1,301,671</u>	<u>1,131,132</u>	<u>(170,539)</u>
Expenditures and encumbrances:				
Instruction	1,426,806	1,426,806	1,105,554	(321,252)
Student transportation services	-	-	33,136	33,136
Other support services	<u>85,000</u>	<u>85,000</u>	<u>-</u>	<u>(85,000)</u>
Total expenditures and encumbrances	<u>1,511,806</u>	<u>1,511,806</u>	<u>1,138,690</u>	<u>(373,116)</u>
Revenue over (under) expenditures and encumbrances	(210,135)	(210,135)	(7,558)	202,577
Unencumbered cash, beginning of year	<u>210,135</u>	<u>210,135</u>	<u>214,095</u>	<u>3,960</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,537</u>	<u>\$ 206,537</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 206,537	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			57	
Due from others			<u>-</u>	
GAAP fund balance, end of year			<u>\$ 206,594</u>	

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Budgetary Basis**  
**KPERS Special Retirement Contribution Fund**  
**For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
State aid	\$ 7,405,877	\$ 7,405,877	\$ 6,597,330	\$ (808,547)
Expenditures and encumbrances:				
Instruction	5,223,377	5,223,377	4,486,184	(737,193)
Student support services	628,000	628,000	593,760	(34,240)
Instructional support services	142,000	142,000	131,947	(10,053)
General administration	142,000	142,000	131,947	(10,053)
School administration	425,000	425,000	395,840	(29,160)
Central services	72,500	72,500	131,947	59,447
Operations and maintenance	418,000	418,000	395,840	(22,160)
Student transportation services	210,000	210,000	197,918	(12,082)
Food service	145,000	145,000	131,947	(13,053)
Total expenditures and encumbrances	7,405,877	7,405,877	6,597,330	(808,547)
Revenue over (under) expenditures and encumbrances	-	-	-	-
Unencumbered cash, beginning of year	-	-	-	-
Unencumbered cash, end of year	\$ -	\$ -	\$ -	\$ -
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			-	
Inventory			-	
GAAP fund balance, end of year			\$ -	

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Budgetary Basis**  
**Special Assessment Fund**  
**For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Taxes	\$ 200,084	\$ 200,084	\$ 206,561	\$ 6,477
Expenditures and encumbrances:				
Facilities acquisition	<u>750,000</u>	<u>750,000</u>	<u>219,267</u>	<u>(530,733)</u>
Revenue over (under) expenditures and encumbrances	(549,916)	(549,916)	(12,706)	537,210
Unencumbered cash, beginning of year	<u>976,966</u>	<u>976,966</u>	<u>976,966</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ 427,050</u>	<u>\$ 427,050</u>	<u>\$ 964,260</u>	<u>\$ 537,210</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 964,260	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>-</u>	
GAAP fund balance, end of year			<u>\$ 964,260</u>	

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Capital Outlay Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
Taxes	\$ 3,892,220	\$ 3,892,220	\$ 3,989,820	\$ 97,600
State aid	1,599,401	1,599,401	1,591,559	(7,842)
Federal aid	35,000	35,000	61,254	26,254
Earnings on investments	-	-	1,866	1,866
Other	-	-	536,022	536,022
Total revenue	<u>5,526,621</u>	<u>5,526,621</u>	<u>6,180,521</u>	<u>653,900</u>
Expenditures and encumbrances:				
Instruction	2,930,793	2,930,793	3,344,413	413,620
Student support services	27,400	27,400	45,127	17,727
Instructional support services	8,913	8,913	-	(8,913)
General administration	1,900	1,900	-	(1,900)
School administration	6,200	6,200	2,860	(3,340)
Central services	200,000	200,000	2,059	(197,941)
Operations and maintenance	3,494,850	3,494,850	1,686,578	(1,808,272)
Student transportation services	718,900	718,900	655,061	(63,839)
Other support services	84,400	84,400	31,375	(53,025)
Site improvements	-	-	900,000	900,000
Building improvements	<u>1,000,000</u>	<u>1,000,000</u>	<u>200,000</u>	<u>(800,000)</u>
Total expenditures and encumbrances	<u>8,473,356</u>	<u>8,473,356</u>	<u>6,867,473</u>	<u>(1,605,883)</u>
Revenue over (under) expenditures and encumbrances	(2,946,735)	(2,946,735)	(686,952)	2,259,783
Unencumbered cash, beginning of year	<u>4,959,960</u>	<u>4,959,960</u>	<u>4,959,960</u>	-
Unencumbered cash, end of year	<u>\$ 2,013,225</u>	<u>\$ 2,013,225</u>	<u>\$ 4,273,008</u>	<u>\$ 2,259,783</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 4,273,008	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>602,542</u>	
GAAP fund balance, end of year			<u>\$ 4,875,550</u>	

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Bond & Interest Fund  
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
Taxes	\$ 8,005,842	\$ 8,005,842	\$ 8,226,351	\$ 220,509
State aid	2,706,413	2,706,413	2,706,413	-
Other	-	-	3,552	3,552
Total revenue	<u>10,712,255</u>	<u>10,712,255</u>	<u>10,936,316</u>	<u>224,061</u>
Expenditures and encumbrances:				
Principal	3,590,000	3,590,000	3,785,000	195,000
Interest and fiscal charges	6,862,339	6,862,339	6,141,682	(720,657)
Dues and fees	-	-	621	621
Total expenditures and encumbrances	<u>10,452,339</u>	<u>10,452,339</u>	<u>9,927,303</u>	<u>(525,036)</u>
Revenue over (under) expenditures and encumbrances	259,916	259,916	1,009,013	749,097
Unencumbered cash, beginning of year	<u>7,843,981</u>	<u>7,843,981</u>	<u>7,843,981</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ 8,103,897</u>	<u>\$ 8,103,897</u>	<u>\$ 8,852,994</u>	<u>\$ 749,097</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 8,852,994	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			-	
GAAP fund balance, end of year			<u>\$ 8,852,994</u>	

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Budgetary Basis**  
**Recreation Fund**  
**For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Taxes	\$ 2,940,361	\$ 2,940,361	\$ 2,768,603	\$ (171,758)
Expenditures and encumbrances:				
Appropriation to recreation commission	<u>2,936,000</u>	<u>2,936,000</u>	<u>2,768,603</u>	<u>(167,397)</u>
Revenue over (under) expenditures and encumbrances	4,361	4,361	-	(4,361)
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ 4,361</u>	<u>\$ 4,361</u>	<u>\$ -</u>	<u>\$ (4,361)</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	
Encumbrances for expenses ordered but not received are not reported				
Inventory			<u>-</u>	
GAAP fund balance, end of year			<u>\$ -</u>	

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Budgetary Basis**  
**Recreation - Employee Benefits Fund**  
**For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Taxes	\$ 1,105,641	\$ 1,105,641	\$ 950,219	\$ (155,422)
Expenditures and encumbrances:				
Appropriation to recreation commission	<u>1,100,000</u>	<u>1,100,000</u>	<u>950,219</u>	<u>(149,781)</u>
Revenue over (under) expenditures and encumbrances	5,641	5,641	-	(5,641)
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ 5,641</u>	<u>\$ 5,641</u>	<u>\$ -</u>	<u>\$ (5,641)</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	
Encumbrances for expenses ordered but not received are not reported				
Inventory			<u>-</u>	
GAAP fund balance, end of year			<u>\$ -</u>	

## **STATISTICAL SECTION**



## Derby Unified School District No. 260

### STATISTICAL SECTION

This part of the Derby Unified School District No. 260's annual comprehensive 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><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	92
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	96
These schedules contain information to help the reader assess the District's most significant local revenue source.	
<b>Debt Capacity</b>	100
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	104
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
<b>Operating Information</b>	108
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 District provides and the activities it performs.	

*Sources: Unless otherwise noted, the information in these schedules is derived from the District's Annual Comprehensive Financial Reports for the relevant year.*

**Unified School District No. 260, Derby, Kansas**

**Net Position by Component Governmental Activities, Last Ten Fiscal Years**  
(accrual basis of accounting)

Table 1

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 32,137,347	\$ 33,680,814	\$ 40,266,732	\$ 39,027,456	\$ 29,360,735	\$ 29,956,187	\$ 27,660,299	\$ 96,351,707	\$ 28,018,137	\$ 28,911,095
Restricted for debt service	2,864,462	3,340,724	3,497,704	4,035,190	4,178,872	4,622,934	6,276,341	5,275,062	7,843,981	8,852,994
Restricted for construction	-	-	-	-	1,125,275	-	-	113,952,214	13,238,501	23,486,949
Restricted for educational services	7,598,700	3,449,022	1,309,607	9,996,247	956,759	2,408,982	3,078,872	9,679,733	9,019,434	12,059,477
Unrestricted	(4,563,609)	(1,957,913)	(60,425,382)*	(59,166,086)	(60,163,051)	(58,736,369)	(53,636,145)	(245,278,336)	(63,233,290)	(79,519,692)
Total governmental activities net position	<u>\$ 38,036,900</u>	<u>\$ 38,512,647</u>	<u>\$ (15,351,339)</u>	<u>\$ (6,107,193)</u>	<u>\$ (24,541,410)</u>	<u>\$ (21,748,266)</u>	<u>\$ (16,620,633)</u>	<u>\$ (20,019,620)</u>	<u>\$ (5,113,237)</u>	<u>\$ (6,209,177)</u>

\* 2014 Restated for implementation of GASB Statement No. 68

**Unified School District No. 260, Derby, Kansas**

**Changes in Net Position of Governmental Activities, Last Ten Fiscal Years**  
(accrual basis of accounting)

Table 2

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
<i>Governmental Activities:</i>										
Instruction	\$ 42,403,455	\$ 42,459,420	\$ 43,209,151	\$ 38,743,590	\$ 55,309,078	\$ 46,800,139	\$ 44,999,643	\$ 57,957,142	\$ 44,102,860	\$ 93,374,750
Student support services	4,109,789	4,262,776	3,935,280	1,736,163	5,580,918	4,926,226	4,504,614	5,421,288	5,520,317	6,179,960
Instructional support services	2,140,007	1,990,559	2,177,544	1,598,306	1,629,933	1,900,754	1,930,214	2,036,657	2,042,131	2,198,795
General administration	903,615	967,197	1,135,450	811,350	1,209,878	1,222,851	1,278,427	1,632,921	1,621,967	1,825,799
School administration	2,957,498	3,009,629	3,000,687	2,452,295	3,866,916	3,180,128	3,331,677	3,901,162	3,918,312	4,205,785
Central support services	777,962	889,976	1,182,908	718,140	1,037,219	1,291,811	1,309,806	7,804,761	1,655,449	3,128,945
Operations and maintenance	5,813,514	6,651,140	5,972,752	7,340,050	9,526,429	6,930,089	7,268,413	1,273,650	7,509,467	9,656,491
Student transportation	1,384,395	1,448,386	1,239,101	1,171,892	1,804,271	1,786,908	1,712,342	2,191,184	2,163,150	2,278,031
Food service operations	2,903,048	3,005,371	2,992,931	2,845,582	3,451,869	3,407,964	3,387,659	3,495,392	458,614	454,201
Community service operations	127,363	133,609	127,268	142,172	137,403	137,451	137,648	145,011	3,585,931	3,818,868
Recreation	2,973,777	3,015,576	2,978,234	2,994,068	2,955,061	3,271,832	3,383,378	-	145,024	145,000
Interest on long-term debt	288,688	2,390,052	2,296,571	2,286,167	8,192,087	2,297,804	2,466,075	5,934,787	5,924,004	1,341,664
<i>Intergovernmental:</i>										
Appropriations	-	-	-	-	-	-	-	-	-	3,718,822
Total governmental activities expenses	66,783,111	70,223,691	70,247,877	62,839,775	94,701,062	77,153,957	75,709,896	91,793,955	78,647,226	132,327,111
Program revenues										
<i>Governmental Activities:</i>										
Instruction	1,235,358	1,000,939	1,150,115	1,070,933	1,091,760	1,055,587	1,034,929	2,342,180	1,827,996	30,233,085
Student support services	499,399	465,285	544,375	504,755	553,653	540,025	481,054	604,172	453,642	156,727
Instructional support services	-	-	-	-	-	-	-	-	-	-
General administration	682	494	300	315	370	2,371	782	-	-	-
School administration	5,579	1,687	-	1,256	-	-	-	-	-	-
Central support services	183	38	53	41	28	365	10	-	-	-
Operations and maintenance	49,833	56,215	12,095	7,519	3,980	39,189	4,383	304,408	101,098	268,011
Student transportation	44,815	28,571	1,010	631	1,096	52,357	32,588	-	-	-
Food service operations	1,224,796	1,144,688	1,117,775	1,085,195	1,078,712	1,100,272	1,115,401	1,222,024	970,394	102,375
Recreation	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	15,198,486	14,794,195	15,790,525	12,711,896	7,311,644	15,806,235	19,840,424	6,084,596	23,183,951	27,866,176
Capital grants and contributions	213,427	719,548	-	122,948	678,221	-	-	-	-	-
Total governmental activities revenues	18,472,558	18,211,660	18,616,248	15,505,489	10,719,464	18,596,401	22,509,571	10,557,380	26,537,081	58,626,374
Net (Expense)/Revenue										
Total Government net expense	\$ (48,310,553)	\$ (52,012,031)	\$ (51,631,629)	\$ (47,334,286)	\$ (83,981,598)	\$ (58,557,556)	\$ (53,200,325)	\$ (81,236,575)	\$ (52,110,145)	\$ (73,700,737)
General Revenues and Other										
Changes in Net Position										
<i>Governmental activities:</i>										
Property taxes	\$ 18,413,459	\$ 18,248,040	\$ 18,520,372	\$ 9,700,407	\$ 11,028,407	\$ 10,299,333	\$ 11,430,170	\$ 6,900,537	\$ 6,938,228	\$ 10,537,926
Debt Service	2,262,488	3,308,340	3,287,031	3,384,849	3,343,214	3,533,558	3,414,987	7,054,501	7,913,588	8,229,903
Capital Outlay	2,494,718	2,575,411	2,551,930	2,566,778	3,286,823	3,453,605	3,622,927	3,772,870	3,937,068	3,989,819
Grants and entitlements not restricted to specific programs	26,535,940	27,966,231	28,675,797	40,868,543	47,841,847	41,695,281	41,414,326	56,138,601	46,120,419	47,128,111
Investment earnings	200,857	389,756	263,941	57,855	47,090	95,327	551,966	2,497,169	2,863,048	148,262
Total General Revenue	49,907,462	52,487,778	53,299,071	56,578,432	65,547,381	59,077,104	60,434,376	76,363,678	67,772,351	70,034,021
Total Governmental change in net position	\$ 1,596,909	\$ 475,747	\$ 1,667,442	\$ 9,244,146	\$ (18,434,217)	\$ 519,548	\$ 7,234,051	\$ (4,872,897)	\$ 15,662,206	\$ (3,666,716)

Unified School District No. 260, Derby, Kansas

**Fund Balances, Governmental Funds**

*(modified accrual basis of accounting)*

Last Ten Fiscal Years

Table 3

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Committed	2,228,647	2,124,720	1,357,772	1,384,473	2,736,374	2,811,288	3,330,854	3,835,229	4,120,585	4,573,958
Assigned	684,160	509,451	404,623	-	-	154,788	31,082	132,901	63,344	7,465
Unassigned	191,890	234,610	194,227	367,370	516,790	71,362	25,207	23,047	21,922	2,521,822
Total general fund	<u>\$ 3,104,697</u>	<u>\$ 2,868,781</u>	<u>\$ 1,956,622</u>	<u>\$ 1,751,843</u>	<u>\$ 3,253,164</u>	<u>\$ 3,037,438</u>	<u>\$ 3,387,143</u>	<u>\$ 3,991,177</u>	<u>\$ 4,205,851</u>	<u>\$ 7,103,245</u>
All other governmental funds										
Restricted	\$ 10,463,162	\$ 62,641,858	\$ 13,903,316	\$ 9,996,247	\$ 7,386,181	\$ 7,564,537	\$ 115,412,962	\$ 116,983,396	\$ 72,457,793	\$ 34,533,992
Committed	2,550,013	13,892,282	38,458,136	12,423,968	4,000,633	4,788,992	5,122,640	6,355,958	10,607,374	11,836,325
Assigned	684,160	509,451	-	-	-	408,345	6,674,407	3,286,605	5,480,710	1,108,816
Unassigned	111,965	234,610	-	-	-	-	-	(13,997)	21,922	2,552,339
Total other governmental funds	<u>\$ 13,809,300</u>	<u>\$ 77,278,201</u>	<u>\$ 52,361,452</u>	<u>\$ 22,420,215</u>	<u>\$ 11,386,814</u>	<u>\$ 12,761,874</u>	<u>\$ 127,210,009</u>	<u>\$ 126,611,962</u>	<u>\$ 88,567,799</u>	<u>\$ 50,031,472</u>

**Unified School District No. 260, Derby, Kansas**

**Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years**  
(modified accrual basis of accounting)

Table 4

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes	\$ 23,170,665	\$ 24,131,791	\$ 24,359,333	\$ 15,652,034	\$ 17,658,444	\$ 17,286,496	\$ 18,468,084	\$ 17,727,908	\$ 18,788,884	\$ 22,754,092
Intergovernmental	41,779,453	42,980,912	43,728,185	53,097,552	55,380,859	56,581,430	60,853,110	62,100,173	69,197,157	74,866,535
Charges for services	2,159,566	2,190,719	2,150,389	2,048,765	2,119,376	2,242,433	2,123,248	2,936,386	2,329,612	954,155
Investment earnings	200,857	390,110	266,142	57,855	47,090	95,327	551,966	2,497,169	2,863,048	148,262
Miscellaneous	1,069,479	1,005,906	1,411,270	1,227,715	1,061,076	1,835,424	947,539	1,659,421	1,130,732	29,937,351
<b>Total revenues</b>	<b>68,380,020</b>	<b>70,699,438</b>	<b>71,915,319</b>	<b>72,083,921</b>	<b>76,266,845</b>	<b>78,041,110</b>	<b>82,943,947</b>	<b>86,921,057</b>	<b>94,309,433</b>	<b>128,660,395</b>
<b>Expenditures</b>										
Current:										
Instruction	41,771,951	41,765,390	42,813,960	43,091,186	42,592,186	42,792,370	44,962,993	47,904,157	50,122,727	78,305,385
Student support services	4,118,082	4,259,160	3,925,523	2,413,503	4,677,940	4,921,942	5,098,442	5,160,082	5,869,970	5,827,338
Instructional support services:	2,205,393	1,998,625	2,141,407	1,848,770	1,544,471	1,885,754	1,966,826	1,914,020	2,097,017	2,061,355
General administration	908,345	972,555	1,122,754	964,026	1,006,881	1,210,316	1,382,590	1,272,293	1,652,586	1,728,121
School administration	2,995,354	3,053,698	2,947,060	3,062,375	3,168,578	3,228,101	3,606,424	3,662,780	4,019,616	3,918,900
Operation and maintenance of plant	5,718,185	6,168,075	5,784,833	7,162,348	8,299,040	6,556,107	7,502,829	7,284,731	1,761,970	9,600,254
Central Support Services	822,798	901,632	1,178,639	812,842	1,161,682	1,286,168	1,408,780	1,010,626	8,321,177	3,058,545
Student transportation services	1,352,093	1,547,737	1,420,995	1,231,607	1,524,142	1,761,566	2,413,831	2,509,032	2,628,287	2,614,417
Other support services	-	-	-	-	-	-	-	444,078	468,051	449,551
Food service operation	2,925,108	3,008,205	3,033,077	2,985,507	3,093,242	3,053,327	3,154,754	3,386,625	3,602,112	3,752,708
Community service operation:	127,363	133,609	127,268	206,816	137,403	137,451	137,648	145,011	145,024	145,000
Recreation	2,973,777	3,015,576	2,978,234	2,994,068	2,955,061	3,271,832	3,383,378	-	-	-
Capital Outlay										
Facilities acquisition and construction	385,953	3,407,328	27,404,330	33,342,792	10,246,432	969,657	764,818	10,351,587	45,833,789	44,964,514
Intergovernmental										
Appropriations	-	-	-	-	-	-	-	-	-	3,718,822
Debt service:										
Debt principal payments	3,526,358	2,655,753	2,970,199	2,684,881	3,470,665	3,838,880	3,510,895	2,630,000	2,875,000	3,785,000
Debt interest payments	308,225	2,212,392	2,769,491	2,769,508	2,817,471	2,554,336	2,440,215	6,237,838	6,947,447	6,142,303
<b>Total expenditures</b>	<b>70,138,985</b>	<b>75,099,735</b>	<b>100,617,770</b>	<b>105,570,229</b>	<b>86,695,194</b>	<b>77,467,807</b>	<b>81,734,423</b>	<b>93,912,860</b>	<b>136,344,773</b>	<b>170,072,213</b>
Excess of revenues over (under) expenditures	(1,758,965)	(4,400,297)	(28,702,451)	(33,486,308)	(10,428,349)	573,303	1,209,524	(6,991,803)	(42,035,340)	(41,411,818)
<b>Other Financing Sources (Uses)</b>										
Proceeds from sale of general obligation refunding bonds:	-	61,750,000	3,300,000	-	29,430,000	-	109,775,000	6,150,000	-	-
Bond Issue costs	-	-	-	-	-	-	-	(174,200)	-	63,090,000
Premium on general obligation refunding bonds	-	6,525,822	-	-	5,423,831	-	5,216,532	144,200	-	(393,962)
Premium from sale of general obligation bonds	-	-	44,550	-	-	-	-	-	-	-
Proceeds from capitalized lease obligations	1,082,232	1,193,376	2,397,774	3,340,292	892,300	586,031	613,937	877,790	-	-
Payment to refunded bonds escrow agent	-	(1,600,000)	-	-	(34,849,862)	-	(2,017,153)	-	-	(62,391,321)
Transfers in	-	-	-	300,000	909,805	1,571,142	1,032,381	-	1,000,000	441,670
Transfers out	-	-	-	(300,000)	(909,805)	(1,571,142)	(1,032,381)	-	(1,000,000)	(441,670)
<b>Total other financing sources (uses)</b>	<b>1,082,232</b>	<b>67,869,198</b>	<b>5,742,324</b>	<b>3,340,292</b>	<b>896,269</b>	<b>586,031</b>	<b>113,588,316</b>	<b>6,997,790</b>	<b>-</b>	<b>304,717</b>
<b>Net change in fund balances</b>	<b>\$ (676,733)</b>	<b>\$ 63,468,901</b>	<b>\$ (22,960,127)</b>	<b>\$ (30,146,016)</b>	<b>\$ (9,532,080)</b>	<b>\$ 1,159,334</b>	<b>\$ 114,797,840</b>	<b>\$ 5,987</b>	<b>\$ (42,035,340)</b>	<b>\$ (41,107,101)</b>
Debt service as a percentage of noncapital expenditures	5.78%	6.96%	8.25%	7.56%	8.49%	8.49%	7.60%	11.01%	11.01%	7.94%

**Unified School District No. 260, Derby, Kansas**

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**

Table 5

Fiscal Year	Real Property		Personal Property			
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2012	\$ 294,894,411	\$ 1,943,354,168	\$ 88,556,759	\$ 328,545,576		
2013	297,976,708	1,963,666,506	91,398,158	339,087,166		
2014	296,622,010	1,954,739,046	91,188,333	338,308,715		
2015	297,228,060	1,958,732,915	86,804,666	322,045,311		
2016	294,858,714	1,943,118,925	83,660,057	310,378,811		
2017	309,859,771	2,041,975,891	85,000,520	315,351,929		
2018	318,553,382	2,101,097,604	85,634,998	317,705,842		
2019	335,527,273	2,213,053,099	84,665,205	314,107,909		
2020	360,019,313	2,374,596,405	83,718,545	310,595,800		
2021	374,603,243	2,470,788,322	68,551,400	254,325,692		
Fiscal Year	Utilities		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				
2012	\$ 8,422,396	\$ 25,772,532	\$ 391,873,566	57.63	\$ 2,297,672,276	17.10%
2013	8,566,016	26,181,409	397,940,882	59.31	2,328,935,081	17.10%
2014	8,609,541	26,345,195	396,419,884	60.08	2,319,392,956	17.10%
2015	8,694,827	26,606,171	392,727,553	56.29	2,307,384,397	17.00%
2016	9,711,509	29,717,218	388,230,280	62.16	2,283,214,954	17.00%
2017	9,962,515	30,485,296	404,822,806	59.43	2,387,813,116	17.00%
2018	11,579,888	35,434,457	415,768,268	60.68	2,454,237,903	16.90%
2019	13,364,874	40,896,514	433,557,352	65.70	2,568,057,522	17.00%
2020	14,760,841	45,168,173	458,498,699	66.00	2,730,360,378	16.80%
2021	15,380,507	47,064,351	458,535,150	65.89	2,772,178,365	16.79%

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 Fiscal Years**

Table 6

Fiscal Year	General Fund	Supplemental General Fund	Capital Outlay	Bond and Interest	Recreation Commission			Total	State, County and Other District	City	Total
					General Fund	Employee Benefit	Special Assessment				
2012	20.000	19.265	6.000	5.273	5.589	1.412	0.092	57.631	31.968	47.340	136.939
2013	20.000	18.297	5.998	7.949	5.587	1.411	0.063	59.305	31.987	47.153	138.445
2014	20.000	19.211	5.959	7.897	5.551	1.402	0.063	60.083	31.935	47.054	139.072
2015	20.000	15.127	6.014	7.946	5.600	1.415	0.192	56.294	32.035	46.790	135.119
2016	20.000	17.897	7.992	7.918	5.581	1.409	1.359	62.156	31.951	47.009	141.116
2017	20.000	14.518	8.000	8.054	5.588	1.912	1.361	59.433	31.946	48.021	139.400
2018	20.000	17.170	7.997	7.478	5.585	1.910	0.544	60.684	31.929	48.075	140.688
2019	20.000	13.853	8.000	15.795	5.587	1.918	0.546	65.699	31.908	48.063	145.670
2020	20.000	13.260	8.000	16.706	5.587	1.922	0.529	52.744	31.900	48.049	145.953
2021	20.000	13.299	8.000	16.681	5.589	1.918	0.401	65.888	31.428	48.040	145.792

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

**Unified School District No. 260, Derby, Kansas**

**Principal Property Taxpayers  
Current Year and Nine Years Prior**

Table 7

Taxpayer	2021			2012		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Spirit AeroSystems, Inc	\$ 105,068,808	1	22.91%	\$ 52,095,295	2	13.09%
The Boeing Company	20,434,457	2	4.46%	52,702,916	1	13.24%
Evergy Kansas South Inc	7,064,573	3	1.54%	-		0.00%
CBC Derby LLC	6,146,648	4	1.34%	-		0.00%
Derby Marketplace	3,969,666	5	0.87%	3,867,250	4	0.97%
Walmart Real Estate Business	3,811,834	6	0.83%	2,279,988	7	0.57%
The Greens at Derby	3,379,644	7	0.74%	3,500,142	6	0.88%
The Trails At Derby	3,239,240	8	0.71%	-		0.00%
Phillips 66 Carrier LLC	2,749,844	9	0.60%	-		0.00%
Kansas Gas Service	2,633,734	10	0.57%	-		0.00%
Mid-Western Aircraft Systems Inc.	-		0.00%	49,249,786	3	12.38%
Target Corporation	-		0.00%	2,040,200	9	0.51%
Kansas Gas & Electric-A Westar Energy Co	-		0.00%	3,517,309	5	0.88%
Dillon Companies	-		0.00%	2,171,085	8	0.55%
Stagg II Wichita	-		0.00%	1,901,750	10	0.48%
Fairways at Derby LP	-		0.00%	1,750,865	11	0.44%
All Others	300,036,702		65.43%	222,864,296		56.00%
Total	<u>\$ 458,535,150</u>		<u>100.00%</u>	<u>\$ 397,940,882</u>		<u>100.00%</u>

Source: Sedgwick County Clerk Office



**Unified School District No. 260, Derby, Kansas**

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

Table 8

Fiscal Year	Total Tax Levy (2)	Current Tax Collections (2)	Percentage of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percentage of Total Tax Collections To Tax Levy	Total Current Yr Outstanding Delinquent Taxes	Percent Of Delinquent Taxes To Tax Levy
2012	\$ 22,067,209	\$ 21,738,070	98.51%	\$ 183,278	\$ 21,921,348	99.34%	\$ 329,139	1.49%
2013	22,482,841	22,338,881	99.36%	180,700	22,519,581	100.16%	143,960	0.64%
2014	23,269,560	22,460,503	96.52%	140,227	22,600,730	97.13%	809,057	3.48%
2015	14,253,668	14,012,474	98.31%	151,569	14,164,043	99.37%	241,194	1.69%
2016	16,366,032	16,033,107	97.97%	180,249	16,213,356	99.07%	332,925	2.03%
2017	16,382,800	15,572,844	95.06%	1,310,920	16,883,764	103.06%	809,956	4.94%
2018	16,930,396	16,845,501	99.50%	147,435	16,992,936	100.37%	84,895	0.50%
2019	18,575,058	17,723,909	95.42%	851,149	18,575,058	100.00%	-	0.00%
2020	19,832,190	19,489,471	98.27%	342,719	19,832,190	100.00%	342,719	1.73%
2021	21,114,320	20,537,422	97.27%	576,898	21,114,320	100.00%	576,898	2.73%

Source: Sedgwick County Clerk and 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) Excludes tax levy and collections for the General Fund. General Fund tax collections are distributed directly to the State of Kansas by the County Treasurer and then re-distributed to Kansas school districts under the State Aid formula.

**Unified School District No. 260, Derby, Kansas**

**Ratios of Net General Bonded Debt to Assessed Value  
Total Bonded Debt Per Capita and  
Net Bonded Debt Per Pupil  
Last Ten Fiscal Years  
(dollars in thousands)**

Table 9

Fiscal Year	Population (1)	Total District Enrollment	Assessed Value	Gross Bonded Debt	Capital Leases And Certificates Of Participation	Unamortized Premium On General Obligation Bonds	Total Debt	Amount Available From Service Fund	Net Bonded Debt	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
2012	44,525	6,717	397,941	4,620	2,228		6,848	2,864	1,756	0.44%	154	261	0.33%
2013	45,860	6,866	396,420	63,175	2,360	6,069	71,604	3,341	65,903	16.62%	1,561	9,598	0.31%
2014	47,236	6,953	392,728	64,820	3,443	5,653	73,916	3,498	66,975	17.05%	1,565	9,633	0.31%
2015	48,653	6,998	388,230	63,455	5,463	5,187	74,106	4,035	64,607	16.64%	1,523	9,232	0.29%
2016	50,112	7,071	404,823	62,190	5,010	9,758	76,958	4,179	67,769	16.74%	1,536	9,584	0.31%
2017	51,615	7,073	415,768	59,860	4,087	8,901	72,848	4,623	64,138	15.43%	1,411	9,068	*
2018	53,163	7,211	443,557	165,140	3,685	12,996	181,821	6,276	171,860	38.75%	3,420	23,833	*
2019	54,758	7,302	435,409	168,660	3,939	12,100	184,699	6,984	173,776	39.91%	3,373	23,798	*
2020	56,401	7,416	458,499	165,785	2,921	11,049	179,755	7,844	168,990	36.86%	3,187	22,787	*
2021	58,093	7,188	458,535	174,265	6,463	6,666	187,394	8,853	172,078	37.53%	3,226	23,940	*

Source: The above information was obtained from the USD 260 financial records and the office of the Sedwick County Clerk

(1) Estimate of district population

\*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**

Table 10

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
2012	\$ 2,770,000	\$ 237,965	\$ 3,007,965	\$ 4,620,000	\$ 70,138,985	0.04	0.07
2013	3,195,000	2,133,728	5,328,728	69,244,015	75,099,735	0.07	0.92
2014	1,655,000	2,697,038	4,352,038	70,472,525	100,617,770	0.04	0.70
2015	2,684,881	2,769,508	5,454,389	68,642,475	105,570,229	0.05	0.70
2016	3,470,665	2,817,471	6,288,136	71,948,017	86,695,194	0.07	0.83
2017	3,838,880	2,554,336	6,393,216	68,760,718	77,467,807	0.08	0.89
2018	4,495,000 (4)	2,355,371 (4)	6,850,371	178,135,934	81,196,916	0.08	2.19
2019	2,630,000	6,237,838	8,867,838	180,760,193	93,912,860	0.09	1.92
2020	2,875,000	6,947,447	9,822,447	176,834,352	136,344,773	0.07	1.30
2021	3,785,000	6,141,682	9,926,682	174,931,107	170,072,213	0.06	1.03

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 \$139,700 in 2010.

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

(4) Excludes payments to escrow agent of \$2,000,000 in principal and \$17,153 in interest.

**Unified School District No. 260, Derby, Kansas**

**Governmental Activities Direct and Overlapping Debt  
Current Year and Nine Years Ago**

Table 11

Government Units	June 30, 2012			June 30, 2021		
	Principal Amount of Debt Outstanding	% Applicable to Taxpayers of USD No. 260 (1)	Total Direct and Overlapping Debt	Principal Amount of Debt Outstanding	% Applicable to Taxpayers of USD No. 260 (1)	Total Direct and Overlapping Debt
Sedgwick County, KS	\$ 78,970,000	0.69%	\$ 544,893	\$ 49,720,000	8.64%	\$ 4,295,808
City of Derby, KS	71,330,000	99.16%	70,730,828	67,170,000	99.34%	66,726,678
City of Wichita, KS	487,324,499	9.11%	44,395,262	542,065,000	0.77%	4,173,901
Total Other Government Agencies			115,670,983			75,196,387
Unified School District, Derby, KS	4,620,000	100.00%	4,620,000	186,490,971	100.00%	186,490,971
Total direct and overlapping debt			<u>\$ 120,290,983</u>			<u>\$ 261,687,358</u>

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

(1) 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**

**Computation of Legal Debt Margin  
June 30, 2021**

Table 12

Assessed valuation of taxable Tangible property	\$ 458,535,150
Assessed valuation of motor vehicles	<u>45,952,812</u>
Equalized assessed tangible valuation for computation of bonded debt limit	<u>\$ 504,487,962</u>
Debt limit - 14%	\$ 70,628,315
State Board of Education Exemption Authority	<u>116,980,133</u>
Total legal debt authority	187,608,448
Less: Total bonded debt	<u>186,490,971</u>
Legal additional debt limit	<u>\$ 1,117,477</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.

**Legal Debt Margin Information**

	<b>Last Ten Fiscal Years (dollars in thousands)</b>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Legal debt limit	\$ 60,778	\$ 71,970	\$ 71,624	\$ 71,071	\$ 73,501	\$ 75,254	\$ 169,385	\$ 183,557	\$ 187,392	\$187,608
Total net debt applicable to limit	<u>4,620</u>	<u>63,175</u>	<u>64,820</u>	<u>63,455</u>	<u>62,190</u>	<u>59,860</u>	<u>165,140</u>	<u>168,660</u>	<u>165,785</u>	<u>186,491</u>
Legal debt margin	<u>\$ 56,158</u>	<u>\$ 8,795</u>	<u>\$ 6,804</u>	<u>\$ 7,616</u>	<u>\$ 11,311</u>	<u>\$ 15,394</u>	<u>\$ 4,245</u>	<u>\$ 14,897</u>	<u>\$ 21,607</u>	<u>\$ 1,117</u>
Total net debt applicable to the limit as a percentage of debt limit	7.60%	87.78%	90.50%	89.28%	84.61%	79.54%	97.49%	91.88%	88.47%	99.40%

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

**Unified School District No. 260, Derby, Kansas**

**Demographic Statistics (1)  
Last Ten Fiscal Years**

Table 13

<u>Site (Year Opened 19XX)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 (2)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Derby High School (93)										
Square Feet	350,000	350,000	351,277	381,808	381,808	381,808	381,808	381,808	381,808	422,000
Capacity (students)	2,400	2,400	2,400	2,234	2,234	2,234	2,234	2,234	2,234	2,458
Enrollment	1,891	1,900	1,916	1,953	1,935	1,912	1,973	2,020	2,098	2,182
Derby Middle School (59)										
Square Feet	179,141	179,141	193,300	195,417	195,471	195,471	195,471	195,471	195,471	195,471
Capacity (students)	1,200	1,200	1,200	948	1,008	1,008	1,008	1,008	1,008	1,045
Enrollment	966	1,029	1,056	1,029	862	823	879	866	904	938
Derby North Middle School (2015)										
Square Feet	-	-	-	-	195,000	195,000	195,000	195,000	195,000	195,000
Capacity (students)	-	-	-	-	900	900	900	900	900	900
Enrollment	-	-	-	-	790	832	820	836	865	828
Cooper Elementary (54)										
Square Feet	48,819	48,819	48,819	48,819	48,819	48,819	48,819	48,819	48,819	48,819
Capacity (students)	304	304	304	388	388	388	388	388	388	388
Enrollment	346	321	348	365	372	335	318	324	295	251
Derby Hills Elementary (85)										
Square Feet	52,800	52,800	59,735	59,735	59,735	59,735	59,735	59,735	59,735	78,503
Capacity (students)	456	456	596	596	596	596	596	596	596	596
Enrollment	415	404	421	430	490	527	557	567	555	354
El Paso Elementary (66)										
Square Feet	53,195	53,195	49,960	49,960	49,960	49,960	49,960	49,960	49,960	49,960
Capacity (students)	456	456	484	484	484	484	484	484	484	484
Enrollment	402	392	425	440	274	263	273	299	290	260
Oaklawn Elementary (55)										
Square Feet	42,957	42,957	49,149	49,149	49,149	49,149	49,149	49,149	49,149	49,149
Capacity (students)	304	304	416	416	416	416	416	416	416	416
Enrollment	205	237	283	282	272	291	301	264	294	258

(continued)

**Unified School District No. 260, Derby, Kansas**

**Demographic Statistics (1)  
Last Ten Fiscal Years**

Table 13

<u>Site (Year Opened 19XX)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 (2)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Park Hill Elementary (2002)										
Square Feet	52,000	52,000	52,000	58,110	58,110	58,110	58,110	58,110	64,508	64,508
Capacity (students)	456	456	456	456	456	456	456	456	466	466
Enrollment	379	383	380	370	351	355	374	365	361	361
Pleasantview Elementary (55)										
Square Feet	43,559	43,559	43,559	43,559	43,559	43,559	43,559	43,559	43,559	-
Capacity (students)	304	304	304	360	360	360	360	360	360	-
Enrollment	284	280	275	261	288	295	280	261	242	-
Stone Creek Elementary (21)										
Square Feet	-	-	-	-	-	-	-	-	-	82,278
Capacity (students)	-	-	-	-	-	-	-	-	-	485
Enrollment	-	-	-	-	-	-	-	-	-	363
Swaney Elementary (55)										
Square Feet	67,645	67,645	64,773	64,773	77,045	77,045	77,045	77,045	77,045	77,045
Capacity (students)	456	456	444	444	507	507	507	507	507	507
Enrollment	313	342	315	304	398	441	439	443	453	408
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	360	360	360	360	360	360	360
Enrollment	428	634	690	692	636	599	587	597	608	627
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	568	568	568	568	568	568	568
Enrollment	407	447	438	433	464	453	463	460	490	397
Administration Center (63)										
Square Feet	8,901	8,901	8,901	8,901	8,901	8,901	8,901	8,901	8,901	40,590
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

**Unified School District No. 260, Derby, Kansas**

**Demographic Statistics (1)  
Last Ten Fiscal Years**

Table 13

<u>Site (Year Opened 19XX)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 (2)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
--------------------------------	-------------	-------------	-------------	-----------------	-------------	-------------	-------------	-------------	-------------	-------------

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 20th head count at district attendance centers.

(2) 2015 capacities were adjusted based on a study from an outside consulting group.



**Unified School District No. 260, Derby, Kansas**

**Principal Employers  
Current Year and Nine Years Ago**

Table 14

Major Employers	Product/Service	2012			2021		
		Estimated Employees	Rank	Percentage of Total County Employment	Estimated Employees	Rank	Percentage of Total County Employment
USD #260	Education	1,066	1	42.8%	1,240	1	49.2%
Dillons	Grocery	244	3	9.8%	203	3	8.1%
Derby Recreation Commission	Recreation	-	-	0.0%	120	7	4.8%
Walmart	Retail Sales	334	2	13.4%	259	2	10.3%
City of Derby	Government	190	4	7.6%	202	4	8.0%
Lowe's Home Improvement	Retail Sales	135	5	5.4%	174	5	6.9%
Kohl's	Retail Sales	82	8	3.3%	-	-	0.0%
Target	Retail Sales	90	7	3.6%	-	-	0.0%
Westview Manor	Senior Housing	72	9	2.9%	-	-	0.0%
Derby Family Medical Center	Health Care	70	10	2.8%	-	-	0.0%
BRG Precision Products	Manufacturing	49	11	2.0%	-	-	0.0%
Verus Bank	Banking	34	12	1.4%	-	-	0.0%
El Paso Animal Hospital	Veterinary	-	-	0.0%	69	8	2.7%
BG Products, Inc.	Manufacturing	-	-	0.0%	53	10	2.1%
Rock Regional Hospital	Health Care	-	-	0.0%	135	6	5.4%
Glen Carr House Memory Care	Health Care	-	-	0.0%	65	9	2.6%
Walmart Financial	Insurance Claims	122	6	4.9%	-	-	0.0%

Source: City Clerk, Derby, Kansas

**Unified School District No. 260, Derby, Kansas**

**Staff/Student Information By Building  
Last Ten Fiscal Years**

Table 15

Site	2012	2013	2014	2015 (1)	2016	2017	2018	2019	2020	2021
<b>Derby High School</b>										
Certified Instructional Staff FTE	98.1	100.8	97.2	110.5	96.7	100.1	99.1	99.5	100.1	100.2
Special Education Instructional FTE	17.3	16.5	16.5	15.8	17.8	14.8	14.3	20.1	18.5	16.0
Certified Non-Instructional Staff FTE	11.0	5.5	5.0	6.0	7.0	8.0	7.0	8.0	9.6	9.7
Enrollment	1,891	1,900	1,916	1,953	1,935	1,912	1,973	2,015	2,096	2,182
Number Free and Reduced Students	695	762	920	893	878	854	852	865	889	940
Percent of Free/Reduced to Total Students	36.8%	40.1%	48.0%	45.7%	45.4%	44.7%	43.2%	42.9%	42.4%	43.1%
Student Teacher Ratio	19:1	19:1	20:1	18:1	20:1	19:1	20:1	16:1	16:1	22:1
<b>Derby Middle School</b>										
Certified Instructional Staff FTE	56.4	58.4	60.4	58.4	45.4	45.3	45.3	46.4	46.2	48.4
Special Education Instructional FTE	13.0	9.0	8.0	9.0	6.5	5.5	6.5	6.5	6.5	6.5
Certified Non-Instructional Staff FTE	5.0	3.3	3.0	3.0	4.3	5.3	3.0	5.0	5.6	6.0
Enrollment	966	1,029	1,056	1,029	862	823	879	799	855	938
Number Free and Reduced Students	452	457	498	506	427	419	442	427	436	421
Percent of Free/Reduced to Total Students	46.8%	44.4%	47.2%	49.2%	49.5%	50.9%	50.3%	53.4%	51.0%	44.9%
Student Teacher Ratio	17:1	18:1	17:1	18:1	19:1	18:1	19:1	14:1	15:1	19:1
<b>Derby North Middle School</b>										
Certified Instructional Staff FTE	-	-	-	-	44.3	44.3	44.9	45.4	45.8	48.4
Special Education Instructional FTE	-	-	-	-	8.5	7.5	8.5	8.5	9.5	8.5
Certified Non-Instructional Staff FTE	-	-	-	-	4.3	5.3	3.0	5.0	5.0	5.0
Enrollment	-	-	-	-	790	832	820	836	867	828
Number Free and Reduced Students	-	-	-	-	358	379	375	370	383	360
Percent of Free/Reduced to Total Students	-	-	-	-	45.3%	45.6%	45.7%	44.3%	44.2%	43.5%
Student Teacher Ratio	-	-	-	-	18:1	19:1	18:1	14:1	14:1	17:1
<b>Cooper Elementary</b>										
Certified Instructional Staff FTE	25.3	28.4	3,137.0	29.4	29.4	29.4	26.4	27.3	25.2	23.2
Special Education Instructional FTE	6.2	3.1	3.1	3.0	3.0	3.0	2.0	3.5	3.2	3.2
Certified Non-Instructional Staff FTE	1.5	1.1	1.0	3.0	2.0	1.0	1.0	2.6	2.8	3.0
Enrollment	346	321	348	365	372	335	318	284	252	251
Number Free and Reduced Students	281	283	294	300	311	273	255	257	228	214
Percent of Free/Reduced to Total Students	81.2%	88.2%	84.5%	82.2%	83.6%	81.5%	80.2%	90.5%	90.5%	85.3%
Student Teacher Ratio	13:1	11:1	11:1	12:1	13:1	11:1	12:1	9:1	8:1	11:1

(continued)

**Unified School District No. 260, Derby, Kansas**

**Staff/Student Information By Building  
Last Ten Fiscal Years**

Table 15

Site	2012	2013	2014	2015 (1)	2016	2017	2018	2019	2020	2021
<b>Derby Hills Elementary</b>										
Certified Instructional Staff FTE	21.6	23.7	22.8	23.4	33.4	28.5	29.3	31.5	32.4	23.8
Special Education Instructional FTE	4.7	3.6	3.6	3.0	5.0	2.5	2.5	3.0	3.2	2.2
Certified Non-Instructional Staff FTE	1.5	0.9	1.0	2.0	1.5	1.0	1.0	2.6	2.8	2.5
Enrollment	415	404	421	430	490	527	557	551	534	354
Number Free and Reduced Students	133	133	106	142	147	151	139	149	141	126
Percent of Free/Reduced to Total Students	32.0%	32.9%	25.2%	33.0%	30.0%	28.7%	25.0%	27.0%	26.4%	35.6%
Student Teacher Ratio	19:1	17:1	18:1	18:1	15:1	19:1	19:1	15:1	14:1	15:1
<b>El Paso Elementary</b>										
Certified Instructional Staff FTE	24.5	25.5	26.5	25.5	20.4	16.4	16.9	16.9	17.1	16.6
Special Education Instructional FTE	2.3	2.2	2.2	2.0	1.3	1.0	1.0	2.0	2.7	2.2
Certified Non-Instructional Staff FTE	1.5	1.1	1.1	2.5	1.0	1.0	1.0	2.0	2.9	3.1
Enrollment	402	392	425	440	274	263	273	280	272	260
Number Free and Reduced Students	203	203	208	251	138	117	94	83	86	118
Percent of Free/Reduced to Total Students	50.5%	51.8%	48.9%	57.0%	50.4%	44.5%	34.4%	29.6%	31.6%	45.4%
Student Teacher Ratio	16:1	15:1	16:1	17:1	13:1	16:1	16:1	13:1	12:1	16:1
<b>Oaklawn Elementary</b>										
Certified Instructional Staff FTE	21.6	21.4	22.0	22.7	19.8	19.8	21.3	21.3	21.8	22.3
Special Education Instructional FTE	4.0	4.2	2.7	3.7	4.0	4.2	4.2	3.0	4.7	4.7
Certified Non-Instructional Staff FTE	1.5	2.5	0.9	1.0	2.0	2.0	1.0	5.0	5.5	5.0
Enrollment	240	238	237	283	272	291	301	238	255	258
Number Free and Reduced Students	211	205	206	221	247	257	265	217	236	237
Percent of Free/Reduced to Total Students	87.9%	86.1%	86.9%	78.1%	90.8%	88.3%	88.0%	91.2%	92.5%	91.9%
Student Teacher Ratio	11:1	10:1	11:1	12:1	14:1	15:1	14:1	13:1	8:1	12:1
<b>Park Hill Elementary</b>										
Certified Instructional Staff FTE	21.1	22.1	24.1	22.1	20.0	20.5	21.5	21.5	21.8	22.8
Special Education Instructional FTE	3.4	2.4	3.6	3.6	3.0	4.0	4.0	3.0	3.4	4.3
Certified Non-Instructional Staff FTE	1.5	1.5	1.3	2.0	1.4	1.0	2.0	3.0	2.7	3.0
Enrollment	406	379	383	380	351	355	374	361	358	361
Number Free and Reduced Students	89	82	66	81	79	88	114	111	85	93
Percent of Free/Reduced to Total Students	21.9%	21.6%	17.2%	21.3%	22.5%	24.8%	30.5%	30.7%	23.7%	25.8%
Student Teacher Ratio	19:1	18:1	17:1	16:1	18:1	17:1	17:1	13:1	13:1	16:1

(continued)

**Unified School District No. 260, Derby, Kansas**

**Staff/Student Information By Building  
Last Ten Fiscal Years**

Table 15

Site	2012	2013	2014	2015 (1)	2016	2017	2018	2019	2020	2021
Pleasantview Elementary										
Certified Instructional Staff FTE	20.1	19.9	19.1	19.1	19.7	18.8	19.8	19.3	16.3	-
Special Education Instructional FTE	3.7	1.4	1.7	2.7	1.0	1.3	1.3	1.3	1.1	-
Certified Non-Instructional Staff FTE	1.5	1.5	0.9	0.9	2.0	2.0	1.0	1.0	2.2	-
Enrollment	290	284	280	275	288	295	280	259	237.0	-
Number Free and Reduced Students	171	184	181	174	209	193	188	154	138.0	-
Percent of Free/Reduced to Total Students	59.0%	64.8%	64.6%	63.3%	72.6%	65.4%	67.1%	59.5%	58.2%	0.0%
Student Teacher Ratio	14:1	14:1	15:1	14:1	14:1	16:1	14:1	12:1	12:1	0
Stone Creek Elementary										
Certified Instructional Staff FTE	-	-	-	-	-	-	-	-	-	24
Special Education Instructional FTE	-	-	-	-	-	-	-	-	-	2
Certified Non-Instructional Staff FTE	-	-	-	-	-	-	-	-	-	3
Enrollment	-	-	-	-	-	-	-	-	-	363
Number Free and Reduced Students	-	-	-	-	-	-	-	-	-	81
Percent of Free/Reduced to Total Students	-	-	-	-	-	-	-	-	-	22.31%
Student Teacher Ratio	-	-	-	-	-	-	-	-	-	15:1
Swaney Elementary										
Certified Instructional Staff FTE	19.0	18.4	18.6	18.5	22.4	24.5	24.5	25.4	25.6	25.1
Special Education Instructional FTE	5.4	5.3	5.2	4.2	4.5	4.5	4.5	4.5	5.2	4.7
Certified Non-Instructional Staff FTE	1.5	1.5	0.7	0.7	1.0	1.0	1.0	4.0	4.0	3.5
Enrollment	315	313	342	315	398	441	439	416	423.0	408
Number Free and Reduced Students	159	153	176	165	220	237	209	222	233.0	205
Percent of Free/Reduced to Total Students	50.5%	48.9%	51.5%	52.4%	55.3%	53.7%	47.6%	53.4%	55.1%	50.2%
Student Teacher Ratio	16:1	17:1	18:1	17:1	18:1	18:1	18:1	12:1	12:1	16:1
Tanglewood Elementary										
Certified Instructional Staff FTE	20.1	22.1	22.1	21.1	20.6	19.6	18.6	18.5	19.4	22.7
Special Education Instructional FTE	3.7	4.4	4.6	4.6	4.0	3.7	2.7	2.7	3.2	3.7
Certified Non-Instructional Staff FTE	1.5	1.0	0.7	1.0	1.0	1.0	2.0	4.0	3.5	3.8
Enrollment	401	428	634	690	636	599	587	600	608.0	627
Number Free and Reduced Students	129	153	136	151	162	161	119	120	121.0	127
Percent of Free/Reduced to Total Students	32.2%	35.7%	21.5%	21.9%	25.5%	26.9%	20.3%	20.0%	19.9%	20.3%
Student Teacher Ratio	19:1	19:1	29:1	33:1	31:1	31:1	32:1	24:1	23:1	28:1
Wineteer Elementary										
Certified Instructional Staff FTE	30.8	26.8	30.3	29.3	32.2	31.2	31.6	29.9	30.0	28.0
Special Education Instructional FTE	3.2	5.5	4.2	5.2	4.0	4.0	4.0	3.0	3.2	3.7
Certified Non-Instructional Staff FTE	1.5	2.0	0.9	2.0	1.0	1.0	1.0	4.0	3.5	3.5

**Unified School District No. 260, Derby, Kansas**

**Staff/Student Information By Building  
Last Ten Fiscal Years**

Table 15

Site	2012	2013	2014	2015 (1)	2016	2017	2018	2019	2020	2021
Enrollment	412	407	447	438	464	453	463	441	454.0	397
Number Free and Reduced Students	212	219	243	247	270	265	268	235	251.0	228
Percent of Free/Reduced to Total Students	51.5%	53.8%	54.4%	56.4%	58.2%	58.5%	57.9%	53.3%	55.3%	57.4%
Student Teacher Ratio	14:1	13:1	15:1	15:1	14:1	15:1	15:1	12:1	12:1	14:1

Source: Kansas State Department of Education.

(1) Derby North Middle School opened with the closing of Derby Sixth Grade Center, June 30, 2015.

# **Unified School District No. 260, Derby, Kansas**

## **Miscellaneous Statistics June 30, 2021**

Table 16

Date of organization		1872	
Form of Government		Seven Member Board	
Area		50 square miles	
Education			
Pre-kindergarten through fifth		171.5 days	
Sixth through twelfth		172.5 days	
Special Educaiton		172.5 days	
Vocational Education		172.5 days	
English Speakers of Other Languages		172.5 days	
Driver Training		Summer School	
Summer School		4 weeks	
Support Centers		Athletic Facilities	
Laundry	1	Stadiums	2
Warehouse	1	Tennis Courts	3
Service Center	1	Baseball Diamond	1
Maintenance Center	1	Gymnasiums	5
Central Kitchen	1	Track	2
Educational Support Center	1		
Administrative Center	1		
Employees		Transportation	
Administration	44	Buses	69
Certified	517	Vans	28
Classified	364	Trucks	25
Bus Drivers	45	Automobiles	1

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

**Unified School District No. 260, Derby, Kansas**

**Other Operating Statistics  
Last Ten Fiscal Years**

Table 17

<u>Year</u>	<u>Expenses</u>	<u>Enrollment</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/ Teacher Ratio (1)</u>	<u>Student Attendance Percentage</u>
2012	\$ 70,138,985	6,717	\$ 10,442	1.92%	538	12:1	94%
2013	75,099,735	6,866	10,938	4.75%	545	13:1	94%
2014	100,617,770	6,953	14,471	32.30%	528	13:1	93%
2015	105,570,229	6,998	15,086	4.25%	516	14:1	93%
2016	86,695,194	7,071	12,261	-18.73%	537	14:1	93%
2017	77,467,807	7,073	10,953	-10.67%	534	13:1	93%
2018	81,734,423	7,211	11,335	3.49%	531	14:1	93%
2019	136,344,773	7,302	18,672	64.73%	529	14:1	93%
2020	170,072,213	7,416	22,933	22.82%	515	14:1	93%
2021	-	7,188	-	-100.00%	517	14:1	94%

Source: School District Financial Records, KSDE

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

**Unified School District No. 260, Derby, Kansas**

**Economic Statistics  
Last Ten Fiscal Years**

Table 18

Year	Sedgwick County Population		Personal Income (1)	Per Capita Personal Income	Sedgwick County Unemployment Rate
2012	498,365	*	\$ 20,671,720	\$ 41,024	7.0%
2013	503,889	*	21,127,032	41,801	6.4%
2014	505,415	*	23,516,335	46,219	5.4%
2015	508,803	*	25,807,971	50,448	4.8%
2016	511,574	*	25,197,029	49,213	4.8%
2017	511,995	*	(2)	(2)	4.2%
2018	513,687	*	(2)	(2)	(2)
2019	513,607	*	25,222,667	49,101	3.8%
2020	516,042	*	27,619,954	53,776	3.5%
2021	523,824		27,647,784	53,577	8.7%

Source: Kansas Statistical Abstract, State of Kansas. All information based on Sedgwick County statistics.

\* Designates an estimate

(1) Expressed in thousands of dollars.

(2) 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 2020-2021**

Table 19

Step	B	FTE	B+10	FTE	B+20	FTE	B+30	FTE	B+40	FTE
1	\$ 44,080	36.0	\$ 44,777	1.0	\$ 45,539	1.0	\$ 46,236	0.0	\$ 46,881	0.0
2	44,708	26.0	45,499	2.0	46,410	0.0	47,200	2.0	47,895	0.0
3	45,337	13.0	46,221	3.0	47,280	1.0	48,164	1.0	48,909	0.0
4	45,965	22.0	46,943	9.0	48,151	3.0	49,128	1.0	49,923	0.0
5	46,593	7.0	47,665	13.0	49,022	6.0	50,093	0.0	50,937	0.0
6	47,221	0.0	49	2.0	49,892	4.0	51,057	3.0	51,951	3.0
7	47,850	2.0	49,109	1.0	50,763	1.0	52,021	0.0	52,965	1.0
8	48,478	0.0	49,830	1.0	51,634	0.0	52,985	3.0	53,979	3.0
9	49,106	0.0	50,552	0.0	52,504	2.0	53,949	0.0	54,993	0.0
10	49,734	1.0	51,274	1.0	53,375	1.0	54,913	3.0	56,007	5.0
11	50,363	0.0	51,996	0.0	54,246	0.0	55,878	1.0	57,021	3.0
12	50,991	0.0	52,718	0.0	55,116	1.0	56,843	0.0	58,035	8.0
13	51,619	0.0	53,440	0.0	55,987	0.0	57,807	1.0	59,049	3.0
14	52,248	1.0	54,162	4.0	56,857	1.0	58,773	2.0	60,063	16.0
Total FTE by range:		<u>108.0</u>		<u>37.0</u>		<u>21.0</u>		<u>17.0</u>		<u>42.0</u>
Average Teacher's Salary			\$ 50,271							

**Unified School District No. 260, Derby, Kansas**

**Master's Teachers Salaries Schedule and FTE  
By Range and Step for 2020-2021**

Table 20

Step	M	FTE	M+10	FTE	M+20	FTE	M+30	FTE	M+40	FTE
1	\$ 48,421	9.0	\$ 49,238	1.0	\$ 49,889	0.0	\$ 50,476	0.0	\$ 51,133	0.0
2	49,770	7.0	50,649	0.0	51,356	0.0	51,942	3.0	52,660	0.0
3	51,119	5.0	52,060	4.0	52,821	1.0	53,408	1.0	54,187	0.0
4	52,468	18.0	53,471	4.0	54,288	4.0	54,874	1.0	55,714	1.0
5	53,817	11.0	54,883	8.0	55,753	6.0	56,340	1.0	57,240	0.0
6	55,165	5.0	56,294	5.0	57,219	9.0	57,806	2.0	58,767	2.0
7	56,514	7.0	57,705	4.0	58,686	2.0	59,272	3.0	60,294	2.0
8	57,863	3.0	59,241	1.0	60,151	4.0	60,738	3.0	61,821	3.0
9	59,212	2.0	60,652	1.0	61,618	1.0	62,204	2.0	63,347	3.0
10	60,561	4.0	61,938	1.0	63,083	5.0	63,670	3.0	65,164	0.0
11	61,909	1.0	63,349	2.0	64,774	0.0	65,135	1.0	66,401	0.0
12	63,258	1.0	64,760	4.0	66,241	0.0	66,602	1.0	67,928	7.0
13	64,607	0.0	66,171	3.0	67,482	1.0	68,067	1.0	69,454	1.0
14	65,957	4.0	67,580	2.0	68,947	4.0	69,533	6.0	70,979	2.0
Total FTE by range:		<u>77.0</u>		<u>40.0</u>		<u>37.0</u>		<u>28.0</u>		<u>21.0</u>
Average Teacher's Salary			\$ 59,230							

## **SINGLE AUDIT SECTION**

**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  
Unified School District Number 260  
Derby, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting Guide, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Unified School District Number 260, as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 7, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

### **Purpose of this Report**

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

Swindoll, Janzen, Hawk & Loyd, LLC  
Swindoll Janzen Hawk & Loyd, LLC  
Hutchinson, Kansas

December 7, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education  
Unified School District Number 260  
Derby, Kansas

**Report on Compliance for Each Major Federal Program**

We have audited the Unified School District Number 260's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the District'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of Unified School District Number 260, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District'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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

  
Swindoll Janzen Hawk & Loyd, LLC  
Hutchinson, Kansas

December 7, 2021

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2021**

<b>Federal Grantor/ Pass Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Grant Number</b>	<b>Disbursements/ Expenditures</b>
<u>U.S. Department of Education</u>			
Direct Program			
Impact Aid - School Assistance in Federally Affected Areas	84.041	DO260	\$ 264,345
Passed Through State Department of Education			
Special Education Cluster (IDEA)			
Special Education - IDEA - Part B	84.027	DO260	1,476,308
Special Education - IDEA Preschool	84.173	DO260	26,029
Total Special Education Cluster (IDEA)			1,502,337
Title I	84.010	DO260	774,892
Title IIA	84.367	DO260	116,831
Title III	84.365	DO260	51,622
Title IV-A	84.424	DO260	18,652
Elementary and Secondary School Emergency Relief Fund	84.425D	DO260	733,895
Career and Technical Education - Carl Perkins Vocational Education	84.048	DO260	39,436
TOTAL U.S. DEPARTMENT OF EDUCATION			3,502,010
<u>U.S. Corporation for National and Community Service</u>			
Passed Through State Department of Education			
Americorps	94.006	DO260	95,763
TOTAL U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			95,763
<u>U.S. Department of Defense</u>			
Direct Program			
Competitive Grants: Promoting K-12 Student Achievement at Military Connected Schools	12.556	HE1254-16-1-0037	249,551
TOTAL U.S. DEPARTMENT OF DEFENSE			249,551
<u>U.S. Department of Agriculture</u>			
Passed Through State Department of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	DO260	1,116,147
Summer Food Service Program for Children	10.559	DO260	2,584,785
TOTAL U.S. DEPARTMENT OF AGRICULTURE			3,700,932
<u>U.S. Department of the Treasury</u>			
Passed Through Sedgwick County			
COVID-19 Coronavirus Relief Fund	21.019	DO260	1,694,027
TOTAL U.S. DEPARTMENT OF THE TREASURY			1,694,027
TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			\$ 9,242,283



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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT.)**  
**For the Year Ended June 30, 2021**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Unified School District Number 260, Derby, Kansas (the District), under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District. The Schedule is presented using a modified accrual basis of accounting, which is the same basis of accounting as the fund financial statements accompanying this schedule.

**Note 2 - Summary of Significant Accounting Policies**

(1) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) The District has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2021**

**Section 1 – Summary of Auditor’s Results**

**Financial Statements**

- |  |            |
|--|------------|
| 1. Type of auditor’s opinion issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| 2. Internal control over financial reporting:  |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified?  | No         |
| 3. Noncompliance material to the financial statements noted?   | No         |

**Federal Awards**

- |   |               |
|---|---------------|
| 1. Internal control over major programs:  |               |
| a. Material weaknesses identified?  | No            |
| b. Significant deficiencies identified?   | None Reported |
| 2. Type of auditor’s report issued on compliance for major programs:  | Unmodified    |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No            |
| 4. Identification of major programs:  |               |

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Title I – Grants to Local Education Agencies	84.010
Special Education Cluster (IDEA):	
Special Education – Grants to States	84.027
Special Education – Preschool Grants	84.173
5. Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
6. Auditee qualified as a low-risk auditee?	Yes

**Section 2 – Findings – Financial Statement Audit**

There were no reportable findings.

### **Section 3 – Findings and Questioned Costs – Major Federal Award Programs**

#### **U.S. DEPARTMENT OF EDUCATION**

Elementary and Secondary School Emergency Relief Fund - CFDA Number 84.425D.

There were no reportable findings.

#### **U.S. DEPARTMENT OF TREASURY**

Covid-19 Coronavirus Relief Fund - CFDA Number 21.019.

There were no reportable findings.



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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended June 30, 2021**

**FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENT AUDIT**

**2020-001 CAPITAL ASSETS PRIOR PERIOD ADJUSTMENT**

*Condition:* During 2019-2020 the capital asset system was corrected for depreciation issues noted in prior year and as discussed on the Summary Schedule of Prior Audit Findings. During this process, the District performed a clean up of the database of capital assets. This resulted in a prior period adjustment.

*Criteria:* Internal controls should be in place to ensure accuracy over capital asset records.

*Cause:* This was caused in part, by human error, and in part by ineffective procedures in place to reconcile capital assets and depreciation.

*Effect:* The capital asset balances in the June 30, 2019, financial statements had to be restated.

*Recommendation:* We recommend that processes and procedures be developed to reconcile assets and related depreciation to the general ledger.

*Views of Responsible Official and Planned Corrective Actions:* Management has already implemented the above recommendations. They are taking annual inventory of capital assets and reconciling the data to their accounting system.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD  
PROGRAMS AUDIT**

No issues in June 30, 2020.