

Wichita Public Schools



2015 - 2016 Comprehensive Annual Financial Report

Unified School District 259
For the year ending
June 30, 2016
Wichita, Kansas

Comprehensive Annual Financial Report

of the

Wichita Public Schools

Unified School District 259

Wichita, Sedgwick County, Kansas

For the Year Ended June 30, 2016

Prepared by:

Financial Services Department

WICHITA PUBLIC SCHOOLS MISSION STATEMENT

The work of Wichita Public Schools is to empower all students with the 21st century skills and knowledge necessary for success by providing a coherent, rigorous, safe and nurturing, culturally responsive, and inclusive learning community.



**WICHITA
PUBLIC SCHOOLS®**

Table of Contents

INTRODUCTORY SECTION

	Page
Letter of Transmittal.....	1
Organizational Chart.....	9
Board of Education	10
Shared Beliefs/Objectives.....	11
Government Finance Officers Association Certificate of Achievement.....	12
Association of School Business Officials Certificate of Excellence.....	13

FINANCIAL SECTION

Independent Auditor's Report	15
Management's Discussion and Analysis	17
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position.....	27
Statement of Activities.....	28
Fund Financial Statements:	
Balance Sheet – Governmental Funds	29
Reconciliation of the Balance Sheet of Governmental Funds to the	
Statement of Net Position	30
Statement of Revenues, Expenditures, and Changes in Fund	
Balances – Governmental Funds.....	31
Reconciliation of the Statement of Revenues, Expenditures, and Changes	
in Fund Balances of Governmental Funds to the Statement of Activities	32
Statement of Net Position – Proprietary Funds.....	33
Statement of Revenues, Expenses, and Changes in	
Fund Net Position – Proprietary Funds	34
Statement of Cash Flows – Proprietary Funds	35
Statement of Fiduciary Net Position – Fiduciary Funds	36
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	37
Notes to the Financial Statements.....	38
Required Supplementary Information:	
Other Postemployment Benefits Other Than Pensions	63
Kansas Public Employees Retirement System.....	65
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
General Fund	68
Special Education Fund.....	69
Nutrition Services Fund	70
Supplementary Information:	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – General Fund	71
Combining Schedule of Revenues, Expenditures and Changes in	
Fund Balances – General Fund.....	72
Combining Balance Sheet – Nonmajor Governmental Funds.....	73
Combining Schedule of Revenues, Expenditures and Changes in	
Fund Balances - Nonmajor Governmental Funds	75

Table of Contents

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Supplemental General Fund	77
Professional Development Fund	78
Four Year Old State Intervention Fund	79
State Intervention Fund (K-12)	80
Bilingual Education Fund	81
Vocational Education Fund	82
Virtual Education Program	83
Latchkey Fund	84
Parents As Teachers Fund	85
Summer School Fund	86
Special Liability Expense Fund	87
KPERS Retirement Contributions	88
Special Assessment Fund	89
Capital Outlay Fund	90
Bond and Interest Fund	91
Combining Schedule of Net Position – Internal Service Funds	93
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds	94
Combining Schedule of Cash Flows - Internal Service Funds	95
Combining Schedule of Fiduciary Net Position – Fiduciary Funds – Employee Benefit Trust Funds	97
Combining Schedule of Changes in Fiduciary Net Position – Fiduciary Funds – Employee Benefit Trust Funds	98
Combining Schedule of Fiduciary Assets and Liabilities – Fiduciary Funds – Agency Funds	99
Combining Schedule of Changes in Assets and Liabilities - Fiduciary Funds - Agency Funds.	100

STATISTICAL SECTION

Financial Trends

Statement of Revenues, Expenditures and Changes in Fund Balances, Governmental Funds	102
Fund Balances, Governmental Funds	104
Schedule of Changes in Net Position	105
Net Position by Component	106
State Revenue by Source, Governmental Funds	107

Revenue Capacity

Assessed and Estimated Actual Value of Taxable Property	108
Property Tax Rates - Direct and Overlapping Governments	109
Principal Property Taxpayers	110
Property Tax Levies and Collections	111

Debt Capacity

Computation of Direct and Overlapping Debt	112
Ratio of Net General Bonded Debt Outstanding	113
Legal Debt Margin	114
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total Current Governmental Expenditures	115

Table of Contents

Demographic and Economic Information	
Demographic Statistics	116
Principal Employers	117
Miscellaneous Statistics	118
Operating Information	
Operating Indicators by Function/Program	119
Capital Asset Statistics by Function/Program	120
Teacher Salary Schedule	121
Supplemental Salary Schedule	122
District Feeder Program	123



Introductory Section



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*John Allison
Superintendent*

December 7, 2016

To the Board of Education and the Citizens of Unified School District No. 259

The Comprehensive Annual Financial Report (CAFR) for the Wichita Public Schools, Unified School District No. 259 (District) for the fiscal year ended June 30, 2016, is submitted herewith. Generally Accepted Accounting Principles require that these financial statements present the District (the primary government) and its component units, if any. 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 it does not have any component units.

The District's Financial Services Department prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District's administrative team and, ultimately, with the Board of Education (Board). We believe the data presented in this report is accurate in all material aspects, presents fairly the financial position and results of operations as measured by the financial activity of the various funds, and includes all footnotes and disclosures necessary to gain an understanding of the District's financial activity.

This report conforms to the Governmental Accounting Standards Board's (GASB) financial reporting principles. All disclosures necessary to enable the reader to gain maximum understanding of the District's financial activity have been included. The notes to the financial statements are considered to be an integral part of the financial statements and contain certain information not shown on the face of the financial statements that is required to be disclosed under Generally Accepted Accounting Principles. Readers of the financial statements are encouraged to thoroughly review the information contained in the notes in connection with their overall review of the financial statements.

The District is required to undergo an annual single audit in conformity with the provisions of Subpart F of 2 CFR Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards." Information related to this single audit is included in a separately issued single audit report.

This report consists of three major sections:

1. Introductory Section – which contains a Table of Contents, Letter of Transmittal, District's organizational chart, List of the Board of Education members, the Shared Beliefs/Objectives, the Governmental Finance Officers Association (GFOA) Certificate of Achievement, and the Association of School Business Officials (ASBO) Certificate of Excellence.

2. Financial Section – which begins with the Independent Auditor’s Report and includes Management’s Discussion and Analysis, the Basic Financial Statements and footnotes that provide an overview of the District’s financial position and operating results, the combining statements for nonmajor funds, and other schedules that provide detailed information relative to the Basic Financial Statements.
3. Statistical Section – presents social and economic data, financial trends, and demographic data about the District for the last ten years.

School District General Description

The District is in Sedgwick County located in south central Kansas. The major city within the District is Wichita with a population of more than 380,000, where approximately 97% of the students reside. The District covers 152 square miles and serves more than 50,000 students. The District consists of more than 100 schools and other centers.

The District is the largest school district in Kansas. The District provides a full range of school programs and services authorized by state statutes. For the 2016 fiscal year, these services include educational programs for grades K-12, special education, Federal Title programs, pre-kindergarten, vocational education, bilingual education and other educational programs, transportation, nutrition services, health services, support services, and professional development activities for educators. Also, under supervision of the District, individuals and groups may utilize District facilities for community functions.

The District enjoys a richly diverse student population. No single ethnic group comprises greater than 1/3 of all students. The student community comes from 96 countries and more than 119 languages are spoken in the homes of district students. 75% of students come from homes of poverty, presenting additional challenges for the District to overcome.

The District was established on July 1, 1965. A seven-member elected Board of Education (Board) governs the District. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined by the Governmental Accounting Standards Board. The Board of Education members are elected by the public and have policy setting authority, the ability to significantly influence operations, and primary responsibility for fiscal matters.

Reporting Entity

The District is organized under the laws of the State of Kansas (State), and as mentioned before, is governed by an elected seven-member board. Accounting principles generally accepted in the United States of America (GAAP) require that these financial statements present the District (the primary government) and its component units. There are no component units for which the District is considered to be financially accountable.

Major Initiatives

Important educational initiatives continued or implemented were:

- The District began implementation of a new certified staff evaluation process and procedure in FY’14. The new evaluation process will add consistency and efficiencies to the evaluation process for teachers and administrators and will meet the new evaluation

Introductory Section

criteria established by the Kansas State Board of Education. Implementation continued throughout 2015-2016, and full implementation is expected by 2018-2019.

- The District began aligning its curriculum to meet the State Department of Education's College and Career Ready Standards. Additionally, the District's evaluation model for licensed staff provided instructional tools to equip educators with strategies to leverage student learning. The District began challenging teachers to move from a retrieval level of instruction where students recognize and recall facts to a knowledge utilization level of instruction where students are problem solving, investigating, experimenting and decision making. This systemic instructional change will empower students with 21st century skills and knowledge necessary for success, as well as align with the Kansas Assessment Program.
- The District has increased graduation rates by 19.5% over the last six years.
- Following the 2008, \$370 million bond election, the District has completed 99% of all remaining bond projects in the community-developed facility master plan which includes:
 - Adding 9 new schools to meet current and projected student population growth and to replace antiquated schools
 - Adding over 200 new classrooms
 - Building 60 storm shelter safe rooms
 - Upgrading technical education
 - Renovating or rebuilding physical education, athletic and fine art facilities

As the District looks ahead to the 2016-17 school year, all but one of the Wichita schools (Robinson Middle) will have completed a storm shelter, with the final space to be completed March 2017. FEMA/safe room construction caps a major milestone for families in Wichita.

Financial Information, Management, and Control

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

Management Responsibility

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. The management of the District is also responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that the assets of the government are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with Generally Accepted Accounting Principles, and that federal and state financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in

Introductory Section

any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected.

Legislation

Below is a brief description of the most significant school finance legislation:

1. In 2015, the Kansas legislature dramatically changed the way schools are funded in FY'16 and FY'17. Statutes enacted eliminated the previous school funding formula that included weightings for bilingual students, vocational students, students transported over 2½ miles, low income students, and enrollments of more than 1,622. The funding formula was replaced with a block grant formula that sets the spending level for FY'16 and FY'17 while a new funding formula is being developed. The block grant eliminated the calculations for enrollment and set the funding for FY'16 at the same amount as the final legal maximum budget for FY'15 after reductions were made to equalization aid. There are some allowances for virtual education and new facilities, and special education funding calculations remained intact. However, the result is flat funding for the years the block grant is in effect.
2. Since 1992, school districts have not had control over the level of ad valorem taxes levied for their General fund. The State sets the General fund tax levy for all Kansas public school districts. That levy peaked at 37 mills in 1995 and is currently set at 20 mills. However, the first \$20,000 of a personal residence's market value is exempt from the General fund tax levy. Prior to FY'15, the revenue from the General fund levy was remitted directly to the school districts. Legislation now requires that the revenue be sent to the State and returned to districts as general state aid.
3. School districts are authorized to create a Supplemental General fund which enables them to spend above the level dictated by the State for the General fund. The block grant enacted for FY'16 and FY'17 has eliminated the ability of districts to increase the Supplemental General fund budget and set the legal maximum budgets for all districts at the FY'15 level.
4. The school finance formula that was in place through the end of FY'15 required any year-end unencumbered cash balance in the General fund to become a deduction from the following year's state aid. The block grant legislation now allows unencumbered cash carry-over in the General fund in FY'16 and FY'17 without any reduction in the subsequent year's state aid.
5. On May 27, 2016, the Kansas Supreme Court issued its decision on the equity portion of *Gannon v. State of Kansas*, affirming the ruling of a three-judge panel that the state had failed to correct unconstitutional inequities in Kansas' school funding system specifically related to formulas for Capital Outlay and Supplemental General state aid. The Court ruled the block grant funding system did not equitably distribute funds among lower-property wealth districts and districts with higher property wealth. As a result of this ruling, on June 24, 2016 the Kansas Legislature passed a school funding equity bill which provided \$5.8 million in additional Supplemental General state aid that resulted in property tax reductions for Sedgwick County property owners. The bill also added \$4.9 million to the District's Capital Outlay funding for FY'17.

Budgetary Control

In developing and evaluating the District's accounting control system, consideration is given to the adequacy of internal accounting controls. Accounting control comprises the plan of

Introductory Section

organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records.

State statutes require that budgets be legally adopted for all funds, unless exempted by a specific statute. All legal operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end. Encumbered appropriations are not re-appropriated in the ensuing year's budget but are carried forward until liquidated or canceled. Accordingly, the data presented in the budgetary comparison statements differ from the data presented in the financial statements prepared in accordance with GAAP.

The budget is prepared by fund, function, object and program. Once the Board adopts the budget, budgetary control is maintained through an online accounting system that includes encumbering estimated expenditures prior to the release of purchase orders to vendors. Purchase orders that exceed available budgeted funds are not released until additional appropriations are made. Monthly budget reports showing orders outstanding and funds available are provided to each manager of a specific location, function, or program.

Financial Condition

In accordance with Governmental Accounting Standards Board (GASB) Statement 34, management is responsible for preparing a Management Discussion and Analysis of the District. This discussion follows the Independent Auditors' Report, providing an assessment of District finances for 2016.

Operating Budget Policy

For FY'16 the District continued to follow the policy of confirming that current revenues were sufficient to support the current operating expenditures. The Financial Services department estimated annual revenues by an objective, analytical process. Fees and user charges were reviewed to ensure they were set at a level that fully supported the total direct and indirect costs of the related activities.

The District utilizes non-recurring revenues for non-recurring purposes rather than for support of on-going operating expenditures. The operating budget for FY'16 included state aid revenue for new facilities, a non-recurring funding source. These funds were transferred to Capital Outlay for future one-time facilities' costs.

Capital Improvement Budget Policy

The District's 5-Year Capital Improvement Plan (CIP) is designed to provide District facility improvements concurrent with the Bond Issue Master Plan. The CIP was updated in FY'16, as required by District policy. FY'16 projects included new wireless clock systems at four schools, intercom replacement at six schools, floor tile/carpet replacement at nine schools, ceiling tile replacement at three schools, plumbing upgrades at six schools, remodels at three schools, construction of a new high school, new service drive at one high school, new auditorium at one middle school and ADA improvements at one high school. Funding sources for these projects included a combination of bond proceeds and the Capital Outlay fund.

Economic Outlook and Conditions

State of Kansas Education Funding

- As previously mentioned, education funding has taken a dramatic turn with the implementation of block grant funding for FY'16 and FY'17. The block grant essentially froze operational funding at the FY'15 level with no increase in funding for enrollment increases or fixed cost increases. The block grant funding is scheduled to sunset at the end of FY'17, with the intent that a new school funding formula will be developed by that time.
- The District reduced both salary and non-salary spending to balance the FY'17 budget. The District continues to support instruction by making cuts as far from the classroom as possible. However, additional budget cuts were required for FY'17 in order to be able to absorb inflationary cost increases in areas such as transportation, health insurance, and utilities, as well as to avoid spending additional contingency funds on operational expenditures.
- State General Fund tax revenue was \$41 million higher in FY'16 than FY'15, but still \$575 million less than FY'13. Even after sales tax and cigarette tax increases were established by the 2015 legislature, the State's FY'17 expenditures continue to far exceed tax revenues, causing the State to transfer funds from other sources such as the state transportation fund. Revenue receipts for FY'17 are not meeting projections, setting up possible mid-year cuts to avoid a deficit cash balance.

District Outlook

The District's enrollment trend over the last ten years has reflected an average increase of 200 students a year. However, budget reduction measures are beginning to impact this trend. In FY'17, official enrollment decreased by 572 students, or one percent. The decline can be attributed to cost-cutting measures under the block grant, including the outsourcing of adult learning, denial of out-of-district students and the consolidation of alternative high school programs. In the past, enrollment growth has helped the District deal with fixed cost increases when State funding remains flat. With the implementation of the block grant that provides flat funding, inflationary cost increases and healthcare program increases of \$22.7 million for FY'17 required other budgetary cuts, but the cuts might have been worse had the District not implemented these changes. The District did see some enrollment rebound at the end of the first nine weeks in its virtual programs, increasing student enrollment by 316 students from September 20 to October 21.

Demographics are also changing. For the first time in the District's history, the number of Hispanic students exceeded the number of non-Hispanic whites to become the largest ethnic group in the District. The District is improving its delivery of instruction to this diverse population and continues to improve graduation rates and achievement scores. The Wichita community depends on a strong school system in promoting and recruiting new businesses and economic growth. The City of Wichita uses the District's successes in their economic development plan.

The oldest District facility was originally built in 1919, and the average age of all facilities is 53 years. Twenty percent of the District's school buildings have been constructed since 2000. Through the bond elections in 2000 and 2008, the community voiced support of the District's plans for major maintenance, additional class space, and new facilities. Through these bond projects, the District has been able to take care of deferred maintenance and bring the facilities up to high standards. Even though the District has some old buildings, all of them have been

updated. Once the 2008 bond projects are finished with completion of an additional new high school in FY'17, all of the major and deferred maintenance on District facilities will be addressed.

For the Future

Schools for Fair Funding filed a lawsuit in 2010 against the State of Kansas for failing to provide suitable funding for education. In September 2016, the Supreme Court heard oral arguments on the adequacy portion of *Gannon v. State of Kansas*. Districts around Kansas await the Court's decision, as well as action to be taken by the Kansas Legislature in the 2017 session to develop a new school finance formula, as funding under the block grant sunsets June 30, 2017.

During the 2016 Economic Outlook Conference, the Wichita State University Center for Economic Development and Business Research projected:

"Wichita total nonfarm employment is expected to increase 2,487 jobs, which implies the employment growth rate is anticipated to be .8%."

"The production sectors are forecast to grow by 0.1 percent, adding 88 jobs. Manufacturing is expected to grow 0.4 percent, while the natural resources and construction sector is projected to contract slightly. The trade, transportation and utilities sector is forecast to add over 400 jobs, or .8%. The service sectors are forecast again to be the fastest growing portion with a 1.4% growth adding over 1000 jobs in professional and business services sectors alone."

In November 2016, the Consensus Estimating Group met to revise the Kansas State General Fund revenue projections for FY'17 and make the first official assessment of FY'18. For FY'17, the revenue estimate was decreased by \$345.9 million, or 5.5 percent. The initial revenue estimate for FY'18 is down \$443.7 million below the revised FY'17 figure. The 2017 Legislature will have to address these revenue shortfall issues, and school finance will be a critical component in budget discussions. With 58 newcomers in the Kansas legislature and the retention of all eleven judges in the state-level courts, the environment seems more amenable to change, including the possible reinstatement of at least a portion of the 2012 tax cuts that have been a large factor in the subsequent revenue shortages.

Independent Audit

The District is required under state law to have an annual audit of the books of accounts, financial records, and transactions by an independent certified public accounting firm. This requirement has been complied with, and the auditors' report is presented in the financial section of this report. The auditors' report related specifically to the single audit of federal financial assistance programs is available by separate cover.

Awards

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This certificate of achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The same CAFR also earned the ASBO Certificate of Excellence Award. Both certificates are awarded only to governmental units that publish an easily readable and efficiently organized CAFR. Such a CAFR must comply with both Generally Accepted Accounting Principles and applicable legal requirements.

Introductory Section

Both a Certificate of Achievement and a Certificate of Excellence are valid for a period of one year only. We believe our current report continues to conform to the requirements of both certificate programs, and we will again submit it for recognition.

Acknowledgments

The timely preparation of this CAFR could not have been completed without the dedicated efforts of the Financial Services Department. We would like to express our gratitude to everyone who assisted in its preparation. We also extend our appreciation to our independent auditors, Allen, Gibbs & Houlik, L.C., for their assistance and the professional manner in which the audit was accomplished. We also commend the Board for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,

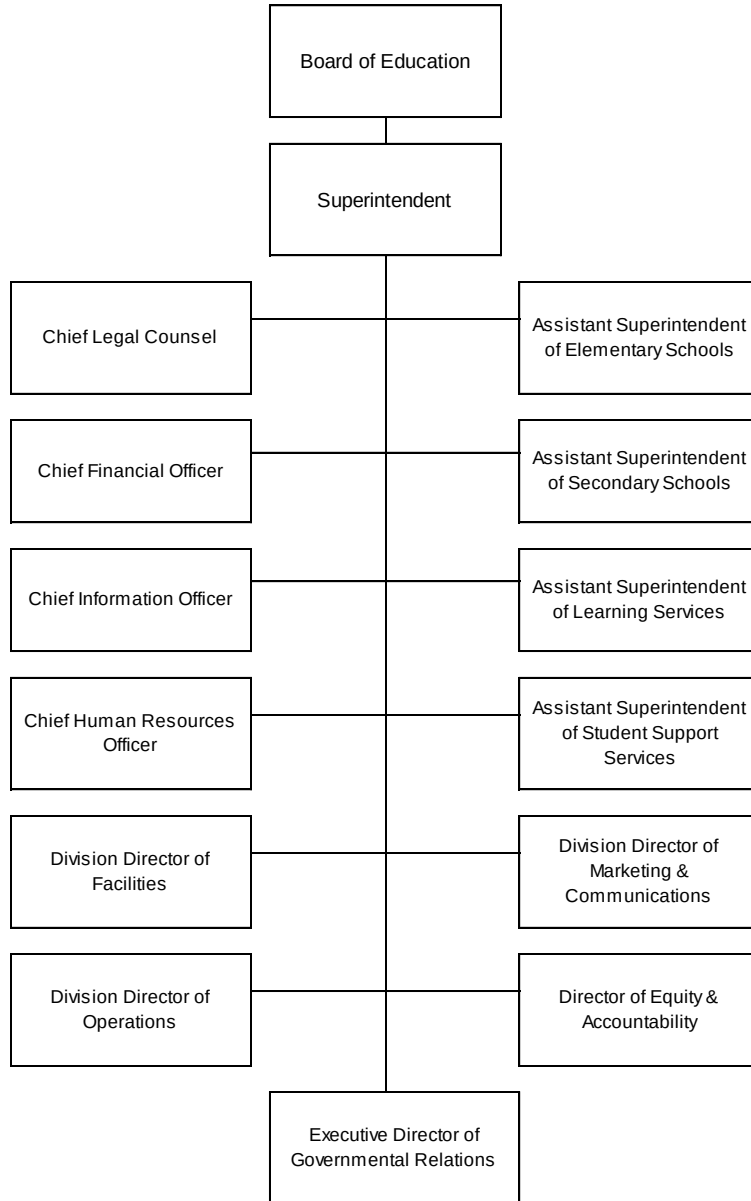


John Allison
Superintendent of Schools



Susan Willis
Chief Financial Officer

**WICHITA PUBLIC SCHOOLS
DISTRICT ADMINISTRATION ORGANIZATION CHART**



Introductory Section

WICHITA BOARD OF EDUCATION

To contact Board of Education members, feel free to call the Clerk of the Board's office at 316-973-4553.

District 1

Betty Arnold
5311 Pembroke
Wichita, KS 67220



District 2

Joy Eakins
P.O. Box 20066
Wichita, KS 67208



District 3

Barbara Fuller
6900 E. Zimmerly
Wichita, KS 67207



District 4

Jeff Davis
1941 W. Greenfield St
Wichita, KS 67217



District 5

Mike Rodee
6514 W. Briarwood Cir
Wichita, KS 67212



District 6

Lynn W. Rogers
912 Spaulding
Wichita, KS 67203



At-Large

Sheril Logan
1505 N. Valleyview Ct.
Wichita, KS 67212



OFFICERS OF THE BOARD

President Sheril Logan
Vice President..... Barbara Fuller
Board Counsel Tom Powell
Treasurer Susan Willis
Clerk of the Board Mike Willome

SUPERINTENDENT OF SCHOOLS

John Allison

Shared Beliefs

- Successful public education is a community partnership.
- Public education is essential for the improvement of society and democracy.
- Everyone has worth and dignity and is treated with respect.
- We profit from diversity.
- Everyone can and will learn.
- It is worth the effort to ensure everyone learns.
- High expectations are essential for success.
- Families provide an essential foundation for learning.
- All families want their children to be successful.
- Learning is a life-long process.
- Everyone is entitled to a safe, supportive and nurturing learning environment.
- Every student is entitled to equitable opportunities, resources and services.
- Belonging is a key to student success.
- Change is inevitable and necessary; our response is intentional.

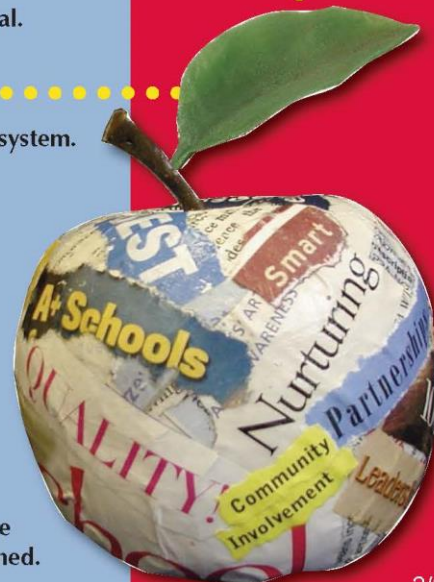
Objectives

- The graduation rate will be 100% using an aligned Pre-K–12 system.
- The 21st century skills and knowledge of all students will continually increase as measured by multiple assessments.
- The academic skill and knowledge gap among the student populations will be continually reduced until eliminated as measured by multiple assessments.
- The social skill and knowledge gap among the student populations will be continually reduced as measured by multiple assessments.
- A coherent, rigorous, safe and nurturing, culturally responsive and inclusive learning community will be fostered and sustained.



The Work of WPS

The work of Wichita Public Schools is to empower all students with the 21st century skills and knowledge necessary for success by providing a coherent, rigorous, safe and nurturing, culturally responsive and inclusive learning community.



2/09



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Unified School District No. 259
Kansas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

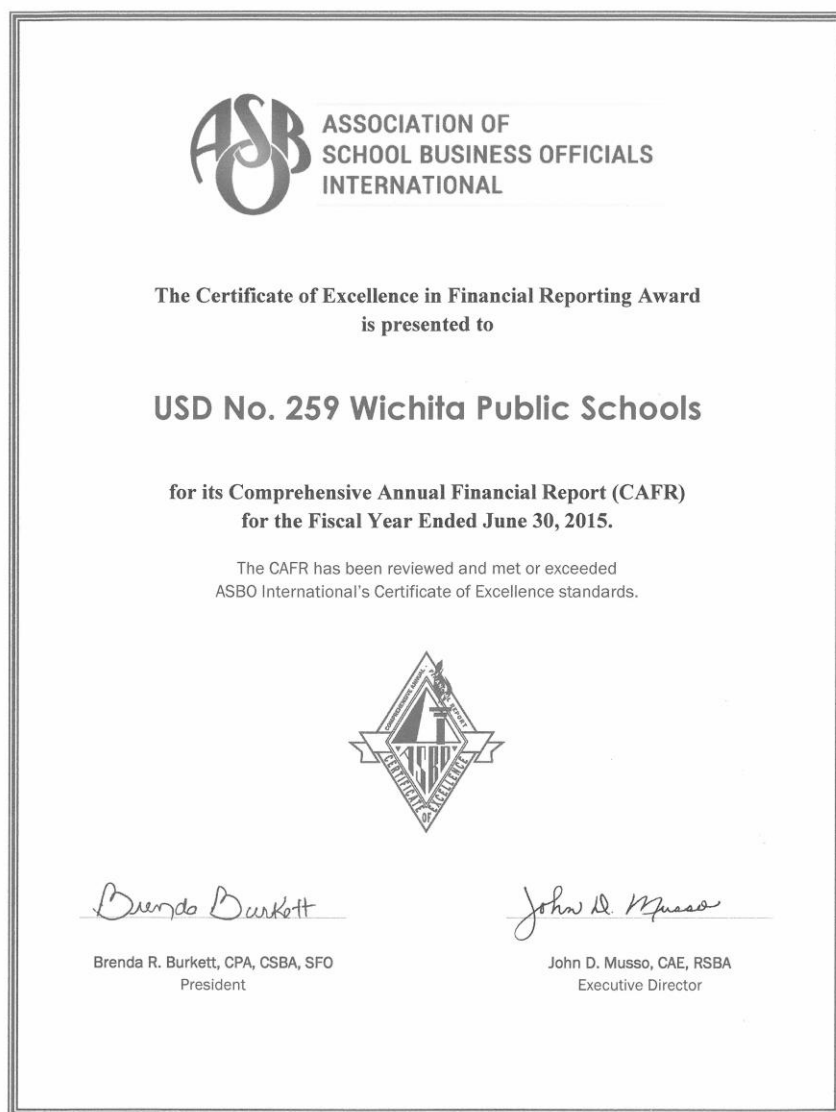
June 30, 2015

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Wichita Public Schools for the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This was the twenty-fourth consecutive year that the District has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must comply with both Generally Accepted Accounting Principles and applicable legal requirements.

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



The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Wichita Public Schools for the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This was the twenty-fourth consecutive year that the District has achieved this prestigious award.

The Certificate of Excellence is an award of recognition granted by the Association of School Business Officials of the United States and Canada. The award certifies that the recipient school system has presented its Comprehensive Annual Financial Report to the ASBO Panel of Review for critical review and evaluation and that the report was judged to have complied with the principles and practices of financial reporting recognized by ASBO. The Certificate of Excellence is issued for a period of one year.

Receiving the award is recognition that a school system has met the highest standards of excellence in school financial reporting. We believe the current report continues to conform to certificate of Excellence program requirements, and we are submitting it to the ASBO to determine its eligibility for another certificate.





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INDEPENDENT AUDITOR'S REPORT

The Board of Education
Wichita Public Schools
Unified School District No. 259

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wichita Public Schools Unified School District No. 259 (District), as of and for the year ended June 30, 2016, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America, the Kansas Municipal Audit and Accounting Guide, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note II. A. to the financial statements, for fiscal years ending June 30, 2016, state aid will be provided in the form of a block grant, with the amount based in part on , and be at least equal to, total state financial support as determined in the fiscal year ended June 30, 2015. Additionally, state aid that had been previously restricted to use in specific funds was no longer deemed to be restricted. Based on

this change, certain funds that had previously been reported as special revenue funds were reclassified and reported as part of the General fund beginning with the fiscal year ended June 30, 2016. This included the 4 Year Old State Intervention, State Intervention (K-12), Bilingual Education, Vocational Education, and Textbook Rental Funds. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and 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 combining and individual fund statements and schedules and the introductory and statistical sections 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 combining and individual fund statements and schedules 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. In our opinion, the combining and individual fund statements and schedules 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2016 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 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 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.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

December 7, 2016
Wichita, Kansas

Management's Discussion and Analysis

It is a privilege to present to you the financial picture of the Wichita Public Schools Unified District 259 (District). This discussion and analysis provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School 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's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

Under the block grant, FY'16 revenues were essentially flat. The District increased the Supplemental General fund (LOB) mill levy from 16.212 to 18.498 mills to maximize the LOB budget authority for FY'16. Spending the full amount of the LOB legal maximum budget is required under the block grant in FY'16 and FY'17 in order to avoid further reduction in LOB equalization aid.

The District realized savings in FY'16 from lower than expected fuel, student transportation, and utility costs, as well as payroll savings from unfilled positions. The District was therefore able to transfer a portion of the unspent cash to the Textbook and Capital Outlay funds to assist in supporting upcoming curriculum adoptions and capital improvement projects. Due to a change in the law for FY'16, the District was also able to carry forward the remainder of the unspent cash in the General fund to FY'17, providing funding for one-time bonuses to employees.

Overview of the Financial Statements

The basic financial statements of the District include the government-wide financial statements and the fund financial statements. The notes to the financial statements follow the basic financial statements and are essential for the reader's understanding of the financial statements. Other supplementary information is also included at the end of this report to provide additional information for the reader.

- ✓ The first two statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- ✓ The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the government-wide statements.
 - The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short-term*, as well as what remains for future spending.

- The *proprietary funds statements* provide information on internal service activities which manage multiple types of risk for the District.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

Users of the report have an opportunity to compare the net position of the Wichita Public Schools to other entities using the government-wide financial statements. Those users can address relevant issues and broaden the basis of comparison (year-to-year or government-to-government) to enhance the District's accountability.

Government-Wide Financial Statements

The government-wide statements report information about the District as a whole using the accrual basis of accounting, the method used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets and deferred outflows and the liabilities and deferred inflows – is one way to measure the District's financial health or *position*.

- ✓ Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- ✓ To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the District's activities are divided into two categories:

- ✓ *Governmental activities*: All of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.
- ✓ *Business-type activities*: The District does not have any business-type activities.

Fund Financial Statements

A fund is a fiscal entity with a set of self-balancing accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Wichita Public Schools, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide more information about the District's most significant funds – not the District as a whole.

All of the funds of the Wichita Public Schools can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- ✓ *Governmental funds:* Governmental fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and other similar items which are recorded when due. The focus, therefore, is on the short-term financial picture of the operations reported, rather than the District as a whole. Most of the District's basic operations are reported in the governmental fund financial statements. The information reported in these statements can be compared to the governmental activities information in the government-wide statements. The reconciliation at the end of the fund financial statements details the relationship between the two types of financial statements.
- ✓ *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are prepared on the accrual basis of accounting. The District's internal service funds report activities that provide supplies and services for its other programs and activities. The District currently has the following four internal service funds: the workers' compensation fund, the disability fund, the health fund, and the risk management fund.
- ✓ *Fiduciary funds:* Fiduciary funds are used by the District to account for resources held by the District for the benefit of a third party. Because the resources of these funds are not available for the District's operation, they are not presented in the government-wide financial statements. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong.

The District as a Whole

Table 1 reflects the net position of Wichita Public Schools as of June 30. The District's overall financial position increased by \$12,706,897. The improvement in net position is the net effect of several changes, as explained in the following bullets:

- Current and other assets decreased \$62.8 million, primarily due to spending down cash in the Bond Capital Projects fund on the completion of various construction projects, including renovation of existing facilities and a new comprehensive high school related to the 2008 community-approved \$370 million bond issue. This also resulted in increases in capital assets and net investment in capital assets.
- The \$24.6 million decrease in current and other liabilities is due to decreases in accounts payable and accrued payroll. The accounts payable balance declined as a result of the completion of the construction projects noted in the above bullet. There was a substantial decrease in accrued payroll due to a very large increase in the number of teachers that requested a lump sum salary payment in June for the months of July and August, a consequence of a threat by the Kansas Supreme Court to close schools in July if the legislature failed to restore funding equalization for FY'17.

- An increase in the District's proportionate share of the Kansas Public Employees Retirement System (KPERs) collective net pension liability in FY'16 accounts for the change in long-term liabilities due in more than one year.
- The \$36 million decrease in deferred inflows – pension is due to the net effect of a decrease in the investment experience of the KPERs trust and increases related to actuarial experience and changes in assumptions.
- The \$6.8 million decrease in net position restricted for instruction and support services is due to the Textbook Rental fund no longer meeting the requirements of a special revenue fund and therefore being combined with the General fund (unrestricted).
- The \$9 million decrease in net position restricted for self-insurance claims is in large part a result of a reduction in cash in the self-insured Health Care fund due to an increase in claims payments.

Table 1
Net Position
Governmental Activities
As of June 30

	2016	2015	Change Increase (Decrease)
Assets			
Current and other assets	\$190,694,714	\$253,462,938	(\$62,768,224)
Capital assets	810,841,157	767,983,407	42,857,750
Total Assets	<u>\$1,001,535,871</u>	<u>\$1,021,446,345</u>	<u>(\$19,910,474)</u>
Deferred Outflows of Resources			
Deferred charge on refunding	\$2,525,572	\$628,666	\$1,896,906
Deferred outflows – pension	37,245,317	39,972,920	(2,727,603)
Total Deferred Outflows of Resources	<u>\$39,770,889</u>	<u>\$40,601,586</u>	<u>(\$830,697)</u>
Liabilities			
Current and other liabilities	\$21,856,029	\$46,489,047	(\$24,633,018)
Long-term liabilities:			
Due within one year	50,369,859	46,404,573	3,965,286
Due in more than one year	974,741,515	951,300,422	23,441,093
Total Liabilities	<u>\$1,046,967,403</u>	<u>\$1,044,194,042</u>	<u>\$2,773,361</u>
Deferred Inflows of Resources			
Deferred inflows – pension	\$29,079,104	\$65,300,533	(\$36,221,429)
Total Deferred Inflows of Resources	<u>\$29,079,104</u>	<u>\$65,300,533</u>	<u>(\$36,221,429)</u>

Financial Section

Net Position

Net investment in capital assets	\$379,706,034	\$355,521,886	\$24,184,148
Restricted:			
Instruction and support services	3,666,331	10,428,626	(6,762,295)
Facilities and capital projects	22,077,676	22,162,727	(85,051)
Debt service	29,282,262	25,973,964	3,308,298
Self-insurance claims	19,940,071	29,107,028	(9,166,957)
Special Education	8,104,950	7,246,306	858,644
Nutrition services	13,405,797	12,032,973	1,372,824
Federal and state grant programs	882,256	1,572,155	(689,899)
Unrestricted	<u>(511,805,124)</u>	<u>(511,492,309)</u>	<u>(312,815)</u>
Total Net Position	<u>(\$34,739,747)</u>	<u>(\$47,446,644)</u>	<u>\$12,706,897</u>

Table 2 below shows condensed revenues, expenses, and change in net position for fiscal years 2016 and 2015.

Table 2
Changes in Net Position
Governmental Activities
Fiscal Years Ended June 30

	2016	2015	Change Increase (Decrease)
Revenues:			
Program Revenues:			
Charges for services	\$9,139,660	\$8,412,812	\$726,848
Operating grants and contributions	172,972,436	268,015,891	(95,043,455)
Capital grants and contributions	87,111	1,673,980	(1,586,869)
General Revenues:			
Property taxes	\$105,863,014	\$100,385,117	5,477,897
State and federal aid not restricted to specific purposes	325,453,330	240,108,713	85,344,617
State aid received for debt service (principal)	8,102,250	7,196,500	905,750
Other	<u>1,717,727</u>	<u>2,020,997</u>	<u>(303,270)</u>
Total Revenues	<u>\$623,335,528</u>	<u>\$627,814,010</u>	<u>(\$4,478,482)</u>
Program Expenses:			
Instruction	\$346,455,686	\$361,233,411	\$(14,777,725)
Student and instructional support	78,375,866	82,846,535	(4,470,669)
Administration	42,201,508	43,939,152	(1,737,644)
Operations and maintenance	74,830,191	74,032,676	797,515
Student transportation service	26,386,173	27,097,070	(710,897)
Nutrition services	24,014,679	26,918,661	(2,903,982)
Interest on long-term debt	<u>18,364,528</u>	<u>19,803,124</u>	<u>(1,438,596)</u>
Total Expenses	<u>\$610,628,631</u>	<u>\$635,870,629</u>	<u>(\$25,241,998)</u>

Financial Section

Increase/Decrease in Net Position	\$12,706,897	(\$8,056,619)	\$20,763,516
Net Position-Beginning	(47,446,644)	438,038,899	(485,485,543)
Prior Period Adjustment	-	(477,428,924)	477,428,924
Net Position-Ending	<u>(\$34,739,747)</u>	<u>(\$47,446,644)</u>	<u>\$12,706,897</u>

- The decrease in operating grants and contributions and the increase in state and federal aid not restricted to specific purposes are due primarily to the State Intervention (K-12), 4 Year Old State Intervention, Bilingual Education, and Vocational Educational funds no longer meeting the requirements to be special revenue funds and thus being combined with the General fund. State aid formerly restricted to each of those specific purposes is now unrestricted and therefore no longer included in operating grants and contributions.
- The increase in property taxes is due to a slight increase in assessed valuation and the previously mentioned higher tax levy in the Supplemental General fund for the FY'16 budget.
- The decreases in program expenses in the areas of instruction, student and instructional support, student transportation service and administration are a result of targeted staffing and expense cuts necessary to cover increased fixed costs while revenues remained flat in FY'16.

The results of this year's operations as a whole are reported in the Statement of Activities on page 28. All expenses are reported first. Specific charges for services, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues.

The School District's Funds

At June 30, 2016, the District governmental funds reported a combined fund balance of \$134.3 million, a decrease of \$31 million from FY'15. This decrease is largely due to the net effect of a decrease in the cash in the Bond Capital Projects fund as a result of completion of bond projects now reflected as capital assets and an increase in the General fund due to a large transfer of unspent year-end cash to the Textbook fund for future textbook purchases.

**Table 3
Governmental Fund Balances
As of June 30 Year End**

Governmental Funds	2016	2015	Change In Fund Balance
General	\$39,107,191	\$32,637,406	\$6,469,785
Special Education	10,958,709	11,228,256	(269,547)
Nutrition Services	15,293,178	13,978,906	1,314,272
Bond Capital Projects	1,826,784	44,344,947	(42,518,163)
Capital Outlay	21,871,225	22,155,922	(284,697)

Financial Section

Bond and Interest	41,504,964	36,564,585	4,940,379
Nonmajor Governmental	<u>3,710,513</u>	<u>4,356,844</u>	<u>(646,331)</u>
 Total Governmental Fund Balances	 <u>\$134,272,564</u>	 <u>\$165,266,866</u>	 <u>(\$30,994,302)</u>

General Fund Budgeting Highlights

The District's budget is prepared according to state statutes and uses the statutory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances. 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.

The District's total General fund budget was not amended in FY'16. However, the final legal maximum budget was reduced from \$426,884,492 to \$416,260,096 by the Kansas State Department of Education, primarily a result of the State's decision to defer the FY'16 fourth quarter KPERS remittance to 2018 due to revenue shortages.

The District's ending unobligated cash balance in the General fund was \$5,520,450 due to lower than expected utility expenses and diesel fuel costs.

Special Education Fund

The Special Education fund balance remained stable in FY'16, with a slight decrease of \$269,547. The \$11 million FY'16 ending fund balance will enable the District to fund the FY'17 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.

Nutrition Services Fund

The Nutrition Services Fund increased \$1.3 million from FY'15. Since this fund is a special revenue fund, all fund balances are restricted for expenditures related to child nutrition.

Bond Capital Projects Fund

The Bond Capital Projects fund balance decreased from \$44.3 million in FY'15 to \$1.8 million in FY'16 due to ongoing construction projects authorized by the November 4, 2008, bond election, as previously noted. Bond proceeds authorized by the 2008 bond election have been used to construct one new high school, one new K-8 school and six new elementary schools, as well as to renovate high school fine arts and athletic facilities, add classrooms and multi-purpose rooms, upgrade middle school auditoriums, and add tracks at middle schools.

The full amount of the June 30, 2016, fund balance is restricted for use on bond projects. The final phase of the bond construction projects is in progress. Construction on the high school will be completed in early FY'17, and the school will open for students for the 16-17 school year. The last major bond project, an auditorium and storm shelter at Robinson Middle School, is due to be completed in March 2017.

Capital Outlay Fund

The District has the authority to levy up to 8 mills in the Capital Outlay fund. The actual levy was 7.93 mills for FY'16, just short of the maximum allowed.

The Capital Outlay fund balance remained stable for FY'16. The District continued a conservative approach to making Capital Outlay expenditures, only moving forward on critical repair projects and deferring routine maintenance to keep the funds at a stable level. Additional costs for the new high school and the planned remodel of the old high school to house the Alvin E. Morris Administrative Center are part of the District's 5-year Capital Improvement Plan.

Due to legislative action in June 2016, equalization state aid was restored for FY'17 in the Capital Outlay fund, which will result in \$4.9 million additional state aid.

The Capital Outlay fund balance is restricted to furnishing, equipping, improving, repairing, acquiring, and constructing buildings and sites, as well as to purchase software and pay for maintenance.

Bond and Interest Fund

This fund is used to make principal and interest payments on the long-term debt obligations of the District authorized by the 2000 and 2008 bond elections. The fund balance in the Bond and Interest fund increased from \$36.6 million to \$41.5 million due to the mill levy remaining higher than necessary to fund the FY'16 debt service expenditures. The District held the property tax levy in this fund at 9.4 mills. The District is intentionally allowing cash to build in the fund in order to insure the ability to cover future debt payments without the need for annual mill levy adjustments. The District plans to slightly decrease the mill levy in FY'17 to slow the cash accumulation in the fund as the target balance nears. The entire June 30, 2016, fund balance is restricted for payment of bond principal, interest, and issuance costs.

Capital Assets and Debt Administration

Capital Assets

At the end of the fiscal years 2016 and 2015, the District had \$810,841,157 and \$767,983,407, respectively, invested in capital assets (net of depreciation). The increase in buildings and improvements is primarily attributable to capitalization of assets related to construction projects authorized by the 2008 bond election. The increase in construction in progress is primarily due to construction in FY'16 on the new high school that was noted previously.

Table 4
Capital Assets - Net of Depreciation
Governmental Activities

	2016	2015	Change Increase (Decrease)
Land	\$21,098,403	\$21,098,403	\$ -
Land Improvements	27,373,236	27,062,618	310,618
Intangibles	4,047,434	2,474,162	1,573,272
Construction in progress	73,301,334	51,588,127	21,713,207
Buildings and improvements	668,234,760	650,171,595	18,063,165
Machinery and equipment	16,785,990	15,588,502	1,197,488
Total capital assets - net of depreciation	<u>\$810,841,157</u>	<u>\$767,983,407</u>	<u>\$42,857,750</u>

Additional information about the District's capital assets can be found in Note III.B of the Notes to the Financial Statements.

Debt

At June 30, 2016, the District had \$431,790,000 in bonds and notes outstanding. Table 5 summarizes debt outstanding.

Table 5
Governmental Activities
Outstanding Debt, at Year End

	2016	2015	Change Increase (Decrease)
General Obligation Bonds	\$431,790,000	\$451,160,000	(\$19,370,000)

All outstanding bonds are related to two bond elections. In April 2000, the voters approved a \$284.5 million bond issue, of which all bonds have been sold and all construction completed. In November 2008, the voters approved \$370 million in bond improvements.

The \$19.4 million decrease in general obligation bonds payable is a result of the net of the normal annual bond payments during FY'16 and issuance of the final \$1.24 million of the 2008 bond election.

The ratio of net bonded debt to estimated actual value and the net bonded debt per capita are useful indicators of the District's debt position. The net bonded debt to estimated actual value decreased slightly from 2.62% in FY'15 to 2.46% in FY'16, and the net bonded debt per capita decreased from \$1,125 to \$1,062. Additionally, net bonded debt per pupil decreased from \$8,510 in FY'15 to \$8,101 in FY'16.

For more information on the District's debt administration, please refer to Note III.C of the Notes to the Financial Statements.

Other Potentially Significant Matters

The following significant facts were known by management as of the date of the independent auditor's report:

- In July, the District was notified of the Title IA allocation for FY'17 in the amount of \$22.1 million and the Title IIA allocation of \$2.4 million for FY'17.
- In November, the District received notice of the Special Education IDEA VI-B allocation for FY'17 in the amount of \$11.1 million for the 3-5 Early Childhood and 3-21 Pass Through programs.

Contacting the School District's Financial Management

Budgeting Web Page: <http://www.usd259.org/site/Default.aspx?PageID=1421>

Contact Budgeting by E-mail: budgetoffice@usd259.net

Write the Budgeting Office:

Unified School District #259
Attention: Dee Grunder
201 N. Water, Suite 603
Wichita, KS 67202

Contact Budgeting by Phone:

Susan Willis, Chief Financial Officer (316) 973-4529
Dee Grunder, Director of Budgeting (316) 973-4528
Fax: Attention: Dee Grunder (316) 973-4600

Basic Financial Statements



WICHITA
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Financial Section

**Wichita Public Schools
Unified School District No. 259
Statement of Net Position
June 30, 2016**

	Governmental Activities
Assets	
Cash, cash equivalents and investments	\$ 143,071,491
Restricted cash, cash equivalents and investments	10,936,715
Receivables:	
State aid	28,705,096
Interest	43,280
Intergovernmental	5,904,936
Inventory	2,033,196
Capital assets:	
Land and construction in progress	94,399,737
Other capital assets, net of depreciation	<u>716,441,420</u>
Total assets	<u>1,001,535,871</u>
 Deferred outflows of resources	
Deferred charge on refunding	2,525,572
Deferred outflows - pension	<u>37,245,317</u>
	<u>39,770,889</u>
 Liabilities	
Accounts payable	10,234,771
Accrued payroll	5,169,516
Interest payable	5,326,146
Advance - grants	1,125,596
Long-term liabilities, including claims payable	
Due within one year	50,369,859
Due in more than one year	<u>974,741,515</u>
Total liabilities	<u>1,046,967,403</u>
 Deferred inflows of resources	
Deferred inflows - pension	<u>29,079,104</u>
 Net Position	
Net investment in capital assets	379,706,034
Restricted for:	
Instruction and support services	3,666,331
Facilities and capital projects	22,077,676
Debt service	29,282,262
Self-insurance claims	19,940,071
Special education	8,104,950
Nutrition service	13,405,797
Federal and state grant programs	882,256
Unrestricted	<u>(511,805,124)</u>
Total net position	<u>\$ (34,739,747)</u>

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

**Wichita Public Schools
Unified School District No. 259
Statement of Activities
For the Year Ended June 30, 2016**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 346,455,686	\$ 5,666,170	\$ 73,763,954	\$ -	\$ (267,025,562)
Student and instructional support	78,375,866	130,760	33,404,855	87,111	(44,753,140)
Administration	42,201,508	-	3,730,329	-	(38,471,179)
Operations and maintenance	74,830,191	4,755	7,560,724	-	(67,264,712)
Student transportation service	26,386,173	-	19,879,239	-	(6,506,934)
Nutrition services	24,014,679	3,337,975	22,826,038	-	2,149,334
Interest on long-term debt	18,364,528	-	11,807,297	-	(6,557,231)
Total primary government	\$ 610,628,631	\$ 9,139,660	\$ 172,972,436	\$ 87,111	(428,429,424)
General revenues:					
Property taxes levied for:					
General purposes					56,558,311
Debt service					27,161,300
Capital outlay					22,143,403
State and federal aid not restricted to specific purposes					325,453,330
State aid received for debt service (principal)					8,102,250
Earnings on investments					372,350
Miscellaneous					1,345,377
Total general revenues					441,136,321
Change in net position					12,706,897
Net position-beginning					(47,446,644)
Net position-ending					\$ (34,739,747)

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

Wichita Public Schools
Unified School District No. 259
Balance Sheet
Governmental Funds
June 30, 2016

	General	Special Education	Nutrition Services	Bond Capital Projects	Capital Outlay	Bond and Interest	Nonmajor Governmental Funds	Total Governmental Funds
Assets:								
Cash, cash equivalents and investments	\$ 16,141,907	\$ 12,293,925	\$ 14,791,754	\$ -	\$ 26,092,850	\$ 33,503,169	\$ 5,892,504	\$ 108,716,109
Restricted cash, cash equivalents and investments	-	-	-	2,934,920	-	8,001,795	-	10,936,715
Intergovernmental receivables	11,398	4,767,069	-	-	-	1,105,239	21,230	5,904,936
State aid receivable	28,705,096	-	-	-	-	-	-	28,705,096
Interest receivable	-	-	-	-	43,280	-	-	43,280
Inventory	1,069,429	-	963,767	-	-	-	-	2,033,196
Total assets	\$ 45,927,830	\$ 17,060,994	\$ 15,755,521	\$ 2,934,920	\$ 26,136,130	\$ 42,610,203	\$ 5,913,734	\$ 156,339,332
Liabilities:								
Accounts payable	\$ 2,912,093	\$ 726,349	\$ 311,392	\$ 1,108,136	\$ 4,098,845	\$ -	\$ 746,882	\$ 9,903,697
Accrued payroll	3,626,965	608,867	150,951	-	128,939	-	649,445	5,165,167
Advance - grants	281,581	-	-	-	37,121	-	806,894	1,125,596
Total liabilities	6,820,639	1,335,216	462,343	1,108,136	4,264,905	-	2,203,221	16,194,460
Deferred Inflows of Resources:								
Unavailable revenue - receivables	-	4,767,069	-	-	-	1,105,239	-	5,872,308
Total deferred inflows of resources	-	4,767,069	-	-	-	1,105,239	-	5,872,308
Fund Balances:								
Nonspendable	1,069,429	-	963,767	-	-	-	-	2,033,196
Restricted	882,256	10,958,709	14,329,411	1,826,784	21,871,225	41,504,964	4,670,731	96,044,080
Assigned	18,229,240	-	-	-	-	-	-	18,229,240
Unassigned	18,926,266	-	-	-	-	-	(960,218)	17,966,048
Total fund balances	39,107,191	10,958,709	15,293,178	1,826,784	21,871,225	41,504,964	3,710,513	134,272,564
Total liabilities, deferred inflows of resources and fund balances	\$ 45,927,830	\$ 17,060,994	\$ 15,755,521	\$ 2,934,920	\$ 26,136,130	\$ 42,610,203	\$ 5,913,734	\$ 156,339,332

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

Financial Section

**Wichita Public Schools
Unified School District No. 259
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2016**

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

Total fund balance -- governmental funds		\$ 134,272,564
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 1,142,574,114	
Accumulated Depreciation	<u>(331,732,957)</u>	810,841,157
Other deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds:		
Deferred Refunding on Bonds Payable	2,525,572	
Deferred outflows - pension	<u>37,245,317</u>	39,770,889
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
General Obligation Bonds Payable	(431,790,000)	
Premium on Bonds Payable	(11,711,745)	
Discount on Bonds Payable	12,471	
Accrued Interest Payable on the Bonds	(5,326,146)	
Special Assessments	(797,949)	
Early Retirement Program	(35,716,357)	
Compensated Absences	(10,564,000)	
Other Post Employment Obligations	(20,688,762)	
Net Pension Liability	(499,258,574)	
Environmental Liability	<u>(516,570)</u>	(1,016,357,632)
Other deferred inflows of resources do not increase net position until a future period and therefore are not reported in the funds.		
Deferred inflows - pension		(29,079,104)
Medicaid accounts receivable is not considered available to liquidate liabilities of the current period, and are therefore deferred in the funds. However, it is recognized as revenue in the entity-wide statements as soon as the related service has been provided.		4,767,069
Interest expense subsidy receivable is not considered available to liquidate liabilities of the current period and is therefore deferred in the funds. However, it is recognized as revenue in the entity-wide statements as soon as the related service has been provided.		1,105,239
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.		<u>19,940,071</u>
Total net position -- governmental activities		<u>\$ (34,739,747)</u>

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

Financial Section

Wichita Public Schools Unified School District No. 259 Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2016

	General	Special Education	Nutrition Services	Bond Capital Projects	Capital Outlay	Bond and Interest	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:								
Taxes	\$ 55,560,688	\$ -	\$ -	\$ -	\$ 22,143,403	\$ 27,161,300	\$ 997,623	\$ 105,863,014
Intergovernmental - State	333,982,449	44,276,340	256,362	-	4,525,512	15,500,450	30,220,422	428,761,535
Intergovernmental - Federal	-	18,508,702	21,355,195	-	86,683	-	32,436,024	72,386,604
Interest expense subsidy - Federal	-	-	-	-	-	4,409,097	-	4,409,097
Charges for services	1,688,844	-	3,337,975	-	4,755	-	4,108,086	9,139,660
Earnings on investments	134,356	-	26,098	23,709	104,697	13,002	3,737	305,599
Other	633,125	97,930	2,105	-	-	-	79,119	812,279
Contributions	553,526	-	-	-	428	-	-	553,954
Total revenues	392,552,988	62,882,972	24,977,735	23,709	26,865,478	47,083,849	67,845,011	622,231,742
Expenditures:								
Current:								
Instruction	203,176,024	62,578,260	-	-	5,233,261	-	39,564,096	310,551,641
Student and instructional support	31,900,028	24,318,886	-	-	103,768	-	20,021,656	76,344,338
Administration	34,661,798	2,481,172	-	-	-	-	3,417,067	40,560,037
Operations and maintenance	56,121,536	4,329,101	-	-	9,122,062	-	4,357,369	73,930,068
Student transportation service	14,373,863	11,852,632	-	-	42,938	-	137,943	26,407,376
Nutrition services	8,050	-	23,617,099	-	-	-	1,239,387	24,864,536
Sub-total current expenditures	340,241,299	105,560,051	23,617,099	-	14,502,029	-	68,737,518	552,657,996
Facility acquisition and construction service	-	-	-	43,914,230	16,084,712	-	-	59,998,942
Debt Service:								
Principal retirement	-	-	-	-	-	20,775,000	-	20,775,000
Interest	-	-	-	-	-	21,378,841	-	21,378,841
Other	-	-	-	-	-	194,813	-	194,813
Total expenditures	340,241,299	105,560,051	23,617,099	43,914,230	30,586,741	42,348,654	68,737,518	655,005,592
Excess (deficiency) of revenues over (under) expenditures	52,311,689	(42,677,079)	1,360,636	(43,890,521)	(3,721,263)	4,735,195	(892,507)	(32,773,850)
Other financing sources (uses):								
Refunding bond issuance	-	-	-	1,240,000	-	38,160,000	-	39,400,000
Premium on bond issuance	-	-	-	132,358	-	4,478,634	-	4,610,992
Payment on refunded bond	-	-	-	-	-	(42,433,450)	-	(42,433,450)
Sale of property	-	-	-	-	534,492	-	-	534,492
Transfers in	36,045	42,407,532	-	-	2,902,074	-	282,221	45,627,872
Transfers out	(45,991,827)	-	-	-	-	-	(36,045)	(46,027,872)
Total other financing sources (uses)	(45,955,782)	42,407,532	-	1,372,358	3,436,566	205,184	246,176	1,712,034
Net change in fund balances	6,355,907	(269,547)	1,360,636	(42,518,163)	(284,697)	4,940,379	(646,331)	(31,061,816)
Fund balances at beginning of year	32,637,406	11,228,256	13,978,906	44,344,947	22,155,922	36,564,585	4,356,844	165,266,866
Change in reserve for inventory	113,878	-	(46,364)	-	-	-	-	67,514
Fund balances at end of year	\$ 39,107,191	\$ 10,958,709	\$ 15,293,178	\$ 1,826,784	\$ 21,871,225	\$ 41,504,964	\$ 3,710,513	\$ 134,272,564

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

Financial Section

Wichita Public Schools Unified School District No. 259 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2016

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

Net change in fund balances -- total governmental funds	\$ (31,061,816)
--	------------------------

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 and reported as depreciation expense. This is the amount by which depreciation exceeded the amount of assets capitalized in the current period.

Depreciation expense	\$ (28,687,265)	
Capital assets capitalized	<u>71,624,358</u>	42,937,093

In the statement of activities, the gain or loss from the sale of capital assets is reported, whereas in the governmental funds, only any proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of capital assets sold. (877,291)

Revenues reported in the funds that do not provide current financial resources are reported as revenues in the statement of activities. 503,937

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. (39,400,000)

Bond premium proceeds provide current financial resources to governmental funds, but do not increase long-term liabilities in the statement of net position. (4,610,991)

The amortization of bond premiums and discounts decrease the long term liabilities in the statement of net position but does not provide current financial resources to the governmental funds. 5,187,883

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.
General obligation bonds 58,770,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 368,682

In the statement of activities, certain operating expenses -- compensated absences, early retirement benefits, and environmental liabilities -- are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, the following differences were noted:

Compensated absences earned were less than benefits paid	406,000	
Early retirement benefits earned were less than benefits paid	1,226,026	
The cost incurred for other post employment benefits exceeded amounts paid	(5,397,785)	
Increase in net pension liabilities exceeded costs incurred	(41,777,460)	
Environmental liabilities incurred were less than amounts paid	<u>141,330</u>	(45,401,889)

The change in deferred outflows of resources and inflows of resources affects change in net position, but does not provide or use current financial resources to governmental funds.

Deferred outflows - pensions	(2,727,603)	
Deferred inflows - pensions	36,221,429	
Deferred refunding	<u>1,896,906</u>	35,390,732

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. (9,166,957)

In the statement of activities, consumption of inventory is reported as an expense, whereas in governmental funds, changes in inventory are adjustments to fund balance. 67,514

Change in net position of governmental activities	\$ <u>12,706,897</u>
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The accompanying notes are an integral part of the basic financial statements.

Financial Section

**Wichita Public Schools
Unified School District No. 259
Statement of Net Position
Proprietary Funds
June 30, 2016**

	Internal Service Funds
Assets:	
Current assets:	
Cash, cash equivalents and investments	\$ 34,355,382
Total current assets	<u>34,355,382</u>
Liabilities:	
Current liabilities:	
Accrued liabilities	335,423
Current portion - claims payable	<u>9,522,904</u>
Total current liabilities	<u>9,858,327</u>
Noncurrent liabilities	
Long-term claims payable	<u>4,556,984</u>
Total liabilities	<u>14,415,311</u>
Net Position:	
Total net position restricted for self-insurance claims	<u><u>\$ 19,940,071</u></u>

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

Financial Section

**Wichita Public Schools
Unified School District No. 259
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2016**

	Internal Service Funds
Operating revenues:	
Charges for services	\$ 59,440,557
Other insurance reimbursements	18,394
Total operating revenues	<u>59,458,951</u>
Operating expenses:	
Contractual services	<u>69,092,659</u>
Total operating expenses	<u>69,092,659</u>
Operating income (loss)	<u>(9,633,708)</u>
Nonoperating revenues:	
Interest	<u>66,751</u>
Total nonoperating revenues	<u>66,751</u>
Income (loss) before transfers	(9,566,957)
Transfers in	<u>400,000</u>
Change in net position	(9,166,957)
Total net position-beginning of year	<u>29,107,028</u>
Total net position-end of year	<u><u>\$ 19,940,071</u></u>

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

Financial Section

**Wichita Public Schools
Unified School District No. 259
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016**

	Internal Service Funds
Cash flows from operating activities:	
Cash received from services	\$ 59,440,557
Cash payments for claims	<u>(67,711,566)</u>
Net cash flow from operating activities	<u>(8,252,615)</u>
Cash flows from non-capital financing activities:	
Transfers from other funds	<u>400,000</u>
Net cash flow from non-capital financing activities	<u>400,000</u>
Cash flows from investing activities:	
Interest on investments	<u>66,751</u>
Net cash flow from investing activities	<u>66,751</u>
Net change in cash and cash equivalents	(7,785,864)
Cash and cash equivalents-beginning of the year	<u>42,141,246</u>
Cash and cash equivalents-end of the year	<u><u>\$ 34,355,382</u></u>
Reconciliation of operating income to net cash flow from operating activities:	
Operating income (loss)	\$ (9,633,708)
Adjustments to reconcile operating income (loss) to net cash flow from operating activities:	
Change in accrued liabilities	227,660
Change in claims payable	<u>1,153,433</u>
Net cash flow from operating activities	<u><u>\$ (8,252,615)</u></u>

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

Financial Section

**Wichita Public Schools
Unified School District No. 259
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016**

	Employee Benefit Trust Funds	Agency Funds
Assets:		
Cash and cash equivalents	\$ 2,036,174	\$ 4,327,692
Certificates of deposit	11,370,000	-
Investments	8,221,376	-
Interest receivable	54,052	-
Total assets	<u>21,681,602</u>	<u>4,327,692</u>
Liabilities:		
Due to others	<u>-</u>	<u>4,327,692</u>
Total liabilities	<u>-</u>	<u>4,327,692</u>
Net Position:		
Held in trust for other employee benefits	<u>21,681,602</u>	<u>-</u>
Total net position	<u><u>\$ 21,681,602</u></u>	<u><u>\$ -</u></u>

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

Financial Section

**Wichita Public Schools
Unified School District No. 259
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2016**

	Employee Benefit Trust Funds
Additions:	
Employer contributions	\$ 16,361,780
Interest income	122,363
Total additions	<u>16,484,143</u>
Deductions:	
Benefits	19,335,568
Administration	188,122
Total deductions	<u>19,523,690</u>
Change in net position	(3,039,547)
Net position - beginning of year	<u>24,721,149</u>
Net position - end of year	<u><u>\$ 21,681,602</u></u>

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

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259**

NOTES TO THE FINANCIAL STATEMENTS

INDEX

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Reporting Entity
- B. Government-wide and Fund Financial Statements
- C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
- D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position
 - 1. Deposits and Investments
 - 2. Receivables
 - 3. Inventories
 - 4. Capital Assets
 - 5. Compensated Absences
 - 6. Long-Term Obligations
 - 7. Pensions
 - 8. Deferred Inflows of Resources/Deferred Outflows of Resources
 - 9. Fund Equity
 - 10. Net Position
 - 11. Estimates

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

- A. Budgetary Information

III. DETAILED NOTES ON DISTRICT ACCOUNTS

- A. Deposits and Investments
- B. Capital Assets
- C. Long-Term Obligations
- D. Interfund Transfers
- E. Fund Balances

IV. OTHER INFORMATION

- A. Risk Management
- B. Environmental Matters
- C. Contingent Liabilities
- D. Construction Commitments and Encumbrances
- E. Defined Benefit Pension Plan
- F. Postemployment Healthcare Plan
- G. Other Employee Benefit Trust Funds
- H. Pending Governmental Accounting Standards

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Wichita Public Schools, Unified School District No. 259, (District) is organized under the laws of the State of Kansas (Kansas) and is governed by an elected seven-member board. Accounting principles generally accepted in the United States of America (GAAP) require these financial statements present the District (the primary government) and its component units. There are no component units for which the District is considered to be financially accountable.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements – The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the primary government.

The effect of interfund activity has been eliminated from these statements unless immaterial.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. 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 clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – The fund financial statements include separate financial statements that are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Expenditures in the financial statements are grouped by function. Following are descriptions of the District's functions.

Instruction – Activities dealing directly with the interaction between teachers and students, and contracted instructional services.

Student and Instruction Support – Activities designed to assess, improve the well-being of students, supplement the teaching process, and assist the instructional staff with learning experiences for students. Includes student attendance, social work, student substance abuse assistance, nursing, psychology, speech pathology, audiology, curriculum improvement, counseling and guidance services, and library and media costs.

Financial Section

Administration – Activities concerned with establishing and administering policy for the operation of the school district. Includes only Board of Education support staff, special education central-office costs, community relations, school administration, staff relations/union negotiations, the superintendent's staff, assistant superintendents, area directors, and the superintendent.

Operations and Maintenance – Activities concerned with the recruitment, hiring, and paying of staff. Includes the budgeting, purchasing, paying for, distributing, exchanging, and warehousing of goods and services. Also includes the Chief Financial Officer and business support costs such as printing and duplication, fiscal services, budgeting, payroll, and financial accounting. Includes other instructional and supporting services such as planning, research, development, evaluation, information, and data processing, in addition to, other supplemental services such as operations, maintenance, and security of schools and central office buildings including heating, lighting, ventilation, repair and maintenance of facilities, plus care and upkeep of grounds, equipment, and vehicles.

Student Transportation Services – Activities concerned with conveying students to and from school, as provided by State and Federal law, as well as District policy. This includes trips between home and school, and trips to and from school activities.

Nutrition Services – Activities concerned with providing food to students and staff in a school or local education agency. This service area includes preparing and serving regular and incidental meals, lunches, or snacks in connection with school activities and food delivery.

Facility Acquisition and Construction Service – Activities concerned with acquiring land and buildings, remodeling buildings, constructing buildings, additions to buildings, initially installing or extending service systems and other built-in equipment, and improving sites.

Debt Service – Servicing the debt of the local education agency, including payments of both principal and interest.

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

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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 budget year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements – 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.

State aid is considered to be susceptible to accrual and so has been recognized as revenue of the current period. Entitlements are recorded as revenue when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other grant requirements have been met. Other receipts become measurable and available when cash is received by the government and is recognized as revenue at that time.

The District reports the following major governmental funds:

General fund – this is the District’s primary operating fund.

Special Education – used to account for programs which deliver educational services to special needs students. The primary revenues supporting this fund are from restricted federal grants and state aid restricted for this purpose.

Nutrition Services – used to account for revenues and expenditures attributable to the food service program. The program is administered according to the state plan of child nutrition operations under which federal funds and commodities are received pursuant to federal acts relating to child nutrition. The programs are administered and meals are served on a nonprofit basis.

Bond Capital Projects – used to account for the acquisition or construction of major capital facilities funded from general obligation bond proceeds.

Capital Outlay – used to account for the acquisition and construction of major capital facilities other than those financed from general obligation bond proceeds and maintaining and equipping of District property and equipment necessary for District purposes.

Bond and Interest – used for payment of principal and interest on the District’s general obligation bonds when such bonds are outstanding.

Additionally, the District reports the following fund types:

Internal Service funds – these funds account for the District’s self-insurance programs provided to other departments or agencies of the government, on a cost reimbursement basis.

Fiduciary funds – the District has three agency funds which are used to account for assets held by the District as an agent for others. The funds include assets held for activities such as student organizations and athletics, funds held for employee payroll withholdings and flexible spending accounts. They are custodial in nature, and do not involve measurement of results of operations.

The District also has two employee benefit trust funds to account for activities related to the District’s other post-employment healthcare plan, and its early retirement incentive plan. The trusts accumulate resources for payment of benefits to qualified employees under each plan.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District’s internal service funds are charges for insurance services. Operating expenses for internal service funds include the cost of services, administrative expenses, and depreciation on

capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use unrestricted resources first, then restricted resources as they are needed.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

1. Deposits and Investments

K.S.A. 12-1667 authorizes the District to invest moneys not regulated by other statutes in time deposits, repurchase agreements consisting of obligations insured by the U.S. government or any agency thereof, U.S. Treasury bills or notes with maturities not exceeding two years, and the Kansas Municipal Investment Pool. Investments are reported at fair value.

The investments of proceeds of long-term debt are governed by specific statutes and authorize the District to invest in the following:

- Investments authorized by K.S.A. 12-1675
- 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
- Investment agreements with a financial institution rated in the three highest rating categories by Moody's or Standard and Poor's.

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. 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.

For the year ended June 30, 2016, the District implemented GASB 72, *Fair Value Measurement and Application*, which establishes a framework for measuring fair value that requires or permits fair value measurement and enhances disclosures about fair value measurements. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction. There is a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value. The guidance requires three levels of fair value measurement based on the respective inputs.

2. 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

Financial Section

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 \$28,705,096 for the fiscal year ended June 2016 until July 2016. The District was instructed by the State to record the final payment as though it had been received on June 30, 2016. This receipt was recorded for the budgetary basis; however it was recorded as a receivable by the General and Supplemental General Funds for the government-wide and fund financial statements.

3. Inventories

Inventories of supplies are stated at cost using the standard cost method. Inventories in the general fund consist of educational and maintenance supplies. Inventories in the special revenue funds are food supplies. The purchase method is used to account for governmental fund type inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories are reported as assets of the respective fund. Reported inventories in these funds are equally offset by the nonspendable fund balance category, which indicates they are unavailable for appropriation even though they are a component of reported assets. Textbooks are expensed at the time of purchase and equally offset by the textbook rental fund. On hand quantities of textbooks are tracked internally, and a replacement value for textbooks is established using the "purchasing list price" of the textbook multiplied by the on hand quantity.

4. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated acquisition value as of the date received. The District maintains a capitalization threshold of \$2,000 for regular capital assets, \$100,000 for special assessments and \$1,000,000 for other intangibles. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Lives
Buildings	40-50 years
Building Improvements	5-30 years
Land Improvements	10-30 years
Machinery and Equipment	5-20 years
Intangibles	20-50 years

5. Compensated Absences

The District annually grants employees temporary leave, the amount of which varies with the classification of the employee. All vacation days accrue monthly. As of June 30 each year, vacation

in excess of 40 days is converted to temporary leave for purposes of any future severance pay computation. Temporary leave, which consists primarily of sick and personal leave, is allowed to accrue without limit. Upon separation from the District, unused accrued vacation leave up to 20 days is paid on the basis of current salary. An employee who dies or who retires or resigns honorably after reaching age 55 or completing 5 years of employment is eligible for a severance payment. The severance payment is paid at a rate of \$3.75 per unused accrued temporary leave hour and unused accrued vacation leave hours in excess of 20 days. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

6. *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.

7. *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.

8. *Deferred Inflows of Resources/Deferred Outflows of Resources*

In addition to assets, the statement of financial position will sometimes report 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(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category, deferred charge on refunding and collective deferred outflows for pensions. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of

the life of the refunded or refunding debt. See Note IV. E. for more information on the deferred outflows for pensions.

In addition to liabilities, the statement of financial position will sometimes report 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 future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. Accordingly, the first item, *unavailable revenue – receivables*, is reported only in the governmental funds balance sheet as it arises only under a modified accrual basis of accounting. The governmental funds report unavailable revenues from two sources: Medicaid reimbursement and federal interest subsidy. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item, deferred inflows for pensions, is reported only in the Statement of Net Position. See Note IV. E. for more information on this deferred inflow.

9. *Fund Equity*

As prescribed by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental funds report fund balance classifications 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 spent.

In the governmental funds, equity is shown as fund balance and classified into five components:

- (1) Nonspendable: Assets that are not in spendable form (such as inventory).
- (2) Restricted: Amounts with externally imposed constraints, such as those mandated by creditors, grantors, contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws or regulations.
- (3) Committed: Amounts with a purpose formally imposed by resolution of the Board of Education; binding unless modified or rescinded by the Board of Education.
- (4) Assigned: The Board of Education adopted board policy P3414 authorizing the Board of Education or Chief Financial Officer to assign fund balance. Encumbrances shall be considered assigned unless they specifically meet the requirements to be restricted or committed.
- (5) Unassigned: All amounts not included in the other classifications.

The District considers unrestricted amounts to be spent prior to restricted amounts when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used (committed, assigned or unassigned), the District considers committed amounts to be spent first, followed by assigned and then unassigned amounts.

10. *Net Position*

Net position represents the difference between assets and liabilities. *Net investment in capital assets*, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as *restricted* when there are limitations imposed on the use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted resources are used first to fund appropriations.

11. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect: (1) the reported amounts of assets and liabilities, (2) disclosures such as contingencies, and (3) the reported amounts of revenues and expenses included in such financial statements. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Kansas statutes require budgets be adopted for all funds, unless exempted by a specific statute. The statutes provide for the following sequence and timetable in the adoption of the legal budget.

1. Preparation of the budget for the current fiscal year on or before August 1.
2. Publication in local newspaper of the proposed budget and notice of hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least 10 days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

Kansas statutes allow school districts to operate from July 1 to August 25 without an adopted budget.

The District's legal level of budget control is at the fund level. Kansas statutes allow for the governing body to increase the original adopted budget for previously unbudgeted increases in revenue other than ad valorem taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after the publication, the hearing may be held and the governing body may amend the budget at that time.

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.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end. Encumbered appropriations are not reappropriated in the ensuing year's budget but are carried forward until liquidated or canceled. Accordingly, the data presented in the budgetary comparison statements differ from the data presented in the financial statements prepared in accordance with GAAP.

A legal operating budget is not required for the internal service funds, the agency funds and the following funds:

- General fund subfunds:
 - Supplemental grants – state and local
 - Contingency reserve
 - Textbook rental

Special revenue funds:

- Athletic activity
- Student material revolving
- Supplemental grants – federal
- Music rental

Capital project funds:

- Bond capital projects

The spending in funds which are not subject to legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the Board. The State of Kansas allows spending above legal operating budgets by amounts received from unbudgeted grants and reimbursements.

During the 2015 legislative session, House Substitute for Senate Bill 7 passed, amending and repealing numerous statutes pertaining to how public schools are financed in Kansas. For fiscal years ending June 30, 2016 and 2017, state aid will be provided in the form of a block grant, with the amount based in part on, and be at least equal to, total state financial support as determined in the fiscal year ending June 30, 2015. Additionally, state aid that had been previously restricted to use in specific funds was no longer deemed to be restricted. The Bill states that unencumbered fund balances in various funds previously restricted as to use may be used for the payment of expenses directly attributable to those funds, or may be transferred to the General Fund to pay for general operating expenses as approved by the District's board of education. Based on this change, certain funds that had previously been reported as special revenue funds (due to previously having revenue sources that were restricted to specific purposes) were reclassified and reported as part of the General Fund beginning with the fiscal year ended June 30, 2016. This included the 4 Year Old State Intervention, State Intervention (K-12), Bilingual Education, Vocational Education, and Textbook Rental Funds.

III. DETAILED NOTES ON DISTRICT ACCOUNTS

A. Deposits and Investments

Custodial Credit Risk. For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the 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. As of June 30, 2016, District deposits were not exposed to custodial credit risk since all were either covered by federal depository insurance or the collateral was held by the District's agent in the District's name. The District does not have a formal policy regarding custodial credit risk, though it follows Kansas statutes, which require that deposits be secured 100%, and investments be perfected in the name of the investing entity and be delivered to a third-party custodian. None of the District's investments were exposed to custodial credit risk as they were being held by the proper third party custodian.

Credit Risk. State law limits the types of investments that the District may make (see Note I.D.1). The District's investment policy does not add any further limitations. As of June 30, 2016, the securities underlying the District's repurchase agreements include FNMA government agency securities rated AA+ by Standard and Poor's.

Concentration of Credit Risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District has investments in repurchase agreements, U.S Treasury bills and Treasury obligation mutual funds.

Financial Section

Interest Rate Risk. State law and the District's investment policy limit investments in U.S. Treasury bills or notes to those with maturities not exceeding two years. District policy also states that portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector, and that the investment portfolio shall remain sufficiently liquid to enable the District to meet all operating requirements which might reasonably be anticipated.

Fair Value Measurements. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investment.

Level 1 inputs are quoted prices in active markets for identical assets;

Level 2 inputs are significant other observable inputs, either directly or indirectly observable, and fair value can be determined through the use of models or other valuation methodologies;

Level 3 inputs are significant unobservable inputs in situations where there is little or no market activity for the asset or liability and the entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The District has the following recurring fair value measurements as of year-end:

U.S. Treasury securities and the Treasury obligation mutual funds are valued using quoted market prices (Level 1 inputs).

The repurchase agreement is an overnight instrument, with the fair value of the collateral underlying the repurchase agreement being in excess of the amount invested. Given the short-term nature of the agreement, it is measured at amortized cost.

As of June 30, 2016, the District had the following investments and maturities:

Investment Type	Investment Maturities (in Years)			Fair Value Hierarchy
	Fair Value	Less than 1	1-5	
Repurchase agreements	\$ 10,000,000	\$ 10,000,000	\$ --	N/A
U.S. Treasury bills	8,217,415	8,217,415	--	Level 1
Treasury obligation mutual	11,690,315	11,690,315	--	Level 1
Total	\$ 29,907,730	\$ 29,907,730	\$ --	

Deposits and investments at June 30, 2016 appear in the financial statements as summarized below:

Carrying amount of deposits	\$ 150,055,718
Carrying amount of investments	<u>29,907,730</u>
Total	<u>\$ 179,963,448</u>

Financial Section

Cash and investments - governmental funds, balance sheet	\$ 119,652,824
Cash and investments - internal service funds, statement of net position	<u>34,355,382</u>
Cash and investments - governmental activities statement of net position	154,008,206
Cash and investments - fiduciary funds	<u>25,955,242</u>
Total	<u><u>\$ 179,963,448</u></u>

B. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 21,098,403	\$ --	\$ --	\$ 21,098,403
Construction in progress	<u>51,588,127</u>	<u>65,924,928</u>	<u>44,211,721</u>	<u>73,301,334</u>
Total capital assets, not being depreciated	<u>72,686,530</u>	<u>65,924,928</u>	<u>44,211,721</u>	<u>94,399,737</u>
Capital assets, being depreciated:				
Buildings and improvements	923,670,363	42,801,955	2,389,744	964,082,574
Machinery and equipment	35,930,122	4,387,848	1,956,580	38,361,390
Land improvements	40,401,369	1,803,148	1,047,763	41,156,754
Intangibles	<u>2,857,511</u>	<u>1,716,148</u>	<u>--</u>	<u>4,573,659</u>
Total capital assets being depreciated	<u>1,022,859,365</u>	<u>50,709,099</u>	<u>5,394,087</u>	<u>1,048,174,377</u>
Less accumulated depreciation for:				
Buildings and improvements	273,498,768	23,980,277	1,631,231	295,847,814
Machinery and equipment	20,341,620	3,057,113	1,823,333	21,575,400
Land improvements	13,338,751	1,506,999	1,062,232	13,783,518
Intangibles	<u>383,349</u>	<u>142,876</u>	<u>--</u>	<u>526,225</u>
Total accumulated depreciation	<u>307,562,488</u>	<u>28,687,265</u>	<u>4,516,796</u>	<u>331,732,957</u>
Total capital assets, being depreciated, net	<u>695,296,877</u>	<u>22,021,834</u>	<u>877,291</u>	<u>716,441,420</u>
Governmental activities capital assets, net	<u><u>\$ 767,983,407</u></u>	<u><u>\$ 87,946,762</u></u>	<u><u>\$ 45,089,012</u></u>	<u><u>\$ 810,841,157</u></u>

Financial Section

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

Governmental activities:	
Instruction	\$ 26,654,214
Student and Instructional Support	58,267
Administration	7,070
Operations and Maintenance	1,597,097
Transportation	8,816
Nutrition Services	361,801
Total depreciation expense – governmental activities	<u>\$ 28,687,265</u>

C. Long-Term Obligations

Long-term liability activity for the year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due within one year
General obligation bonds	\$ 451,160,000	\$ 39,400,000	\$ 58,770,000	\$ 431,790,000	\$ 21,915,000
Special assessments	--	797,949	--	797,949	797,949
Early retirement program	36,942,384	15,134,332	16,360,359	35,716,357	14,138,751
Compensated absences	10,970,000	17,385,000	17,791,000	10,564,000	701,000
Premium on bonds	12,290,352	4,610,992	5,189,599	11,711,745	3,018,849
Discount on bonds	(14,187)	--	(1,716)	(12,471)	(2,424)
Environmental liability	657,900	--	141,330	516,570	277,830
Claims payable	12,926,455	63,137,187	61,983,754	14,079,888	9,522,904
OPEB	15,290,977	8,452,946	3,055,161	20,688,762	--
Net pension liability	<u>457,481,114</u>	<u>63,325,542</u>	<u>21,548,082</u>	<u>499,258,574</u>	<u>--</u>
Total	<u>\$ 997,704,995</u>	<u>\$ 212,243,948</u>	<u>\$ 184,837,569</u>	<u>\$ 1,025,111,374</u>	<u>\$ 50,369,859</u>

Compensated absences and the early retirement program are liquidated by the fund where each employee's regular salary is charged (primarily the General Fund and various special revenue funds). The net pension liability will be liquidated primarily through KPERS employer contributions made from the KPERS Retirement Contribution Fund. The environmental liability will be liquidated primarily with funds from the Special Liability Expense Fund. The OPEB liability will be liquidated by the Retiree Health Benefits Trust Fund as discussed in Note IV.F.

General Obligation Bonds. On May 27, 2009, the District issued \$58,760,000 in General Obligation Refunding and School Building Bonds with interest rates with an average yield of 3.35% due October 1, 2021, and \$132,500,000 in Taxable General Obligation School Building bonds (Build America Bonds), with a taxable interest rate of 6.22% (32% of interest cost is subsidized by the federal government) due October 1, 2028. The bond proceeds were used to construct, furnish, and equip new school facilities and make additions and improvements to existing school facilities throughout the District. The debt service requirements for general obligation bonds are being paid with property tax revenues.

On December 15, 2009, the District issued \$32,000,000 in General Obligation School Building Bonds (Qualified School Construction – Tax Credit Bonds), with a federal bond holder tax credit rate of 5.90% and a District funded supplemental coupon of 1.35% due September 15, 2026. The bond proceeds were used to fund certain school building improvement projects throughout the District. The debt service requirements for general obligation bonds are being paid with property tax revenues.

Financial Section

The Qualified School Construction bonds are not subject to optional or mandatory sinking fund redemption prior to their stated maturity date. However, the District is required to set aside deposits for payment of the bonds, in annual amounts of \$2,000,000 beginning September 15, 2012. Such funds will be applied to payment of the principal amount of the bonds at maturity. As of June 30, 2016, this sinking fund had a balance of \$8,001,795, which is recorded as restricted cash in the Bond and Interest Fund.

On March 3, 2010, the District issued \$6,450,000 in General Obligation Refunding Bonds, with interest rates from 2 – 4% and an average yield of 1.84% due October 1, 2015, and \$100,000,000 in Taxable General Obligation School Building Bonds (Build America Bonds), with taxable interest rates from 5.10 – 5.39% (32% of interest cost is subsidized by the federal government) due October 1, 2025. The debt proceeds were used to construct, furnish, and equip new school facilities and make additions and improvements to existing school facilities throughout the District. The debt service requirements for general obligation bonds are being paid with property tax revenues.

On October 1, 2013, the District issued \$49,340,000 in General Obligation Refunding and School Building Bonds with interest rates with an average yield of 1.72% due October 1, 2022. The bond proceeds will be used to construct, furnish, and equip new school facilities and advance refund \$500,000 of the Series 2009 bonds. The net proceeds related to the advance refunding of the Series 2009 bonds of \$592,979 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Series 2009 bonds. As a result, a portion of the Series 2009 bonds is considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

On November 15, 2015, the District issued \$39,400,000 in General Obligation Refunding and Improvement Bonds with interest rates with an average yield of 1.412% due October 1, 2021. The bond proceeds will be used to construct, furnish, and equip new school facilities and advance refund \$37,995,000 of the Series 2009A bonds. The net proceeds related to the refunding of the Series 2009A bonds of \$42,433,450 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Series 2009A bonds. As a result, a portion of the Series 2009A bonds is considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position. The refunding resulted in a reduction in total debt service payments of \$2,089,589 over the next 6 years and a present value savings (economic gain) of \$2,034,744.

As of June 30, 2016, \$38,495,000 of advance refunded bonds have not been called.

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 21,915,000	\$ 20,486,375
2018	23,085,000	19,561,763
2019	24,225,000	18,585,481
2020	24,875,000	17,557,769
2021	26,230,000	16,551,425
2022 – 2026	164,310,000	61,582,965
2027 – 2029	<u>147,150,000</u>	<u>9,495,535</u>
Total	<u>\$ 431,790,000</u>	<u>\$ 163,821,313</u>

Financial Section

Early Retirement Incentive Program. At the discretion of the Board of Education, the District offers a voluntary early retirement incentive program. The District follows GASB 47, *Accounting for Termination Benefits*, in recognizing and reporting the liability related to the early retirement incentive. Eligible employees are those who have been employed by the District in a permanent position for 15 or more years, are at least age 50 when they retire, and have an effective hire date prior to July 1, 1996. Benefits at attaining age 60 are based on the retiree's final average salary used by the Kansas Public Employees Retirement System (KPERs), a 1.4% multiplier for all years of participating service credit with KPERs, and the total number of years of credited KPERs service (excluding any purchased or repurchased years), paid in not more than 60 monthly payments. The benefits also include an amount equal to the amount of the social security benefit the retiree would have been eligible to receive if the employee were age 62, paid in not more than 24 monthly payments. This benefit will be reduced by 5% for each year by which the employee's years of qualified service are less than 20. At year-end, there are 534 retirees receiving benefits.

For the year ended June 30, 2016, the District paid \$16,360,359 in benefits. The liability for the early retirement program includes the expected cash outflows related to future benefit payments, discounted at 4.50%.

This program is primarily funded on a pay-as-you-go basis, with costs expended as paid. In June 2011, the District established an employee benefit grantor revocable trust for employer contributions to fund benefits paid under the program. The District made an initial contribution of \$13,363,566 in June 2011. Effective January 1, 2012, the trust was changed to become a qualified irrevocable trust under Section 401(a) of the Internal Revenue Code. Since trust assets are to be retained for the exclusive benefit of participants under the trust, assets held in the trust as of June 30, 2016 were recorded as a reduction to the liability and additional contributions made during 2016 are included with "Reductions" on the Long-Term Debt table at the beginning of this section. Contributions will continue to be made on a pay-as-you-go basis, and any additional employer contributions to the trust are at the sole discretion of the District.

D. Interfund Transfers

A summary of interfund transfers by fund type for the year ended June 30, 2016 is as follows:

	Transfer to:					Total
	Special Education	Capital Outlay	Nonmajor Governmental	Internal Service	General Fund	
Transfer from:						
General fund	\$ 42,407,532	\$ 2,902,074	\$ 282,221	\$ 400,000	\$ --	\$ 45,991,827
Nonmajor Governmental fund	--	--	--	--	36,045	36,045
Total	\$ 42,407,532	\$ 2,902,074	\$ 282,221	\$ 400,000	\$ 36,045	\$ 46,027,872

Transfers are used primarily to move revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Financial Section

E. Fund Balances

A summary of the components of fund balance, by purpose, is as follows:

	General	Special Education	Nutrition Services	Bond Capital Projects	Capital Outlay	Bond and Interest	Nonmajor Governmental	Total
Nonspendable:								
Inventory	\$ 1,069,429	\$ --	\$ 963,767	\$ --	\$ --	\$ --	\$ --	\$ 2,033,196
Restricted for:								
Instruction	--	--	--	--	--	--	3,666,331	3,666,331
Facilities	--	--	--	1,826,784	21,871,225	--	1,004,400	24,702,409
Debt Svc	--	--	--	--	--	41,504,964	--	41,504,964
Spec Ed	--	10,958,709	--	--	--	--	--	10,958,709
Nutrition	--	--	14,329,411	--	--	--	--	14,329,411
Fed & State	882,256	--	--	--	--	--	--	882,256
Assigned to:								
Instruction	18,229,240	--	--	--	--	--	--	18,229,240
Unassigned	18,926,266	--	--	--	--	--	(960,218)	17,966,048
Total	\$39,107,191	\$10,958,709	\$15,293,178	\$ 1,826,784	\$21,871,225	\$41,504,964	\$ 3,710,513	\$134,272,564

IV. OTHER INFORMATION

A. Risk Management

The District has adopted self-insurance programs for workers' compensation, short-term disability, health, pharmacy and dental. Liabilities are reported when it is probable a loss has occurred and the amount can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The District uses internal service funds to account for this activity. Each program is funded by a monthly contribution made by the District for each eligible employee. Contribution amounts are determined by the District and the insurance carrier for the District's stop loss policy, if applicable. There have been no settlements in excess of insurance coverage during any of the prior three years. There have been no significant reductions in insurance coverage from the prior year in any category below.

Healthcare. All active employees of the District who are .75 to 1.0 FTE, as well as grandfathered employees who are .5 to .75 FTE, are eligible for health, pharmacy and dental benefits. Health, prescription and dental benefits are provided through a self-funded program to District employees and all eligible dependents. The District's annual liability for benefits is limited to \$500,000 per individual claim by a specific stop loss policy. There is no aggregate stop loss policy.

Short-Term Disability. The District provides disability benefits covering employees working in a benefited position at least half-time. Short term disability benefits for certificated employees are provided for disabilities resulting from occupational or non-occupational illnesses and injuries at a rate of 70% of the employee's regular daily rate. Short-term disability benefits for classified employees are provided for disability resulting from non-occupational illness at a rate of 70% of the employee's regular hourly rate of pay. Benefits are provided for a maximum of 180 calendar days from the beginning date of the disability. The outstanding claims liability is calculated from historical data and future expectations. This liability includes an estimated liability for known claims as well as estimated liability for claims incurred but not reported. Short-term disability coverage for classified employees has been reduced from prior years through negotiation to eliminate the 70% coverage for occupational injuries, which are instead covered under workers' compensation.

Workers' Compensation. Workers' compensation benefits are provided for medical expenses and indemnity resulting from occupational illness or accidental injury to all employees under the Kansas

Financial Section

Workers Compensation Act. Benefits are paid according to Kansas statute governing workers compensation benefits and are self-funded by the District. The District's liability for benefits is limited by a specific stop loss policy of \$500,000 per claim. The District pays an annual assessment fee to the State of Kansas for the state insurance fund and an assessment for the operation of the Division of Workers Compensation in the Kansas Department of Labor. The outstanding claims liability is calculated from historical data and case reserves set by District staff, and evaluated by an independent actuarial opinion. This includes an estimated liability for known claims as well as an estimated liability for claims incurred but not reported (IBNR). These limits are the same as for the prior year.

Risk Management. The District has a self-insurance program to provide legal defense and pay claims against the Board of Education when an incident occurs during the course of employment. There is a \$500,000 limitation for Kansas claims based on government immunity law. The deductible portion of the property and casualty, general liability, automobile, and aviation premiums are paid from the risk management fund. This limit is the same as for the prior year.

Changes in the claims liabilities during the past two years are as follows:

	<u>Healthcare</u>	<u>Disability Reserve</u>	<u>Workers' Compensation</u>	<u>Risk Management</u>
Unpaid claims, June 30, 2014	\$ 5,044,000	\$ 74,000	\$ 7,622,538	\$ --
Incurred claims (including IBNR)	59,758,606	839,364	278,285	1,007,114
Claims payments	<u>(59,214,606)</u>	<u>(827,364)</u>	<u>(648,368)</u>	<u>(1,007,114)</u>
Unpaid claims, June 30, 2015	5,588,000	86,000	7,252,455	--
Incurred claims (including IBNR)	60,353,411	781,300	1,317,031	685,445
Claim payments	<u>(58,970,158)</u>	<u>(785,300)</u>	<u>(1,542,851)</u>	<u>(685,445)</u>
Unpaid claims, June 30, 2016	<u>\$ 6,971,253</u>	<u>\$ 82,000</u>	<u>\$ 7,026,635</u>	<u>\$ --</u>

B. Environmental Matters

An area near the District's School Service Center has been designated by the Kansas Department of Health and Environment (KDHE) as a groundwater contamination site. As a result of that contamination, the District entered into an agreement with KDHE to perform a Remediation Investigation and Feasibility Study (RI/FS) to investigate the contamination and develop a clean-up plan. The District has recently revised the Feasibility Study and Remediation Plan with the assistance of Geosyntech Consultants, Inc., an environmental consulting and remediation company. The revised plan, approved by KDHE, is currently being implemented. While the revised Feasibility Study and remedial measures progress, the District is required to perform semi-annual monitoring of the groundwater. The present value of the costs required for the Feasibility Study, monitoring activities, and interim remedial measures is estimated at \$516,570. This amount has been recorded with long-term liabilities on the statement of net position and is based on engineering estimates and actual costs incurred. Until the Remediation Plan developed through the Feasibility Study has been completed, it is not yet possible to estimate the District's ultimate cost for clean-up of the site. There are no anticipated recoveries on this project.

C. Contingent Liabilities

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's counsel that resolution of these matters will not have a materially adverse effect on the financial condition of the District.

D. Construction Commitments and Encumbrances

As of June 30, 2016, the District has outstanding construction commitments of \$1,826,784 under its current general obligation bond projects to construct, furnish, and equip new school facilities and make additions and improvements to existing school facilities throughout the District. This amount is reflected as reserve for encumbrances in the bond capital projects fund. Listed below are all encumbrances for the District:

General	\$ 3,049,518
Special Education	685,058
Nutrition Services	4,844,066
Bond Capital Projects	1,826,784
Capital Outlay	11,949,783
Nonmajor Governmental	<u>5,703,749</u>
Total	<u>\$ 28,058,958</u>

E. Defined Benefit Pension PlanGeneral Information about the Pension Plan

Plan description: The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS' website at <http://www.kpers.org> or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Benefits provided. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the General Assembly. Member employees 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 an employee'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, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump-sum. Benefit increases, including ad hoc post-

retirement 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 retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

The 2012 Legislature made changes affecting new hires, current member employees 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 years 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.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contributions rates. KPERS has multiple benefit structures and contribution rates depend 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. 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 at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member employee contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. For the fiscal year ended June 30, 2015, the statutory contribution rate was 15.41%, and the actuarially determined employer contribution rate (not including the .85% contribution rate for the Death and Disability Program) was 10.27% for the first quarter and 11.27% for the second quarter. During the last two quarters of 2015, the governor, using the budgetary allotment process, reduced the KPERS school employer rate to 8.65%, due to budgetary constraints. For the fiscal year ended June 30, 2016, the actuarially determined employer contribution rate (not including .85% contribution rate for Death and Disability program in the first quarter and 1.00% in the last three quarters) was 11.06% in the first quarter and 10.91% for the last three quarters. The statutory contribution rate was 16.00% for the fiscal year ended June 30, 2016.

For public school districts, K.S.A. 74-4939 states that the State of Kansas shall budget for the transfer from the state general fund sufficient sums to satisfy the participating district's obligations for employer contributions. K.S.A. 74-4939a then establishes the procedures for the actual distribution by the state, and subsequent remittance to KPERS, of the district's employer contributions. Under this statute, the state Department of Education disburses to the school district an amount equal to the participating employer's obligation. Upon receipt of each quarterly disbursement from the Department of Education, the school district must remit an equal amount to KPERS to satisfy the school district's obligation as a participating employer. Under these statutes, the District received and remitted amounts equal to the statutory contribution rate. Contributions to the pension plan from the District (excluding contributions for the Death and Disability Program) were \$26,426,489 and \$30,172,889 for the periods ended June 30, 2016 and 2015, respectively. Since the statutes require the State of Kansas to set the KPERS employer rate and also to budget and transfer a sufficient amount for employer contributions, the statutes do not permit the District to contribute additional amounts to the retirement program for the purposes of improving the funding status and reducing the liability recorded on the District's financial statements.

Financial Section

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

At June 30, 2016, the District reported a liability of \$499,258,574 for its proportionate share of the KPERS' collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2015, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. The District's proportion of the collective net pension liability was based on the ratio of the District's actual contributions to KPERS, relative to the total employer and nonemployer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2015. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2015, the District's proportion was 7.210%, which was an increase of 0.051% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$34,710,123. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 14,961,655
Net difference between projected and actual earnings on pension plan investments	-	13,006,342
Changes in proportionate share	10,818,828	-
Changes in assumptions	-	1,111,107
District contributions subsequent to measurement date	<u>26,426,489</u>	<u>-</u>
Total	<u>\$ 37,245,317</u>	<u>\$ 29,079,104</u>

The \$26,426,489 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2017. 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:	Deferred Outflows (Inflows) of Resources
2017	\$ (7,834,871)
2018	(7,834,871)
2019	(7,834,871)
2020	5,919,117
2021	<u>(674,780)</u>
	<u>\$ (18,260,276)</u>

Financial Section

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	3.00 percent
Wage inflation	4.00 percent
Salary increases, including wage increases	4.00 to 16.00 percent, including inflation
Long-term rate of return net of investment expense, and including price inflation	8.00 percent

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted for the three-year period beginning December 31, 2012.

Changes in actuarial assumptions from the December 31, 2013 valuation include a change in the maximum salary increase from 12.50% to 16.00%.

The long-term expected rate of return on 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 included in the pension plan's target asset allocations as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	6.30%
Fixed income	13	0.80
Yield driven	8	4.20
Real return	11	1.70
Real estate	11	5.40
Alternatives	8	9.40
Short-term investments	2	(0.50)
Total	100%	

Discount rate. The discount rate used by KPERS to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State/School subgroup of employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS' Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in the future. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the collective net pension liability to changes in the discount rate. The following presents the District's proportionate share of the collective net pension liability calculated using the discount rate of 8.00%, as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

Financial Section

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
District's proportionate share of the collective net pension liability	\$ 642,704,157	\$ 499,258,574	\$ 377,420,603

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS' financial report.

Subsequent events. Under the budgetary allotment process for the State of Kansas, the Kansas governor has authority to reduce or defer the approved budget for purposes of balancing the budget. For the State's fiscal year ending June 30, 2016, approximately \$99 million in State funded employer contributions to the State/School group were deferred. It is unknown at the time whether this reduction will have a significant effect on the District's proportionate share of the KPERS' collective net pension liability, or an effect on any actuarial assumptions used by KPERS to calculate the collective net pension liability.

During the 2015 state legislative session, Senate Bill 228 was passed authoring the issuance of one or more series of revenue bonds to provide deposits to KPERS in a total amount not to exceed \$1 billion. The purpose of such bond issuance would be for financing a portion of the unfunded actuarial pension liability of KPERS, which would also have an effect on the collective net pension liability. On August 20, 2015, the State issued \$1,005,180,000 of bonds in accordance with this bill. The effect of this bond issuance on the District's proportionate share of the KPERS' collective net pension liability is unknown at this time.

F. Postemployment Healthcare Plan

Wichita Public Schools Post-Retirement Benefits Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the Wichita Public Schools No. 259 (the District). The Plan does not issue a stand-alone audited GAAP basis financial report.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting. The Plan's financial statements (as reported in the Retiree Benefit Trust fiduciary fund) are prepared using the accrual basis of accounting. Employer contributions are recognized in the period in which the contributions are due and payable in accordance with the terms of the Plan. Benefits are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments. Investments are reported at fair value based on quoted market prices. See also Note III.A. for details on fair value measurements. At June 30, 2016, investments consist of certificates of deposit, U.S. Treasuries and mutual funds.

Plan Description and Contribution Information

Plan Description. The Plan provides healthcare benefits, including medical, dental, vision and life, to retirees. Retiree health coverage is provided for under K.S.A. 12-5040. Employees who retire on or after age 55 with at least 10 years of cumulative service with the District and 10 years of vested service under Kansas Public Employee Retirement System (KPERS) are eligible for benefits. If a participant was hired before July 1, 1996, then the participant can access the plan if retirement is on or after age 50 with 15 years of service with the District. 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

Financial Section

currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or dies.

Membership of the Plan consisted of the following at July 1, 2015, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	943
Active plan members	<u>6,527</u>
Total	<u><u>7,470</u></u>

Contributions. As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. The funding policy of the District is to pay premiums as they come due. The contribution requirements of Plan members and the District are established and may be amended by the Board of Education. The required contribution is based on projected pay-as-you-go financing requirements. District retirees pay 100% of their premiums; the District is not required to share costs of retiree premiums. Administrative costs of the Plan are financed by the premiums paid into the Retiree Benefit Trust fund.

In June 2011, the District established an irrevocable trust for the exclusive benefit of providing funds to pay benefits under the Plan. The District made an initial contribution of \$10 million to the trust in June 2011 to pre-fund benefits. Additional employer contributions to the trust are at the sole discretion of the District. Pay-as-you-go contributions and corresponding benefit payments began to be reported in the Retiree Benefit Trust fund effective July 1, 2011.

Funded Status and Funding Progress

Annual OPEB Cost and Net OPEB Obligation. The Districts's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statements 43 and 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the actuarial amount contributed to the plan, and changes in the Districts' net OPEB obligation to the Plan:

Annual required contribution	\$ 8,734,975
Interest on net OPEB obligation	535,184
Adjustment to annual required contribution	<u>(817,213)</u>
Annual OPEB cost (expense)	8,452,946
Contributions made	<u>(3,055,161)</u>
Increase in net OPEB obligation	5,397,785
Net OPEB obligation – beginning of year	<u>15,290,977</u>
Net OPEB obligation – end of year	<u><u>\$ 20,688,762</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation were as follows for the most recent three fiscal years:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/16	\$ 8,452,946	36.1%	\$20,688,792
6/30/15	\$ 6,289,838	39.3%	\$15,290,977
6/30/14	\$ 6,076,742	44.7%	\$11,472,741

As of July 1, 2015, the most recent actuarial valuation date, the Plan was partially funded. The actuarial accrued liability for benefits was \$76.3 million, and \$10.1 million of actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$66.2 million, and a funded ratio of 13.2 percent. The covered payroll (annual payroll of active employees covered by the Plan) was \$289.7 million, and the ratio of the UAAL to the covered payroll was 22.8 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point.

In the July 1, 2015, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the District's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 7.25 percent initially, reduced to an ultimate rate of 5 percent after nine years. Both rates included a 2.5 percent inflation assumption. The UAAL is being amortized as a level dollar of projected payroll on a closed basis. The remaining amortization period at July 1, 2015, ranged twenty-four years on the original base to thirty years on amounts added in 2015. Actuarial methods and assumptions used includes techniques that are consistent with the long-term perspective of the calculations.

G. Other Employee Benefit Trust Funds

The District has two trust funds which include assets held for other postemployment healthcare benefits and early retirement incentives. Listed below are condensed financial statements for both trusts.

	Early Retirement Incentive Plan Trust	Retiree Benefit Trust	Totals
Total assets	\$ 15,980,648	\$ 5,700,954	\$ 21,681,602
Total liabilities	-	-	-
Net position	<u>\$ 15,980,648</u>	<u>\$ 5,700,954</u>	<u>\$ 21,681,602</u>
Additions	\$ 16,414,697	\$ 69,446	\$ 16,484,143
Deductions	<u>15,065,318</u>	<u>4,458,372</u>	<u>19,523,690</u>
Change in net position	1,349,379	(4,388,926)	(3,039,547)
Beginning net position	<u>14,631,269</u>	<u>10,089,880</u>	<u>24,721,149</u>
Ending net position	<u>\$ 15,980,648</u>	<u>\$ 5,700,954</u>	<u>\$ 21,681,602</u>

H. Pending Governmental Accounting Standards

The effect on the District's financial statements of the following statements issued, but not yet adopted, has not yet been determined.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes financial reporting standards for state and local governmental OPEB plans that are administered through trusts or equivalent arrangements and for governments that hold assets accumulated for purposes of providing OPEB through defined benefit OPEB plans that are not administered through a trust or equivalent arrangement. The provisions of this statement are effective for financial statements for the District's fiscal year ending June 30, 2017.

GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. The provisions of this statement are effective for financial statements for the District's fiscal year ending June 30, 2018.

GASB Statement No. 77, *Tax Abatement Disclosures*, increases the disclosure requirements for tax abatements affecting the government entity and its ability to raise resources in the future. This standard applies to a reporting government's own tax abatement agreements or agreements entered into by other governments and that reduce the reporting government's tax revenues. The government that enters into the agreement must begin disclosing (1) brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provision for recapturing abated taxes, and the types of commitments made by tax abatement recipients, (2) the gross dollar amount of taxes abated during the period and (3) commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. For governments impacted by other governments' tax abatements, the following must be disclosed: (1) the names of the governments that entered into the agreements, (2) the specific taxes being abated, and (3) the gross dollar amount of taxes abated during the period. The provisions of this statement are effective for financial statements for the District's fiscal year ending June 30, 2017.

GASB Statement No. 82, *Pension Issues*, addresses certain issues that have been raised with respect to Statement No. 67, Statement No. 68 and Statement No. 73. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in the Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The provisions of this statement are effective for financial statements for the District's fiscal year ending June 30, 2017.

Required Supplementary Information





WICHITA
PUBLIC SCHOOLS®

Financial Section

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259****REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2016

OPEB Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll ((b-a)/c)
07/01/15	\$10,089,880	\$ 76,272,909	\$ 66,189,029	13.2%	\$ 289,740,091	22.8%
07/01/13	\$10,019,053	\$ 54,775,634	\$ 44,756,581	18.3%	\$ 278,817,461	16.1%
07/01/11	\$10,000,000	\$ 50,548,903	\$ 40,548,903	19.8%	\$ 277,798,463	14.6%

OPEB Schedule of Employer Contributions*

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2016	\$8,734,975	35.0%
2015	\$6,462,562	38.2%
2014	\$6,222,117	43.7%
2013	\$6,038,230	46.7%
2012	\$5,791,289	39.0%

*The District created an employee benefit trust in June 2011. Prior to June 2011, the Plan was administered through the Healthcare internal service fund, and did not have its own Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. Activity related to employee and employer contributions and the payment of benefits started being recognized as additions / deductions to the trust's net position starting in fiscal 2012.

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259**

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2016

Note 1 Significant Factors Affecting Trends in Actuarial Information

Changes in the Actuarial Accrued Liability for the valuation completed at July 1, 2015 are primarily due to:

- The healthcare trend rates were changed to better anticipate short term and long term medical increases.
- The mortality table was updated from the projection of RP2000 rates to 2013 to the RPH-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.
- The discount rate was changed from 4.5% to 3.5%.
- The percentage of future retirees who are assumed to pay the extra working spouse premium was reduced from 7% to 5%.
- The percentage of future retirees who are assumed to use tobacco (so need to pay an additional premium) was reduced from 3% to 2%.
- The percentage of future spouses of retirees who are assumed to use tobacco (so need to pay an additional premium) was reduced from 5% to 3%.

Financial Section

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259****REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2016

**Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Three Fiscal Years***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Measurement Date	June 30, 2015	June 30, 2014	June 30, 2013
District's proportion of the collective net pension liability	7.210%	7.159%	6.997%
District's proportionate share of the collective net pension liability	\$ 499,258,574	\$ 457,481,114	\$ 508,221,480
District's covered-employee payroll	\$ 315,685,482	\$ 311,279,122	\$ 304,023,616
District's proportionate share of the collective net pension liability as a percentage of its covered-employee payroll	158%	147%	167%
Plan fiduciary net position as a percentage of the total pension liability	64.95%	66.60%	59.94%

* GASB 68 requires presentation of ten years. As of June 30, 2016 only three years of information is available.

Note: Information on this schedule is measured as of the measurement date.

Financial Section

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259****REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2016

**Schedule of District's Contributions
Kansas Public Employees Retirement System
Last Three Fiscal Years***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 26,426,489	\$ 30,172,889	\$ 30,792,556
Contributions in relation to the contractually required contribution	<u>(26,426,489)</u>	<u>(30,172,889)</u>	<u>(30,792,556)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 District's covered-employee payroll	 \$ 240,636,030	 \$ 315,685,482	 \$ 311,279,122
Contributions as a percentage of covered-employee payroll	10.98%	9.56%	9.89%

* GASB 68 requires presentation of ten years. As of June 30, 2016, only three years of information is available.

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259**

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2016

Changes in benefit terms for KPERS. Effective January 1, 2014, KPERS Tier 1 members' employee contribution rate increased to 5.0% and then on January 1, 2015, increased to 6.0% with an increase in benefit multiplier to 1.85% for future years of service. For Tier II members retiring after July 1, 2012, the cost of living adjustment (COLA) is eliminated, but members will receive a 1.85% multiplier for all years of service.

January 1, 2015, the KPERS 3 cash balance plan became effective. Members enrolled in this plan are ones first employed in a KPERS covered position on or after January 1, 2015, or KPERS 1 or KPERS 2 members who left employment before vesting and returned to employment on or after January 1, 2015. The retirement benefit is an annuity based on the account balance at retirement.

Changes in assumptions.

The major items of impact in the actuarial valuation dated December 31, 2014 relative to the prior valuation are as follows:

- Reduce disability rates by 20% for all three KPERS groups.
- Increase the termination of employment rates for State-Males and Local Males and Females.
- Modify the election of a deferred benefit by Local vested members who terminate employment in future years.
- Modify the retirement rates for the C60 group.
- Increase the load for the impact of final average salary provisions for Local, C55 and C60 members hired before July 1, 1993.
- Establish an interest crediting rate of 6.50% for KPERS 3 members.

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ 8,701	\$ 8,701
Intergovernmental - State	423,398,926	416,260,096	412,547,146	(3,712,950)
Other	253,037	253,037	185,938	(67,099)
Earnings on investments	-	-	131,069	131,069
Total revenue	423,651,963	416,513,133	412,872,854	(3,640,279)
Expenditures:				
Current:				
Instruction	112,634,902	112,088,831	109,380,336	(2,708,495)
Student and instructional support	25,925,626	25,925,626	26,760,852	835,226
Administration	32,319,800	32,319,800	31,668,371	(651,429)
Operations and maintenance	33,909,359	33,909,359	32,889,327	(1,020,032)
Student transportation service	170,000	170,000	74,451	(95,549)
Total expenditures	204,959,687	204,413,616	200,773,337	(3,640,279)
Revenue over expenditures	218,692,276	212,099,517	212,099,517	-
Other financing sources (uses):				
Transfer in	3,000,000	3,000,000	3,036,044	36,044
Transfer out	(221,924,805)	(211,846,480)	(209,847,640)	1,998,840
Total other financing sources (uses)	(218,924,805)	(208,846,480)	(206,811,596)	2,034,884
Revenues and other financing sources over (under) expenditures and other uses	(232,529)	3,253,037	5,287,921	2,034,884
Fund balances at beginning of year	232,529	232,529	232,529	-
Fund balances at end of year	\$ -	\$ 3,485,566	\$ 5,520,450	\$ 2,034,884

Explanation of difference between budgetary and GAAP fund balances:

Separately budgeted general fund subfunds:	
Supplemental General, including \$2,947,593 of encumbrances	6,073,145
Professional Development, including \$5,203 of encumbrances	5,203
State Intervention (K-12), including \$164,300 of encumbrances	164,301
Bilingual Education, including \$7,566 of encumbrances	7,567
Vocational Education, including \$115 of encumbrances	2,461
Textbook Rental, including \$156,228 of encumbrances	12,928,636
Non-budgeted general fund subfunds:	
Contingency Reserve	10,122,327
Supplemental Grants - State and Local, including \$20,841 of encumbrances	2,903,597
Encumbrances for equipment and supplies ordered but not received are not reported for GAAP purposes until received.	310,075
Inventory purchases are outflows of budgetary resources but are not expenditures for GAAP.	1,069,429
GAAP fund balance at end of year	<u>\$ 39,107,191</u>

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Special Education Fund
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary	Variance with Final Budget Over/ (Under)
	Original	Final	Basis	
Revenues:				
Intergovernmental - Federal	\$ 19,500,000	\$ 19,500,000	18,508,702	\$ (991,298)
Other	151,427	151,427	156,195	4,768
Total revenues	19,651,427	19,651,427	18,664,897	(986,530)
Expenditures:				
Current:				
Instruction	65,626,970	65,626,970	62,620,432	(3,006,538)
Student and instructional support	25,109,465	25,109,465	24,361,544	(747,921)
Administration	2,513,066	2,513,066	2,467,856	(45,210)
Operations and maintenance	4,494,956	4,494,956	4,336,431	(158,525)
Student transportation service	12,255,543	12,255,543	11,562,506	(693,037)
Total expenditures	110,000,000	110,000,000	105,348,769	(4,651,231)
Revenues over (under) expenditures	(90,348,573)	(90,348,573)	(86,683,872)	3,664,701
Other financing sources (uses):				
Transfers in	89,348,572	89,348,572	86,683,872	(2,664,700)
Total other financing sources (uses)	89,348,572	89,348,572	86,683,872	(2,664,700)
Revenues and other financing sources over (under) expenditures and other uses	(1,000,001)	(1,000,001)	-	1,000,001
Fund balances at beginning of year	11,000,001	11,000,001	11,000,001	-
Fund balances at end of year	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 11,000,001</u>	<u>\$ 1,000,001</u>
Explanation of difference between budgetary and GAAP fund balances:				
Encumbrances for equipment and supplies ordered but not received are not reported for GAAP purposes until received.			(41,292)	
GAAP fund balance at end of year			<u>\$ 10,958,709</u>	

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Nutrition Services Fund
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Intergovernmental - State	\$ 231,563	\$ 231,563	\$ 256,362	\$ 24,799
Intergovernmental - Federal	19,859,492	19,859,492	21,355,195	1,495,703
Charges for services	3,907,542	3,907,542	3,337,975	(569,567)
Earnings on investments	-	-	26,098	26,098
Other	-	-	1,004,616	1,004,616
Total revenues	23,998,597	23,998,597	25,980,246	1,981,649
Expenditures:				
Current:				
Nutrition services	28,114,916	28,114,916	24,336,127	(3,778,789)
Total expenditures	28,114,916	28,114,916	24,336,127	(3,778,789)
Revenues over (under) expenditures	(4,116,319)	(4,116,319)	1,644,119	5,760,438
Other financing sources (uses):				
Transfers in	13,000	13,000	-	(13,000)
Total other financing sources (uses)	13,000	13,000	-	(13,000)
Revenues and other financing sources over (under) expenditures and other uses	(4,103,319)	(4,103,319)	1,644,119	5,747,438
Fund balances at beginning of year	7,841,227	7,841,227	7,841,227	-
Fund balances at end of year	<u>\$ 3,737,908</u>	<u>\$ 3,737,908</u>	<u>\$ 9,485,346</u>	<u>\$ 5,747,438</u>
Explanation of difference between budgetary and GAAP fund balances:				
Encumbrances for equipment and supplies ordered but not received are not reported for GAAP purposes until received.			4,844,066	
GAAP fund balance at end of year			<u>\$ 15,293,178</u>	

Supplementary Information



WICHITA
PUBLIC SCHOOLS®

General Funds – the general funds maintained by the District and the purpose of each are as follows:

General – used in conjunction with the Supplemental General fund to account for all financial resources except those required to be accounted for in another fund.

Supplemental General – used in conjunction with the General fund to account for all financial resources except those required to be accounted for in another fund.

Contingency Reserve – used to provide resources for unforeseen and unplanned needs.

Supplemental Grants – State and Local – used to account for revenue and expenses of programs administered in accordance with state and nongovernmental and/or local grants awarded to the District.

Professional Development – used to account for teacher in-service training program.

4-Year-Old State Intervention – created by Kansas Statute in 2005 and provides early childhood programs for the District.

State Intervention (K-12) – used to account for costs incurred to support the needs of the elementary, middle, and high school at-risk students.

Bilingual Education – used to account for costs incurred in administering programs to provide special help for pupils whose native language is not English.

Vocational Education – used to account for secondary education vocational programs approved by the State and funded by the General fund weighting formula.

Textbook Rental – used to account for the receipt of student textbook rental fees and the expenditures for student textbooks.

Special Revenue Funds - used to account for specific revenues that are legally restricted to expenditures for particular purposes. The special revenue funds maintained by the District and the purpose of each are as follows:

Virtual Education – used to provide lessons, resources, training and teaching support online for K-8 families and to provide an online alternative learning option for high school students in Wichita and the Wichita Metro Area.

Latchkey – used to account for expenditures associated with the before and after school programs for children 5 to 12 years of age.

Parents As Teachers – used to account for the home/school partnership program that helps parents understand more about how young children grow and learn, so they can be better teachers of their preschool children.

Summer School – used to account for costs associated with the summer school programs.

Special Liability Expense – used to pay for the cost of providing for the defense of the District and its employees and for the payment of claims.

Athletic Activity – used to account for gate receipts at secondary school athletic functions and expenditures relating to those functions.

Music Rental – used to account for the collection of student music rental fees and the expenditures for musical instruments.

Student Material Revolving – used to account for revenues from student materials fees and the expenditures associated with the purchase of student materials.

Supplemental Grants – Federal – used to account for revenue and expenditures of programs administered in accordance with Federal grants awarded to the District.

KPER Retirement Contributions – used to account for revenues and expenditures of the Kansas Public Employees Retirement System. KPER provides statewide defined-benefit retirement plans for state and local public employees.

Capital Project Funds – used to account for financial resources to be used for the acquisition, construction, remodeling, and equipping of major capital facilities. The capital project funds maintained by the District and the purpose of each are as follows:

Special Assessments – used to pay for costs associated with capital improvements such as streets, sewers, curbs, and gutters.

**Wichita Public Schools
Unified School District No. 259
Combining Balance Sheet
General Fund
June 30, 2016**

General Fund Subfunds

	General	Supplemental General	Contingency Reserve	Supplemental Grants - State and Local	Professional Development	4 Year Old State Intervention	State Intervention (K-12)	Bilingual Education	Vocational Education	Textbook Rental	Total General Fund
Assets:											
Cash, cash equivalents and investments	\$ -	\$ -	\$ -	\$ 1,395,278	\$ 172,354	\$ 15,117	\$ 657,084	\$ 132,022	\$ 278,998	\$ 13,491,054	\$ 16,141,907
Intergovernmental receivables	-	-	-	11,398	-	-	-	-	-	-	11,398
State aid receivable	28,705,096	-	-	-	-	-	-	-	-	-	28,705,096
Due from other funds	-	7,615,412	10,122,327	2,142,612	-	-	-	-	-	-	19,880,351
Inventory	1,069,429	-	-	-	-	-	-	-	-	-	1,069,429
Total assets	\$ 29,774,525	\$ 7,615,412	\$ 10,122,327	\$ 3,549,288	\$ 172,354	\$ 15,117	\$ 657,084	\$ 132,022	\$ 278,998	\$ 13,491,054	\$ 65,808,181
Liabilities:											
Accounts payable	\$ 634,116	\$ 1,065,603	\$ -	\$ 358,995	\$ 4,297	\$ -	\$ 49,869	\$ 15,541	\$ 221,254	\$ 562,418	\$ 2,912,093
Accrued payroll	2,360,104	476,664	-	5,115	162,854	15,117	442,914	108,914	55,283	-	3,626,965
Advance - grants	-	-	-	281,581	-	-	-	-	-	-	281,581
Due to other funds	19,880,351	-	-	-	-	-	-	-	-	-	19,880,351
Total liabilities	22,874,571	1,542,267	-	645,691	167,151	15,117	492,783	124,455	276,537	562,418	26,700,990
Fund Balances:											
Nonspendable	1,069,429	-	-	-	-	-	-	-	-	-	1,069,429
Restricted	-	-	-	882,256	-	-	-	-	-	-	882,256
Assigned	310,089	2,947,593	-	1,863,390	5,203	-	164,301	7,567	2,461	12,928,636	18,229,240
Unassigned	5,520,436	3,125,552	10,122,327	157,951	-	-	-	-	-	-	18,926,266
Total fund balances	6,899,954	6,073,145	10,122,327	2,903,597	5,203	-	164,301	7,567	2,461	12,928,636	39,107,191
Total liabilities, deferred inflows of resources and fund balances	\$ 29,774,525	\$ 7,615,412	\$ 10,122,327	\$ 3,549,288	\$ 172,354	\$ 15,117	\$ 657,084	\$ 132,022	\$ 278,998	\$ 13,491,054	\$ 65,808,181

**Wichita Public Schools
Unified School District No. 259
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Year Ended June 30, 2016**

General Fund Subfunds

	General	Supplemental General	Contingency Reserve	Supplemental Grants - State and Local	Professional Development	4 Year Old State Intervention	State Intervention (K-12)	Bilingual Education	Vocational Education	Textbook Rental	Total General Fund
Revenues:											
Taxes	\$ 8,701	\$ 55,551,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,560,688
Intergovernmental - State	279,303,014	54,559,901	-	84,048	-	-	-	-	35,486	-	333,982,449
Charges for services	-	-	-	396,446	-	-	99,386	-	600,013	592,999	1,688,844
Earnings on investments	131,069	-	-	3,287	-	-	-	-	-	-	134,356
Other	-	8,186	-	624,939	-	-	-	-	-	-	633,125
Contributions	-	-	-	553,526	-	-	-	-	-	-	553,526
Total revenues	279,442,784	110,120,074	-	1,662,246	-	-	99,386	-	635,499	592,999	392,552,988
Expenditures:											
Current:											
Instruction	109,369,539	226,392	-	845,046	-	4,064,475	66,077,503	11,228,650	9,007,702	2,356,717	203,176,024
Student and instructional support	26,822,463	1,093,862	-	129,161	1,653,311	26,768	1,311,581	856,508	6,374	-	31,900,028
Administration	31,674,771	859,182	-	75,977	-	888	842,431	572,518	636,031	-	34,661,798
Operations and maintenance	32,906,709	21,074,019	-	1,800,526	-	75,847	179,755	-	84,680	-	56,121,536
Student transportation service	74,451	14,294,979	-	89	-	-	-	4,344	-	-	14,373,863
Nutrition services	-	-	-	8,050	-	-	-	-	-	-	8,050
Total expenditures	200,847,933	37,548,434	-	2,858,849	1,653,311	4,167,978	68,411,270	12,662,020	9,734,787	2,356,717	340,241,299
Excess (deficiency) of revenues over (under) expenditures	78,594,851	72,571,640	-	(1,196,603)	(1,653,311)	(4,167,978)	(68,311,884)	(12,662,020)	(9,099,288)	(1,763,718)	52,311,689
Other financing sources (uses):											
Transfers in	3,036,044	-	-	-	1,653,305	4,168,102	68,269,786	12,668,095	8,990,635	8,565,463	107,351,430
Transfers out	(76,603,508)	(73,703,704)	(3,000,000)	-	-	-	-	-	-	-	(153,307,212)
Total other financing sources (uses)	(73,567,464)	(73,703,704)	(3,000,000)	-	1,653,305	4,168,102	68,269,786	12,668,095	8,990,635	8,565,463	(45,955,782)
Net change in fund balances	5,027,387	(1,132,064)	(3,000,000)	(1,196,603)	(6)	124	(42,098)	6,075	(108,653)	6,801,745	6,355,907
Fund balances at beginning of year	1,758,689	7,205,209	13,122,327	4,100,200	5,209	(124)	206,399	1,492	111,114	6,126,891	32,637,406
Change in reserve for inventory	113,878	-	-	-	-	-	-	-	-	-	113,878
Fund balances at end of year	\$ 6,899,954	\$ 6,073,145	\$ 10,122,327	\$ 2,903,597	\$ 5,203	\$ -	\$ 164,301	\$ 7,567	\$ 2,461	\$ 12,928,636	\$ 39,107,191

**Wichita Public Schools
Unified School District No. 259
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016**

	Special Revenue Funds					
	Virtual Education	Latchkey	Parents as Teachers	Summer School	Special Liability Expense	Athletic Activity
Assets:						
Cash, cash equivalents and investments	\$ 323,793	\$ 1,434,559	\$ 119,849	\$ 287,102	\$ 810,096	\$ 390,403
Accounts receivable	-	-	21,230	-	-	-
Inventory	-	-	-	-	-	-
Total assets	<u>\$ 323,793</u>	<u>\$ 1,434,559</u>	<u>\$ 141,079</u>	<u>\$ 287,102</u>	<u>\$ 810,096</u>	<u>\$ 390,403</u>
Liabilities:						
Accounts payable	\$ 203,553	\$ 29,668	\$ 1,578	\$ -	\$ 26,091	\$ 44,611
Accrued payroll	10,467	2,989	7,631	45,182	-	-
Advance - grants	-	-	25,000	-	-	-
Total liabilities	<u>214,020</u>	<u>32,657</u>	<u>34,209</u>	<u>45,182</u>	<u>26,091</u>	<u>44,611</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	109,773	1,401,902	106,870	241,920	784,005	345,792
Unassigned	-	-	-	-	-	-
Total fund balances	<u>109,773</u>	<u>1,401,902</u>	<u>106,870</u>	<u>241,920</u>	<u>784,005</u>	<u>345,792</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 323,793</u>	<u>\$ 1,434,559</u>	<u>\$ 141,079</u>	<u>\$ 287,102</u>	<u>\$ 810,096</u>	<u>\$ 390,403</u>

(continued)

**Wichita Public Schools
Unified School District No. 259
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016
(continued)**

	Special Revenue Funds					Capital Project Funds	Total Nonmajor Governmental Funds
	Music Rental	Student Material Revolving	Supplemental Grants - Federal	KPERS Retirement Contributions	Special Assessments		
Assets:							
Cash, cash equivalents and investments	\$ 146,342	\$ 553,031	\$ 822,929	\$ -	\$ 1,004,400	\$	5,892,504
Accounts receivable	-	-	-	-	-	-	21,230
Inventory	-	-	-	-	-	-	-
Total assets	\$ 146,342	\$ 553,031	\$ 822,929	\$ -	\$ 1,004,400	\$	5,913,734
Liabilities:							
Accounts payable	\$ -	\$ 23,304	\$ 418,077	\$ -	\$ -	\$	746,882
Accrued payroll	-	-	583,176	-	-	-	649,445
Advance - grants	-	-	781,894	-	-	-	806,894
Total liabilities	-	23,304	1,783,147	-	-	-	2,203,221
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	146,342	529,727	-	-	1,004,400	4,670,731	
Unassigned	-	-	(960,218)	-	-	(960,218)	
Total fund balances	146,342	529,727	(960,218)	-	1,004,400	3,710,513	
Total liabilities, deferred inflows of resources and fund balances	\$ 146,342	\$ 553,031	\$ 822,929	\$ -	\$ 1,004,400	\$	5,913,734

**Wichita Public Schools
Unified School District No. 259
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016**

	Special Revenue Funds					
	Virtual Education	Latchkey	Parents as Teachers	Summer School	Special Liability Expense	Athletic Activity
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 28	\$ -
Intergovernmental - State	1,222,628	-	338,043	-	-	-
Intergovernmental - Federal	-	659,533	21,230	-	-	-
Charges for services	-	3,009,558	-	123,637	-	490,806
Earnings on investments	-	-	-	-	2,423	1,314
Other	-	-	-	-	-	78,765
Total revenues	1,222,628	3,669,091	359,273	123,637	2,451	570,885
Expenditures:						
Current:						
Instruction	1,066,529	3,374,169	-	62,928	-	856,287
Student and instructional support	179,491	-	350,258	11,998	-	-
Administration	183,000	-	-	7,467	-	-
Operations and maintenance	-	-	-	3,368	367,379	-
Student transportation service	67,397	-	-	-	-	-
Nutrition services	-	-	-	-	-	-
Total expenditures	1,496,417	3,374,169	350,258	85,761	367,379	856,287
Excess of revenues over (under) expenditures	(273,789)	294,922	9,015	37,876	(364,928)	(285,402)
Other financing sources (uses):						
Transfers in	282,221	-	-	-	-	-
Transfers out	-	-	-	(36,045)	-	-
Total other financing sources (uses)	282,221	-	-	(36,045)	-	-
Net change in fund balances	8,432	294,922	9,015	1,831	(364,928)	(285,402)
Fund balances at beginning of year	101,341	1,106,980	97,855	240,089	1,148,933	631,194
Change in reserve for inventory	-	-	-	-	-	-
Fund balances at end of year	\$ 109,773	\$ 1,401,902	\$ 106,870	\$ 241,920	\$ 784,005	\$ 345,792

(continued)

**Wichita Public Schools
Unified School District No. 259
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016
(continued)**

	Special Revenue Funds				Capital Project Funds	Total Nonmajor Governmental Funds
	Music Rental	Student Material Revolving	Supplemental Grants - Federal	KPERS Retirement Contributions	Special Assessments	
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 997,595	997,623
Intergovernmental - State	-	-	-	28,659,751	-	30,220,422
Intergovernmental - Federal	-	-	31,755,261	-	-	32,436,024
Charges for services	53,955	430,130	-	-	-	4,108,086
Earnings on investments	-	-	-	-	-	3,737
Other	-	-	354	-	-	79,119
Total revenues	53,955	430,130	31,755,615	28,659,751	997,595	67,845,011
Expenditures:						
Current:						
Instruction	43,252	436,942	15,643,297	18,080,692	-	39,564,096
Student and instructional support	44	190,515	14,814,919	4,474,431	-	20,021,656
Administration	-	-	721,125	2,505,475	-	3,417,067
Operations and maintenance	-	-	969,732	3,016,890	-	4,357,369
Student transportation service	-	-	13,675	56,871	-	137,943
Nutrition services	-	-	713,995	525,392	-	1,239,387
Total expenditures	43,296	627,457	32,876,743	28,659,751	-	68,737,518
Excess of revenues over (under) expenditures	10,659	(197,327)	(1,121,128)	-	997,595	(892,507)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	282,221
Transfers out	-	-	-	-	-	(36,045)
Total other financing sources (uses)	-	-	-	-	-	246,176
Net change in fund balances	10,659	(197,327)	(1,121,128)	-	997,595	(646,331)
Fund balances at beginning of year	135,683	727,054	160,910	-	6,805	4,356,844
Change in reserve for inventory	-	-	-	-	-	-
Fund balances at end of year	\$ 146,342	\$ 529,727	\$ (960,218)	\$ -	\$ 1,004,400	\$ 3,710,513

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Supplemental General Fund
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Taxes	\$ 52,601,802	\$ 52,601,802	\$ 55,551,987	\$ 2,950,185
Intergovernmental - State	-	-	-	-
Other	-	-	175,368	175,368
Total revenues	52,601,802	52,601,802	55,727,355	3,125,553
Expenditures:				
Current:				
Instruction	140,000	140,000	229,605	89,605
Student and instructional support	738,268	738,268	1,079,207	340,939
Administration	1,084,129	1,084,129	891,736	(192,393)
Operations and maintenance	24,262,984	24,262,984	21,402,519	(2,860,465)
Student transportation service	16,503,503	16,503,503	14,062,695	(2,440,808)
Total expenditures	42,728,884	42,728,884	37,665,762	(5,063,122)
Revenues over (under) expenditures	9,872,918	9,872,918	18,061,593	8,188,675
Other financing sources (uses):				
Transfers in	54,559,901	54,559,901	54,559,901	-
Transfers out	(68,640,581)	(68,640,581)	(73,703,704)	5,063,123
Total other financing sources (uses)	(14,080,680)	(14,080,680)	(19,143,803)	5,063,123
Revenues and other financing sources over (under) expenditures and other uses	(4,207,762)	(4,207,762)	(1,082,210)	3,125,552
Fund balances at beginning of year	4,207,762	4,207,762	4,207,762	-
Fund balances at end of year	\$ -	\$ -	\$ 3,125,552	\$ 3,125,552

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Professional Development Fund
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Over/ (Under)
Revenues:				
Other	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Current:				
Student and instructional support	2,168,223	2,168,223	1,653,305	(514,918)
Total expenditures	2,168,223	2,168,223	1,653,305	(514,918)
Revenues over (under) expenditures	(2,168,223)	(2,168,223)	(1,653,305)	514,918
Other financing sources (uses):				
Transfers in	2,168,223	2,168,223	1,653,305	(514,918)
Total other financing sources (uses)	2,168,223	2,168,223	1,653,305	(514,918)
Revenues and other financing sources over (under) expenditures and other uses	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Four Year Old State Intervention Fund
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Other	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Current:				
Instruction	4,667,548	4,667,548	4,064,599	(602,949)
Student and instructional support	4,152	4,152	26,768	22,616
Administration	-	-	888	888
Operations and maintenance	72,477	72,477	75,847	3,370
Total expenditures	4,744,177	4,744,177	4,168,102	(576,075)
Revenues over (under) expenditures	(4,744,177)	(4,744,177)	(4,168,102)	576,075
Other financing sources (uses):				
Transfers in	4,744,177	4,744,177	4,168,102	(576,075)
Total other financing sources (uses)	4,744,177	4,744,177	4,168,102	(576,075)
Revenues and other financing sources over (under) expenditures and other uses	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
State Intervention Fund (K-12)
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary	Variance with Final Budget Over/ (Under)
	Original	Final	Basis	
Revenues:				
Charges for services	\$ 87,000	\$ 87,000	\$ 99,386	\$ 12,386
Other	16,419	16,419	28,955	12,536
Total revenues	103,419	103,419	128,341	24,922
Expenditures:				
Current:				
Instruction	67,215,312	67,215,312	66,048,046	(1,167,266)
Student and instructional support	1,371,412	1,371,412	1,316,597	(54,815)
Administration	778,766	778,766	852,429	73,663
Operations and maintenance	160,812	160,812	181,055	20,243
Total expenditures	69,526,302	69,526,302	68,398,127	(1,128,175)
Revenues over (under) expenditures	(69,422,883)	(69,422,883)	(68,269,786)	1,153,097
Other financing sources (uses):				
Transfers in	69,422,883	69,422,883	68,269,786	(1,153,097)
Total other financing sources (uses)	69,422,883	69,422,883	68,269,786	(1,153,097)
Revenues and other financing sources over (under) expenditures and other uses	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Bilingual Education Fund
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Other	\$ -	\$ -	\$ 1,711	\$ 1,711
Total revenues	-	-	1,711	1,711
Expenditures:				
Current:				
Instruction	11,261,054	11,525,018	11,231,658	(293,360)
Student and instructional support	878,357	952,546	861,266	(91,280)
Administration	642,873	642,873	572,538	(70,335)
Operations and maintenance	70	7,721	-	(7,721)
Transportation	-	21,000	4,344	(16,656)
Total expenditures	12,782,354	13,149,158	12,669,806	(479,352)
Revenues over (under) expenditures	(12,782,354)	(13,149,158)	(12,668,095)	481,063
Other financing sources (uses):				
Transfers in	12,782,354	13,149,158	12,668,095	(481,063)
Total other financing sources (uses)	12,782,354	13,149,158	12,668,095	(481,063)
Revenues and other financing sources over (under) expenditures and other uses	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Vocational Education Fund
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Intergovernmental - State	\$ 35,374	\$ 35,374	\$ 35,486	\$ 112
Charges for services	504,742	504,742	600,013	95,271
Other	-	-	17,157	17,157
Total revenues	540,116	540,116	652,656	112,540
Expenditures:				
Current:				
Instruction	9,002,388	9,002,388	8,989,220	(13,168)
Student and instructional support	-	-	6,374	6,374
Administration	633,893	633,893	635,976	2,083
Operations and maintenance	81,083	81,083	84,680	3,597
Total expenditures	9,717,364	9,717,364	9,716,250	(1,114)
Revenues over (under) expenditures	(9,177,248)	(9,177,248)	(9,063,594)	113,654
Other financing sources (uses):				
Transfers in	9,101,943	9,101,943	8,990,635	(111,308)
Total other financing sources (uses)	9,101,943	9,101,943	8,990,635	(111,308)
Revenues and other financing sources over (under) expenditures and other uses	(75,305)	(75,305)	(72,959)	2,346
Fund balances at beginning of year	75,305	75,305	75,305	-
Fund balances at end of year	\$ -	\$ -	\$ 2,346	\$ 2,346

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Virtual Education Program
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Other	\$ -	\$ -	\$ 362	\$ 362
Total revenues	-	-	362	362
Expenditures:				
Current:				
Instruction	1,313,624	1,313,624	1,075,576	(238,048)
Student and instructional support	172,750	172,750	179,142	6,392
Administration	174,211	174,211	183,000	8,789
Operations and maintenance	52,512	52,512	67,493	14,981
Total expenditures	1,713,097	1,713,097	1,505,211	(207,886)
Revenues over (under) expenditures	(1,713,097)	(1,713,097)	(1,504,849)	208,248
Other financing sources (uses):				
Transfers in	1,713,097	1,713,097	1,504,849	(208,248)
Total other financing sources (uses)	1,713,097	1,713,097	1,504,849	(208,248)
Revenues and other financing sources over (under) expenditures and other uses	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Latchkey Fund
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 670,000	\$ 670,000	\$ 659,533	\$ (10,467)
Charges for services	-	-	3,009,558	3,009,558
Other	2,500,000	2,500,000	10,621	(2,489,379)
Total revenues	3,170,000	3,170,000	3,679,712	509,712
Expenditures:				
Current:				
Student and instruction support	4,234,804	4,234,804	3,437,445	(797,359)
Total expenditures	4,234,804	4,234,804	3,437,445	(797,359)
Revenues over (under) expenditures	(1,064,804)	(1,064,804)	242,267	1,307,071
Fund balances at beginning of year	1,064,804	1,064,804	1,064,804	-
Fund balances at end of year	\$ -	\$ -	\$ 1,307,071	\$ 1,307,071

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Parents As Teachers Fund
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary	Variance with Final Budget
	Original	Final	Basis	Over/ (Under)
Revenues:				
Intergovernmental - State & Local	\$ 317,000	\$ 317,000	\$ 338,043	\$ 21,043
Other	100,000	100,000	(117,728)	(217,728)
Total revenues	417,000	417,000	220,315	(196,685)
Expenditures:				
Current:				
Student and instructional support	507,862	507,862	201,207	(306,655)
Total expenditures	507,862	507,862	201,207	(306,655)
Revenues over (under) expenditures	(90,862)	(90,862)	19,108	109,970
Fund balances at beginning of year	90,862	90,862	90,862	-
Fund balances at end of year	\$ -	\$ -	\$ 109,970	\$ 109,970

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Summer School Fund
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Charges for services	\$ 120,000	\$ 120,000	\$ 123,637	\$ 3,637
Total revenues	120,000	120,000	123,637	3,637
Expenditures:				
Current:				
Instruction	206,323	206,323	62,928	(143,395)
Student and instructional support	5,442	5,442	11,998	6,556
Administration	4,680	4,680	7,467	2,787
Operations and maintenance	-	-	3,368	3,368
Total expenditures	216,445	216,445	85,761	(130,684)
Revenues over (under) expenditures	(96,445)	(96,445)	37,876	134,321
Other financing sources (uses):				
Transfers out	-	-	(36,045)	36,045
Total other financing sources (uses)	-	-	(36,045)	36,045
Revenues and other financing sources over (under) expenditures and other uses	(96,445)	(96,445)	1,831	98,276
Fund balances at beginning of year	240,088	240,088	240,088	-
Fund balances at end of year	<u>\$ 143,643</u>	<u>\$ 143,643</u>	<u>\$ 241,919</u>	<u>\$ 98,276</u>

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Special Liability Expense Fund
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ 28	\$ 28
Earnings on investments	-	-	2,423	2,423
Other	-	-	292	292
Total revenues	-	-	2,743	2,743
Expenditures:				
Current:				
Administration	990,600	990,600	476,359	(514,241)
Total expenditures	990,600	990,600	476,359	(514,241)
Revenues over (under) expenditures	(990,600)	(990,600)	(473,616)	516,984
Fund balances at beginning of year	1,123,100	1,123,100	1,123,100	-
Fund balances at end of year	\$ 132,500	\$ 132,500	\$ 649,484	\$ 516,984

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
KPERS Retirement Contributions
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Intergovernmental - State	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Current:				
Instruction	22,555,334	22,555,334	18,080,692	(4,474,642)
Student and instructional support	5,862,322	5,862,322	4,474,431	(1,387,891)
Administration	4,832,747	4,832,747	2,505,475	(2,327,272)
Operations and maintenance	4,832,563	4,832,563	3,016,890	(1,815,673)
Transportation	101,182	101,182	56,871	(44,311)
Nutrition services	734,038	734,038	525,392	(208,646)
Total expenditures	38,918,186	38,918,186	28,659,751	(10,258,435)
Revenues over (under) expenditures	(38,918,186)	(38,918,186)	(28,659,751)	10,258,435
Other financing sources (uses):				
Transfers in	38,918,186	38,918,186	28,659,751	(10,258,435)
Total other financing sources (uses)	38,918,186	38,918,186	28,659,751	(10,258,435)
Revenues and other financing sources over (under) expenditures and other uses	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Special Assessment Fund
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Taxes	\$ 977,666	\$ 977,666	\$ 997,595	\$ 19,929
Total revenues	977,666	977,666	997,595	19,929
Expenditures:				
Current:				
Facility acquisition and construction service	984,471	984,471	-	(984,471)
Total expenditures	984,471	984,471	-	(984,471)
Revenues over (under) expenditures	(6,805)	(6,805)	997,595	1,004,400
Fund balances at beginning of year	6,805	6,805	6,805	-
Fund balances at end of year	\$ -	\$ -	\$ 1,004,400	\$ 1,004,400

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Capital Outlay Fund
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Taxes	\$ 21,864,017	\$ 21,864,017	\$ 22,143,403	\$ 279,386
Charges for services	-	-	4,755	4,755
Earnings on investments	47,000	47,000	70,992	23,992
Sale of property	-	-	534,492	534,492
Contributions and donations	-	-	428	428
Other	300,000	300,000	754,939	454,939
Total revenues	22,211,017	22,211,017	23,509,009	1,297,992
Expenditures:				
Current:				
Instruction	7,389,449	7,389,449	5,001,722	(2,387,727)
Student and instructional support	1,315,800	1,315,800	56,348	(1,259,452)
Operations and maintenance	6,182,504	6,182,504	9,114,530	2,932,026
Transportation	84,000	84,000	42,938	(41,062)
Facility acquisition and construction service	18,987,993	18,987,993	13,126,916	(5,861,077)
Total expenditures	33,959,746	33,959,746	27,342,454	(6,617,292)
Revenues over (under) expenditures	(11,748,729)	(11,748,729)	(3,833,445)	7,915,284
Other financing sources (uses):				
Transfers in	5,427,586	5,427,586	7,427,586	2,000,000
Total other financing sources (uses)	5,427,586	5,427,586	7,427,586	2,000,000
Revenues and other financing sources over (under) expenditures and other uses	(6,321,143)	(6,321,143)	3,594,141	9,915,284
Fund balances at beginning of year	22,979,447	22,979,447	22,979,447	-
Prior period adjustment *	-	-	(16,658,304)	(16,658,304)
Fund balances at end of year	\$ 16,658,304	\$ 16,658,304	\$ 9,915,284	\$ (6,743,020)

* A prior period adjustment was made to fund balance for prior year expenditures that were not included on this schedule.

Financial Section

**Wichita Public Schools
Unified School District No. 259
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Bond and Interest Fund
Year ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Taxes	\$ 26,614,310	\$ 26,614,311	\$ 27,161,300	\$ 546,989
Intergovernmental - State	15,644,705	15,644,705	15,500,450	(144,255)
Interest expense subsidy - Federal	4,397,238	4,397,238	4,409,097	11,859
Earnings on investments	-	12,238	12,238	-
Total revenues	46,656,253	46,668,492	47,083,085	414,593
Expenditures:				
Current:				
Principal/Interest on long-term debt	44,611,866	87,240,131	86,782,103	(458,028)
Total expenditures	44,611,866	87,240,131	86,782,103	(458,028)
Revenues over (under) expenditures	2,044,387	(40,571,639)	(39,699,018)	872,621
Other financing sources (uses):				
Issuance of refunding bonds	-	38,160,000	38,160,000	-
Premium on refunding bonds	-	4,478,634	4,478,634	-
Total other financing sources (uses)	-	42,638,634	42,638,634	-
Revenues over (under) expenditures	2,044,387	2,066,995	2,939,616	872,621
Fund balances at beginning of year	30,563,553	30,563,553	30,563,553	-
Fund balances at end of year	<u>\$ 32,607,940</u>	<u>\$ 32,630,548</u>	<u>\$ 33,503,169</u>	<u>\$ 872,621</u>



INTERNAL SERVICE FUNDS

Internal Service Funds are used by state and local governments to account for the financing of goods and services provided by one department or agency to other departments or agencies and to other government units, on a cost-reimbursement basis. These funds are not required by the State to have adopted budgets. The internal service funds maintained by the District and the purpose of each are as follows:

Healthcare – used to account for premium deposits and expenditures to health care providers of medical and dental services for covered District employees.

Disability Reserve - used to account for premiums and disability claims paid by the District on behalf of covered employees.

Workers' Compensation – used to account for benefits provided for medical expenses and indemnity resulting from occupational illness or injury to all employees under the Kansas Worker's Compensation Act.

Risk Management – used to account for legal defense and payment of claims against the Board of Education when an incident occurs during the course of employment. The deductible portion of the property and casualty, general liability, automobile and aviation premiums are also accounted for in this fund.



WICHITA
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Financial Section

**Wichita Public Schools
Unified School District No. 259
Combining Schedule of Net Position
Internal Service Funds
June 30, 2016**

	Healthcare	Disability Reserve	Workers' Compensation	Risk Management	Total
Assets:					
Current assets:					
Cash and cash equivalents	\$ 11,777,741	\$ 3,626,217	\$ 16,025,007	\$ 2,926,417	\$ 34,355,382
Total current assets	11,777,741	3,626,217	16,025,007	2,926,417	34,355,382
Liabilities:					
Current liabilities:					
Accrued liabilities	103,655	8,089	156,603	67,076	335,423
Current portion - claims payable	6,971,253	82,000	2,469,651	-	9,522,904
Total current liabilities	7,074,908	90,089	2,626,254	67,076	9,858,327
Noncurrent liabilities:					
Long-term claims payable	-	-	4,556,984	-	4,556,984
Total liabilities	7,074,908	90,089	7,183,238	67,076	14,415,311
Net Position:					
Total net position restricted for self-insurance claims	\$ 4,702,833	\$ 3,536,128	\$ 8,841,769	\$ 2,859,341	\$ 19,940,071

Financial Section

**Wichita Public Schools
Unified School District No. 259
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Year ended June 30, 2016**

	Healthcare	Disability Reserve	Workers' Compensation	Risk Management	Total
Operating revenues:					
Charges for services	\$ 54,913,965	\$ 1,326,127	\$ 2,327,971	\$ 872,494	\$ 59,440,557
Other insurance reimbursements	5,125	-	13,269	-	18,394
Total operating revenues	54,919,090	1,326,127	2,341,240	872,494	59,458,951
Operating expenses:					
Contractual services	64,569,944	985,477	1,895,938	1,641,300	69,092,659
Total operating expenses	64,569,944	985,477	1,895,938	1,641,300	69,092,659
Operating income (loss)	(9,650,854)	340,650	445,302	(768,806)	(9,633,708)
Nonoperating revenues:					
Interest	13,499	7,847	36,048	9,357	66,751
Total nonoperating revenue	13,499	7,847	36,048	9,357	66,751
Income (loss) before transfers	(9,637,355)	348,497	481,350	(759,449)	(9,566,957)
Transfers in	-	-	-	400,000	400,000
Change in net position	(9,637,355)	348,497	481,350	(359,449)	(9,166,957)
Total net position-beginning of year	14,340,188	3,187,631	8,360,419	3,218,790	29,107,028
Total net position-end of year	\$ 4,702,833	\$ 3,536,128	\$ 8,841,769	\$ 2,859,341	\$ 19,940,071

Financial Section

Wichita Public Schools Unified School District No. 259 Combining Schedule of Cash Flows Internal Service Funds Year ended June 30, 2016

	Healthcare	Disability Reserve	Workers' Compensation	Risk Management	Total
Cash flows from operating activities:					
Cash received for services	\$ 54,913,965	\$ 1,326,127	\$ 2,327,971	\$ 872,494	\$ 59,440,557
Cash received from insurance companies	5,125	-	13,269	-	18,394
Cash payments for claims	(63,098,723)	(981,412)	(2,016,913)	(1,614,518)	(67,711,566)
Net cash flow from operating activities	(8,179,633)	344,715	324,327	(742,024)	(8,252,615)
Cash flows from non-capital financing activities:					
Transfers from other funds	-	-	-	400,000	400,000
Net cash flow from non-capital financing activities	-	-	-	400,000	400,000
Cash flows from investing activities:					
Interest on investments	13,499	7,847	36,048	9,357	66,751
Net cash flow from investing activities	13,499	7,847	36,048	9,357	66,751
Change in cash and cash equivalents	(8,166,134)	352,562	360,375	(332,667)	(7,785,864)
Cash and cash equivalents-beginning of the year	19,943,875	3,273,655	15,664,632	3,259,084	42,141,246
Cash and cash equivalents-end of the year	<u>\$ 11,777,741</u>	<u>\$ 3,626,217</u>	<u>\$ 16,025,007</u>	<u>\$ 2,926,417</u>	<u>\$ 34,355,382</u>
Reconciliation of operating income (loss) to net cash flow from operating activities:					
Operating income (loss)	\$ (9,650,854)	\$ 340,650	\$ 445,302	\$ (768,806)	\$ (9,633,708)
Adjustments to reconcile operating income (loss) to net cash flow from operating activities:					
Change in accrued liabilities	87,968	8,065	104,845	26,782	227,660
Change in claims payable	1,383,253	(4,000)	(225,820)	-	1,153,433
Net cash flow from operating activities	<u>\$ (8,179,633)</u>	<u>\$ 344,715</u>	<u>\$ 324,327</u>	<u>\$ (742,024)</u>	<u>\$ (8,252,615)</u>



FIDUCIARY FUNDS

Fiduciary Funds are used when a government holds or manages financial resources in an agent or fiduciary capacity. The fiduciary funds maintained by the District and the purpose of each are listed below:

Early Retirement Incentive Plan Trust – used to account for early retirement incentives.

Retiree Benefit Trust – used to account for other post-employment benefits (OPEB). Provides healthcare benefits, including medical, dental, vision, and life, to eligible retirees.

Student Activity – used to account for funds used to support co-curricular and extra-curricular student activities.

Payroll Trust – used to account for payroll taxes and other withholdings from employee wages that are owed to other governmental agencies or others.

Flexible Spending – used to account for elective pre-tax payroll withholdings from employee wages and payment of eligible medical and dependent care costs.



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Financial Section

**Wichita Public Schools
Unified School District No. 259
Combining Schedule of Fiduciary Net Position
Fiduciary Funds - Employee Benefit Trust Funds
June 30, 2016**

	Early Retirement Incentive Plan Trust	Retiree Benefit Trust	Total
Assets:			
Cash	\$ 1,456,847	\$ 579,327	\$ 2,036,174
Certificates of deposit	10,300,000	1,070,000	11,370,000
Investments	4,193,433	4,027,943	8,221,376
Interest receivable	30,368	23,684	54,052
Total assets	<u>15,980,648</u>	<u>5,700,954</u>	<u>21,681,602</u>
Liabilities:			
Due to others	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:			
Held in trust for other employee benefits	<u>15,980,648</u>	<u>5,700,954</u>	<u>21,681,602</u>
Total net position	<u>\$ 15,980,648</u>	<u>\$ 5,700,954</u>	<u>\$ 21,681,602</u>

Financial Section

**Wichita Public Schools
Unified School District No. 259
Combining Schedule of Changes in Fiduciary Net Position
Fiduciary Funds - Employee Benefit Trust Funds
For the Year Ended June 30, 2016**

	Early Retirement Incentive Plan Trust	Retiree Benefit Trust	Total
Additions:			
Employer contributions	\$ 16,361,780	\$ -	\$ 16,361,780
Interest income	52,917	69,446	122,363
Total additions	<u>16,414,697</u>	<u>69,446</u>	<u>16,484,143</u>
Deductions:			
Benefits	15,065,318	4,270,250	19,335,568
Administration	-	188,122	188,122
Total deductions	<u>15,065,318</u>	<u>4,458,372</u>	<u>19,523,690</u>
Change in net position	1,349,379	(4,388,926)	(3,039,547)
Net position - beginning of year	<u>14,631,269</u>	<u>10,089,880</u>	<u>24,721,149</u>
Net position - end of year	<u>\$ 15,980,648</u>	<u>\$ 5,700,954</u>	<u>\$ 21,681,602</u>

Financial Section

**Wichita Public Schools
Unified School District No. 259
Combining Schedule of Fiduciary Assets and Liabilities
Fiduciary Funds - Agency Funds
June 30, 2016**

	<u>Agency Funds</u>			
	Student Activity Funds	Payroll Trust Fund	Flexible Spending	Total Agency Funds
Assets				
Cash and cash equivalents	\$ 3,831,536	\$ 890,474	\$ (394,318)	\$ 4,327,692
Total assets	<u>\$ 3,831,536</u>	<u>\$ 890,474</u>	<u>\$ (394,318)</u>	<u>\$ 4,327,692</u>
Liabilities				
Due to others	\$ 3,831,536	\$ 890,474	\$ (394,318)	\$ 4,327,692
Total liabilities	<u>\$ 3,831,536</u>	<u>\$ 890,474</u>	<u>\$ (394,318)</u>	<u>\$ 4,327,692</u>

Financial Section

**Wichita Public Schools
Unified School District No. 259
Combining Schedule of Changes in Assets and Liabilities
Fiduciary Funds - Agency Funds
Year ended June 30, 2016**

	Balance, June 30 2015	Additions	Deletions	Balance, June 30 2016
Totals - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 3,850,126	\$ 144,036,792	\$ 143,559,226	\$ 4,327,692
Total assets	\$ 3,850,126	\$ 144,036,792	\$ 143,559,226	\$ 4,327,692
Liabilities				
Due to others	\$ 3,850,126	\$ 144,036,792	\$ 143,559,226	\$ 4,327,692
Total liabilities	\$ 3,850,126	\$ 144,036,792	\$ 143,559,226	\$ 4,327,692
Student Activity Funds				
Assets				
Cash and cash equivalents	\$ 3,675,073	\$ 12,802,088	\$ 12,645,625	\$ 3,831,536
Total assets	\$ 3,675,073	\$ 12,802,088	\$ 12,645,625	\$ 3,831,536
Liabilities				
Due to others	\$ 3,675,073	\$ 12,802,088	\$ 12,645,625	\$ 3,831,536
Total liabilities	\$ 3,675,073	\$ 12,802,088	\$ 12,645,625	\$ 3,831,536
Payroll Trust Fund				
Assets				
Cash and cash equivalents	\$ 359,618	\$ 127,770,935	\$ 127,240,079	\$ 890,474
Total assets	\$ 359,618	\$ 127,770,935	\$ 127,240,079	\$ 890,474
Liabilities				
Due to others	\$ 359,618	\$ 127,770,935	\$ 127,240,079	\$ 890,474
Total liabilities	\$ 359,618	\$ 127,770,935	\$ 127,240,079	\$ 890,474
Flexible Spending Fund				
Assets				
Cash and cash equivalents	\$ (184,565)	\$ 3,463,769	\$ 3,673,522	\$ (394,318)
Total assets	\$ (184,565)	\$ 3,463,769	\$ 3,673,522	\$ (394,318)
Liabilities				
Due to others	\$ (184,565)	\$ 3,463,769	\$ 3,673,522	\$ (394,318)
Total liabilities	\$ (184,565)	\$ 3,463,769	\$ 3,673,522	\$ (394,318)



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STATISTICAL SECTION

This part of the Wichita Public Schools Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about the Wichita Public Schools' overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	102
Revenue Capacity	
These schedules contain information to help the reader assess the District's financially significant local revenue source, the property tax.	108
Debt Capacity	
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.	112
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	116
Operating Information	
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.	119

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

Statistical Section

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS Last Ten Fiscal Years Ended June 30, (Continued on next page)

		2007	2008	2009	2010
Revenues:					
Taxes	(5)	\$ 126,534,430	\$ 138,635,857	\$ 142,769,888	\$ 149,855,266
Intergovernmental - State	(5)	315,665,158	344,323,411	361,839,622	320,824,377
Intergovernmental - Federal		59,971,569	57,235,874	58,799,705	96,757,118
Interest expense subsidy - Federal	(2)	-	-	-	2,435,821
Charges for services		6,011,281	5,561,626	6,492,556	5,890,320
Earnings on investments	(3)	10,859,048	10,380,375	5,701,943	2,566,359
Other		6,953,381	3,763,512	2,763,531	2,397,458
Contributions		360,647	1,217,199	972,267	856,818
Total revenues		526,355,514	561,117,854	579,339,512	581,583,537
Expenditures:					
Current:					
Instruction		263,913,393	287,752,823	291,195,270	290,231,979
Student and instructional support		69,652,446	74,075,547	79,389,067	76,125,699
Administration		34,610,127	37,197,292	42,609,103	41,568,245
Operations and maintenance		57,507,190	65,557,633	70,351,157	61,571,070
Student transportation service		19,140,522	20,095,468	21,509,033	26,958,550
Nutrition services		16,727,652	17,424,261	19,342,146	18,974,782
Sub-total current expenditures		461,551,330	502,103,024	524,395,776	515,430,325
Facility acquisition and construction service		18,926,102	33,939,625	31,360,422	43,723,073
Debt Service:					
Principal retirement	(4)	11,465,000	12,264,999	13,075,000	13,955,000
Interest		13,860,796	13,211,519	12,907,387	21,802,132
Other		-	-	-	887,791
Total expenditures		505,803,228	561,519,167	581,738,585	595,798,321
Excess (deficiency) of revenues over (under) expenditures		20,552,286	(401,313)	(2,399,073)	(14,214,784)
Other financing sources (uses):					
Bond issuance	(1)	-	-	191,260,000	141,800,000
Refunding bond issuance		-	-	-	-
Premium on bond issuance	(1)	-	-	5,336,620	1,193,154
Discount on bond issuance	(1)	-	-	(29,083)	-
Payment to refunded bond escrow	(1)	-	-	(3,000,000)	(9,285,000)
Premiums on bonds sold		-	-	-	-
Sale of property		-	-	-	427,431
Transfers in		135,756,406	161,735,935	182,742,671	178,170,320
Transfers out		(139,284,085)	(161,867,852)	(182,874,588)	(181,794,428)
Total other financing sources (uses)		(3,527,679)	(131,917)	193,435,620	130,511,477
Net change in fund balances		17,024,607	(533,230)	191,036,547	116,296,693
Fund balances at beginning of year		202,152,788	219,457,827	218,586,019	409,711,044
Change in reserve for inventory		280,432	(338,577)	88,478	(301,488)
Fund balances at end of year		\$ 219,457,827	\$ 218,586,020	\$ 409,711,044	\$ 525,706,249
Ratio of total debt service expenditures to noncapital expenditures.					
		5.11%	4.79%	4.60%	6.47%

(1) In November 2008, Wichita citizens approved the passage of a \$370 million bond issue.

(2) In the 2009 Federal stimulus plan, a new bond option was created that allowed bonds to be issued as taxable securities with the District receiving a subsidy of 35% of the interest from the U.S. Treasury. Due to sequestration, the subsidy was reduced to 32.48% in FY 2014, 32.45% in FY 2015 and the first half of FY16, and 32.62% in the second half of FY16.

(3) Decreases in investment earnings since FY 2008 are due to lower interest rates caused by the economic downturn, as well as reduced balances resulting from reductions in state funding.

(4) The increase in FY 2013 is due to the current refunding of general obligation bonds. Advance refundings in prior years are reflected in Other Financing Sources (Uses).

(5) The reduction in Taxes and increase in Intergovernmental - State in FY 2015 is due to a legislative change requiring counties to remit school districts' General Fund taxes to the State of Kansas. The taxes are then distributed to districts as state aid.

Statistical Section

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Last Ten Fiscal Years Ended June 30,
(Continued from previous page)

2011	2012	2013	2014	2015	2016
\$ 148,191,597	\$ 152,246,674	\$ 151,694,016	\$ 152,072,266	\$ 100,385,117	\$ 105,863,014
334,143,207	340,963,641	362,539,736	374,108,949	433,219,516	428,761,535
99,248,416	74,047,748	72,517,008	73,167,160	77,701,708	72,386,604
4,888,103	4,743,515	4,743,515	4,366,406	4,399,610	4,409,097
5,173,988	5,315,600	5,295,618	7,672,429	8,412,812	9,139,660
2,511,719	874,998	208,885	351,946	228,736	305,599
4,268,316	1,331,039	1,598,306	1,114,157	1,223,057	812,279
653,523	1,110,602	1,679,427	932,121	1,012,126	553,954
599,078,869	580,633,817	600,276,511	613,785,434	626,582,682	622,231,742
301,439,506	291,958,123	304,831,401	317,047,741	322,726,073	310,551,641
71,632,655	68,401,079	71,916,610	74,194,422	80,675,328	76,344,338
45,409,783	38,273,012	40,049,966	41,632,066	42,353,120	40,560,037
60,773,798	65,790,223	71,311,684	79,911,405	70,759,974	73,930,068
25,105,244	27,369,629	26,645,532	28,767,496	27,114,304	26,407,376
18,612,253	20,656,227	23,337,086	23,198,725	26,431,099	24,864,536
522,973,239	512,448,293	538,092,279	564,751,855	570,059,898	552,657,996
127,522,666	133,472,994	71,273,321	44,096,432	71,362,132	59,998,942
20,110,000	17,830,000	42,595,000	17,215,000	19,450,000	20,775,000
26,852,512	23,386,402	22,084,519	22,387,746	22,617,759	21,378,841
1,075,953	-	190,630	426,671	-	194,813
698,534,370	687,137,689	674,235,749	648,877,704	683,489,789	655,005,592
(99,455,501)	(106,503,872)	(73,959,238)	(35,092,270)	(56,907,107)	(32,773,850)
-	-	22,930,000	48,760,000	-	-
39,960,000	-	-	580,000	-	39,400,000
4,557,196	-	3,170,002	6,179,106	-	4,610,992
-	-	-	-	-	-
(76,180,000)	(37,790,000)	-	(592,979)	-	(42,433,450)
-	-	-	-	-	-
268,111	350,877	1,716,015	1,319,650	1,648,681	534,492
45,048,382	62,519,291	58,629,955	59,978,723	61,255,205	45,627,872
(45,180,299)	(62,651,208)	(63,139,942)	(60,110,640)	(61,655,205)	(46,027,872)
(31,526,610)	(37,571,040)	23,306,030	56,113,860	1,248,681	1,712,034
(130,982,111)	(144,074,912)	(50,653,208)	21,021,590	(55,658,426)	(31,061,816)
525,706,249	394,799,503	250,382,283	200,125,823	221,591,556	165,266,866
75,365	(342,308)	396,748	444,143	(666,264)	67,514
\$ 394,799,503	\$ 250,382,283	\$ 200,125,823	\$ 221,591,556	\$ 165,266,866	\$ 134,272,564
8.17%	7.40%	11.10%	6.71%	6.93%	7.23%
		(4)			

FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011 (2)	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 4,605,335	\$ 4,564,166	\$ 3,372,025	\$ 3,034,222	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	139,544	128,190	8,597	49,253	-	-	-	-	-	-
Nonspendable	-	-	-	-	1,304,348	1,060,873	935,247	1,027,783	955,551	1,069,429
Restricted	-	-	-	-	1,864,289	2,990,924	1,527,850	984,780	1,605,846	882,256
Assigned	-	-	-	-	15,440,778	13,265,618	13,757,749	6,687,905	5,629,716	18,229,240
Unassigned	-	-	-	-	16,836,650	19,267,946	17,346,150	20,329,041	18,000,521	18,926,266
Total general fund	4,744,879	4,692,356	3,380,622	3,083,475	35,446,065	36,585,361	33,566,996	29,029,509	26,191,634	39,107,191
All Other Governmental Funds										
Reserved	\$ 112,138,906	\$ 99,579,568	\$ 104,724,314	\$ 138,469,242	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	54,587,911	56,852,402	59,097,752	61,985,141	-	-	-	-	-	-
Capital projects funds	26,522,998	35,605,271	215,643,501	292,076,658	-	-	-	-	-	-
Debt service funds	21,463,133	21,856,423	26,864,855	30,091,733	-	-	-	-	-	-
Nonspendable	-	-	-	-	829,014	730,181	1,252,555	1,604,162	1,010,131	963,767
Restricted, reported in:										
Special revenue funds	-	-	-	-	47,292,756	46,728,832	40,690,923	35,374,191	34,992,966	28,954,451
Capital projects funds	-	-	-	-	247,089,000	139,146,479	93,606,826	123,467,411	66,507,674	24,702,409
Debt service funds	-	-	-	-	64,142,668	27,191,430	31,008,523	32,116,572	36,564,585	41,504,964
Unassigned, reported in:										
Special revenue funds	-	-	-	-	-	-	-	(289)	(124)	(960,218)
Total all other governmental funds	214,712,948	213,893,664	406,330,422	522,622,774	359,353,438	213,796,922	166,558,827	192,562,047	139,075,232	95,165,373
Total Fund Balances	\$ 219,457,827	\$ 218,586,020	\$ 409,711,044	\$ 525,706,249	\$ 394,799,503	\$ 250,382,283	\$ 200,125,823	\$ 221,591,556	\$ 165,266,866	\$ 134,272,564

- (1) Increased substantially in 2010 due to the issuance of general obligation bonds.
- (2) Effective June 2011, the District implemented GASB statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.
- (3) Decreases in FY 2012, FY 2013, FY 2015, and FY 2016 are due to completion of bond projects. The increase in FY 2014 is due to additional bond projects as a result of a new bond issue.
- (4) Decrease in FY 2012 is due to call of the Series 2001 bond.
- (5) Increase in FY 2012 is due to increased grant funds.
- (6) Decrease in FY 2014 is due to a reduction in encumbrances that were primarily related to furnishing and equipping new schools.
- (7) Due to the legislature's implementation of Block Grant funding for FY 2016, several funds no longer meet the requirements to be special revenue funds and are now combined with the General fund.

SCHEDULE OF CHANGES IN NET POSITION
Last Ten Fiscal Years

		Fiscal Year									
		2007	2008	2009	2010 (3)	2011	2012	2013	2014	2015	2016
Expenses	Governmental activities:										
	Instruction	(1)	\$ 288,593,364	\$ 302,662,754	\$ 311,741,071	\$ 304,175,635	\$ 324,059,324	\$ 304,492,992	\$ 310,436,796	\$ 346,685,399	\$ 361,233,411
	Student and instructional support		72,536,322	74,397,253	80,905,216	75,254,586	72,600,464	66,154,324	70,466,957	75,391,283	82,846,535
	Administration		36,072,351	37,438,148	43,170,671	41,377,798	42,705,447	36,896,438	39,567,265	42,055,747	43,939,152
	Operations and maintenance	(9)	61,284,641	66,225,149	72,110,571	66,482,872	65,617,612	65,131,662	69,226,727	82,520,406	74,032,676
	Student transportation services		19,525,800	20,280,150	22,040,131	26,574,028	25,302,589	27,485,148	29,159,038	29,159,038	27,097,070
	Nutrition services		17,218,179	17,608,651	19,661,902	19,199,980	18,782,975	20,661,401	20,636,334	20,958,861	26,918,661
	Interest on long-term debt	(4)	12,964,777	12,305,156	12,530,101	22,752,909	24,252,596	21,162,287	19,928,985	20,303,268	19,803,124
	Total primary government expenses		\$ 508,195,434	\$ 530,917,261	\$ 562,159,663	\$ 555,817,808	\$ 573,321,007	\$ 541,984,252	\$ 556,307,765	\$ 617,074,002	\$ 635,870,629
											\$ 610,628,631
Program Revenues	Governmental activities:										
	Charges for services	(6)	\$ 1,597,191	\$ 1,696,780	\$ 2,481,255	\$ 2,216,342	\$ 1,964,420	\$ 2,060,864	\$ 1,993,694	\$ 7,138,221	\$ 5,033,829
	Instruction		64,213	69,216	75,060	108,982	82,619	37,294	108,400	78	21,821
	Student and instructional support	(7)	620,856	-	-	-	-	-	-	-	4,320
	Operations and maintenance		3,729,021	3,795,630	3,936,241	3,564,996	3,126,797	3,217,442	3,193,524	3,281,889	3,352,842
	Nutrition services	(2) (11)	137,195,513	131,716,012	132,872,905	261,912,962	270,853,079	245,991,467	249,460,514	256,161,515	268,015,891
	Operating grants and contributions	(3)	-	-	218,997	-	-	6,487,575	4,145,271	1,211,708	1,673,980
	Capital grants and contributions		-	-	-	-	-	-	-	-	-
	Total primary government program revenues		\$ 143,206,794	\$ 137,277,638	\$ 139,584,058	\$ 267,803,282	\$ 276,026,915	\$ 257,794,642	\$ 258,901,403	\$ 267,793,411	\$ 278,102,683
											\$ 182,199,207
Net (Expense)/Revenue											
Total primary government net expense			\$ (364,988,640)	\$ (393,639,623)	\$ (422,575,605)	\$ (288,014,526)	\$ (297,294,092)	\$ (284,189,610)	\$ (297,406,362)	\$ (349,280,591)	\$ (357,767,946)
											\$ (428,429,424)
General Revenue and Other Changes in Net Position	Governmental activities:										
	Taxes	(10)	\$ 90,871,364	\$ 101,568,385	\$ 104,914,577	\$ 103,899,233	\$ 102,754,794	\$ 107,564,069	\$ 110,710,176	\$ 116,349,986	\$ 51,355,634
	Property taxes levied for general purposes		16,647,085	16,996,667	17,326,543	25,692,971	25,678,590	27,004,292	27,056,492	22,963,346	27,438,403
	Property taxes levied for capital outlay		19,015,981	20,070,805	20,528,768	20,263,062	19,758,213	17,678,313	13,927,348	12,758,934	21,591,080
	State and federal aid not restricted to specific purposes	(10) (11)	238,790,846	271,060,471	288,520,092	158,961,172	168,080,171	168,235,282	181,557,719	188,824,383	240,108,713
	State aid received for debt service (principal)		-	-	-	-	-	4,814,100	5,608,500	6,023,100	7,196,500
	Earnings on investments	(8)	11,760,389	11,069,066	5,950,637	2,629,093	2,598,057	919,021	279,178	397,061	372,350
	Sale of property		-	-	519,592	427,431	-	-	-	-	-
	Miscellaneous		6,964,396	3,803,513	2,243,939	2,397,458	4,268,466	1,331,039	1,598,306	1,114,160	1,746,413
	Total primary government general revenue		\$ 384,050,061	\$ 424,568,907	\$ 440,004,148	\$ 314,270,420	\$ 323,138,291	\$ 327,546,116	\$ 340,737,719	\$ 348,430,970	\$ 349,711,327
Change in Net Position											
Total primary government			\$ 19,061,421	\$ 30,929,284	\$ 17,428,543	\$ 26,255,894	\$ 25,844,199	\$ 43,356,506	\$ 43,331,357	\$ (849,621)	\$ (8,056,619)
											\$ 12,706,897

- The District's expenses for instruction increased significantly from FY 2007 to FY 2009 as a result of the Board initiative to reduce class size and to expand all-day kindergarten to all elementary. FY 2010 and FY 2012 reductions are due to State aid cuts. FY 2011 increase is due to Federal funds.
- The District receives Federal dollars for nine Title funding sources, special education, and other grants including the American Reinvestment and Recovery Act (ARRA) in 2010 and 2011.
- Starting in FY 2010, State aid generated for at-risk, bilingual, and special education formerly reported in State and federal aid not restricted to specific purposes is reflected in operating grants and contributions. FY 2010 has been restated for comparison purposes.
- The increase in FY 2010 is due to additional bond issuances.
- Amounts shown are primarily attributable to FEMA funding of storm shelters. FY 2013 through FY 2016 also include funding from Grace Med Health Clinic and the Department of Human Resources & Services Administration for construction of health clinics at school sites to serve students and staff at those schools and the surrounding community. FY 2016 decreased due to construction of fewer storm shelters and clinics.
- The increase in FY 2014 is due to a net impairment gain related to a fire in a school building and a change in the method in which Latchkey fees are handled.
- The FY 2007 amount is attributable to a grant.
- Decreases in investment earnings since FY 2008 are due to lower interest rates caused by the economic downturn, as well as reduced balances resulting from reductions in state funding.
- The increase in FY 2014 is a result of two primary factors: 1) A considerably higher number of roof repairs related to hail damage than in prior years, and, 2) Expensing many small items that did not meet the District's capitalization threshold (replacements of items destroyed in a school fire).
- The FY 2015 decrease in property taxes levied for general purposes and increase in state and federal aid not restricted to specific purposes is due to a legislative change requiring counties to remit school districts' General Fund taxes to the State of Kansas. The taxes are then distributed to districts as state aid.
- Due to the legislature's implementation of Block Grant funding for FY 2016, state aid that was previously designated for specific purposes and included in Operating grants and contributions is no longer restricted to those purposes. It is therefore now included in State and federal aid not restricted to specific purposes.

**NET POSITION BY COMPONENT
Last Ten Fiscal Years**

Fiscal Year

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Net Investment in Capital Assets	(1) \$ 161,312,922	\$ 187,115,043	\$ 196,865,922	\$ 217,714,525	\$ 243,866,697	\$ 264,879,340	\$ 312,942,740	\$ 334,998,662	\$ 355,521,886	\$ 379,706,034
Restricted for:										
Instruction and Support Services	(8) (4)	-	-	15,697,614	15,930,095	13,881,209	11,911,677	9,823,734	10,428,626	3,666,331
Facilities and Capital Projects	(4) (2)	47,095,103	45,950,586	42,982,926	39,494,516	35,472,632	32,701,407	31,760,044	22,162,727	22,077,676
Debt Service	(3)	17,141,033	17,740,086	22,024,806	23,372,779	22,492,365	24,403,113	23,254,437	25,973,964	29,282,262
Self-Insurance Claims	(7)	12,961,056	21,335,065	35,507,219	43,074,689	37,992,028	41,601,378	45,230,277	29,107,028	19,940,071
Special Education	(6)	5,471,933	6,133,161	4,760,509	3,555,567	3,370,405	12,472,770	8,568,239	6,028,150	8,104,950
Nutrition Services		6,804,350	7,752,836	7,991,437	9,407,307	10,284,378	12,093,756	12,905,249	12,032,973	13,405,797
Federal and State Grant Programs		6,869,432	4,169,193	3,708,684	2,288,903	2,180,807	1,510,421	948,423	1,572,155	882,256
Other	(4)	4,095,826	3,830,003	4,053,911	-	-	-	-	-	-
Unrestricted	(5)	(7,716,265)	(9,061,299)	(17,984,535)	(29,445,199)	(7,224,441)	(10,164,684)	(23,225,389)	(511,492,309)	(511,805,124)
Total Primary Government Net Position		\$ 254,035,390	\$ 284,964,674	\$ 302,393,217	\$ 328,649,111	\$ 397,849,816	\$ 438,888,520	\$ 438,038,899	\$ (47,446,644)	\$ (34,739,747)

(1) Increases in 2008-2016 are attributable to projects for the 2008 bond election.

(2) The capital outlay mill levy was lowered to 6 mills in FY 2012, 4.5 mills in FY 2013 and 4.3 mills in FY 2014 due to elimination of State equalization. In FY 2015, State equalization was reinstated and the capital outlay mill levy was increased to 8 mills. This allowed increased spending on such things as bond projects and maintenance work that had previously been delayed, resulting in a large decrease in cash and restricted net position.

(3) During 2009 and subsequent years, the District issued general obligation bonds authorized by the 2008 referendum, creating an increase in the amount restricted for debt service.

(4) In 2004, the Board approved two special levies to pay for costs related to bond projects. Those new levies were for special assessments and liability costs. The Board stopped levying a tax for the Special Assessments fund in FY 2006 and for the Special Liability fund in FY 2007, as the accumulated cash balance in each of these funds was deemed adequate to meet expected spending requirements. In FY 2011, the special assessments are included in Capital Projects and the special liability in Instruction and Support Services. The 2010 year was restated for comparison purposes.

(5) Funding of Other Post Employment Benefits (OPEB) through an irrevocable trust in FY 2011 reduced liabilities, therefore increasing unrestricted net position. The decrease in FY 2014 is primarily due to an increase in early retirement and OPEB liabilities and a decrease in the State Intervention fund balance as a result of lower state aid revenue and increased costs. The decrease in FY 2015 is due to implementation of GASB Statement No. 68, requiring the District to record its proportionate share of the Kansas Public Employees Retirement System collective net pension liability.

(6) The increase in FY 2012 is due primarily to reduced liabilities as a result of funding retiree obligations in an irrevocable trust.

(7) The decrease in FY 2015 and FY 2016 are due to a substantial increase in health claims that drew down reserves.

(8) Reduction in FY 2016 is due to the Textbook Rental fund no longer meeting the requirements of a special revenue fund and therefore being combined with the General fund (unrestricted).

STATE REVENUE BY SOURCE, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Unrestricted state school aid	(2) \$ 191,116,443	(5) \$ 195,068,882	(6) \$ 194,862,053	\$ 155,681,924	\$ 161,195,704	\$ 166,627,015	\$ 175,658,938	\$ 183,371,138	\$ 239,116,617	\$ 332,471,214
Transportation aid	7,185,752	7,619,945	7,547,320	8,149,174	8,680,691	8,520,120	8,331,530	8,412,896	8,000,604	-
New facilities aid	4,690,629	5,497,687	6,745,967	2,831,488	1,686,611	1,327,536	5,742,032	5,288,380	884,804	898,672
Juvenile detention centers aid	1,085,906	872,176	721,600	1,144,338	1,073,505	901,894	925,691	811,353	696,189	493,029
eSchool virtual education aid	-	-	1,004,960	1,287,852	1,775,587	1,804,194	960,651	867,388	769,630	1,222,628
Unrestricted state grant	1,126,662	530,491	241,483	402,287	174,017	113,942	156,749	157,259	107,292	84,048
Special education aid	32,233,561	38,155,049	39,141,960	36,851,423	38,145,500	41,081,697	42,635,958	42,147,885	44,536,009	44,276,340
State intervention aid	41,507,058	55,346,409	67,786,840	68,579,121	69,893,955	69,194,034	72,091,073	70,684,066	70,576,256	-
Capital outlay aid	-	-	-	-	-	1,126	-	-	4,525,512	4,525,512
Bond and interest aid	5,276,907	5,534,460	5,702,065	7,503,304	9,885,746	9,607,117	10,758,658	12,313,084	14,677,215	15,500,450
4-year-old aid	3,943,408	3,941,734	4,105,200	3,839,235	3,763,772	3,613,680	3,669,128	3,669,129	3,682,512	-
Bilingual education aid	5,192,277	6,015,125	6,431,920	6,972,454	7,764,158	7,774,704	8,485,818	8,960,195	9,080,320	-
Latchkey aid	-	-	-	-	-	2,794	-	-	-	-
School food assistance aid	224,687	224,531	219,542	220,170	186,769	268,064	265,169	254,700	257,271	256,362
Parents as teachers aid	512,517	534,037	504,419	510,130	505,311	158,388	328,742	467,251	403,507	338,043
Vocational education aid	3,543,350	3,528,068	3,352,800	3,047,114	2,970,073	2,823,661	3,015,406	3,079,029	3,049,563	35,486
KPERS contributions	17,573,703	20,741,982	22,980,806	23,560,267	26,198,202	27,143,675	29,514,193	33,625,196	32,856,215	28,659,751
New teacher mentoring aid	119,650	154,200	181,300	163,950	136,010	-	-	-	-	-
State safety aid	150,870	187,110	63,270	80,146	107,596	-	-	-	-	-
Professional development aid	181,778	202,763	246,117	-	-	-	-	-	-	-
Total revenues	\$ 315,665,158	\$ 344,154,649	\$ 361,839,622	\$ 320,824,377	\$ 334,143,207	\$ 340,963,641	\$ 362,539,736	\$ 374,108,949	\$ 433,219,516	\$ 428,761,535

(1) The State created a new fund in 2008-09. This funding was previously included in General fund state aid.

(2) Increase in 2011 was to partially offset loss of Federal stimulus funds.

(3) Increases are due to the continual increase in low-income students, as well as increased State support in fiscal years 2007, 2008, and 2009 as a result of litigation.

(4) Increases are due to the increasing population of non-English speaking students.

(5) Equalization state aid was reinstated in 2014-15 as a result of a Supreme Court ruling.

(6) Due to the legislature's implementation of Block Grant funding for the 2015-16 school year, state aid that was previously designated for specific purposes is no longer restricted to those purposes and is therefore included in Unrestricted State School Aid.

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years**

ASSESSMENT YEAR	FISCAL YEAR	REAL ESTATE		PERSONAL PROPERTY		UTILITIES	
		ASSESSED VALUE	ESTIMATED ACTUAL	ASSESSED VALUE	ESTIMATED ACTUAL	ASSESSED VALUE	ESTIMATED ACTUAL
2006	06-07	\$ 2,036,564,191	\$ 13,855,902,336	\$ 277,058,468	\$ 1,131,552,250	\$ 115,268,505	\$ 349,298,500
2007	07-08	\$ 2,185,182,888	\$ 14,786,244,452	\$ 247,127,236 (1)	\$ 1,009,502,060	\$ 108,828,981	\$ 329,784,791
2008	08-09	\$ 2,322,494,446	\$ 15,642,326,869	\$ 221,441,353 (1)	\$ 902,729,020	\$ 103,994,384	\$ 315,134,497
2009	09-10	\$ 2,340,441,483	\$ 15,788,965,358	\$ 189,036,315 (1)	\$ 773,093,070	\$ 97,345,467	\$ 294,896,264
2010	10-11	\$ 2,362,820,942	\$ 14,649,324,104	\$ 170,890,808	\$ 693,743,421	\$ 96,366,014	\$ 292,018,224
2011	11-12	\$ 2,365,110,474	\$ 14,702,894,910	\$ 165,764,736	\$ 675,149,506	\$ 96,822,040	\$ 293,400,121
2012	12-13	\$ 2,328,927,428	\$ 15,611,009,918	\$ 165,057,510	\$ 673,661,397	\$ 94,402,828	\$ 286,069,176
2013	13-14	\$ 2,333,941,129	\$ 15,608,994,798	\$ 161,497,623	\$ 658,989,846	\$ 90,417,460	\$ 273,992,303
2014	14-15	\$ 2,363,882,922	\$ 15,795,672,110	\$ 144,331,904	\$ 599,459,826	\$ 88,129,325	\$ 267,058,561
2015	15-16	\$ 2,389,405,788	\$ 15,957,165,606	\$ 135,024,371	\$ 558,138,612	\$ 99,712,503	\$ 302,159,100

ASSESSMENT YEAR	FISCAL YEAR	TOTAL		RATIO OF TOTAL ASSESSED TO TOTAL		DIRECT TAX RATE
		ASSESSED VALUE	ESTIMATED ACTUAL	ESTIMATED ACTUAL	ASSESSED	
2006	06-07	\$ 2,428,891,164	\$ 15,336,753,086	15.84%	51.296	
2007	07-08	\$ 2,541,139,105	\$ 16,125,531,303	15.76%	53.238	
2008	08-09	\$ 2,647,930,183	\$ 16,860,190,386	15.71%	53.309	
2009	09-10	\$ 2,626,823,265	\$ 16,857,044,692	15.58%	56.850	
2010	10-11	\$ 2,630,077,764	\$ 15,635,085,749	16.82%	56.928	
2011	11-12	\$ 2,627,697,250	\$ 15,671,444,537	16.77%	57.017	
2012	12-13	\$ 2,588,387,766	\$ 16,570,740,491	15.62%	57.184	
2013	13-14	\$ 2,585,856,212	\$ 16,541,976,947	15.63%	57.215	
2014	14-15	\$ 2,596,344,151	\$ 16,662,190,497	15.58%	53.735	
2015	15-16	\$ 2,624,142,662	\$ 16,817,463,318	15.60%	56.278	

Source: Sedgwick County Clerk

(1) The State removed some personal property from the tax rolls.

Statistical Section

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Per \$1,000 of Assessed Value) Last Ten Fiscal Years

USD 259							
ASSESSMENT YEAR (1)	USD 259 FISCAL YEAR	GENERAL	SUPPL. GENERAL	CAPITAL OUTLAY	BOND & INTEREST	SPECIAL ASSESSMENT (4)	TOTAL USD 259
2006	06-07	20.000	18.341	7.000	5.955	-	51.296
2007	07-08	20.000	20.356	7.000	5.882	-	53.238
2008	08-09	20.000	20.411	7.000	5.898	-	53.309
2009	09-10	20.000	20.439	7.000	9.411 ⁽³⁾	-	56.850
2010	10-11	20.000	20.482	7.015	9.431	-	56.928
2011	11-12	20.000	21.549 ⁽⁵⁾	6.014 ⁽⁵⁾	9.454	-	57.017
2012	12-13	20.000	23.154 ⁽⁵⁾	4.534 ⁽⁵⁾	9.496	-	57.184
2013	13-14	20.000	25.200 ⁽⁶⁾	4.254 ⁽⁶⁾	7.761 ⁽⁶⁾	-	57.215
2014	14-15	20.000	16.212 ⁽⁷⁾	8.000 ⁽⁷⁾	9.523 ⁽⁷⁾	-	53.735
2015	15-16	20.000	18.498 ⁽⁸⁾	7.930	9.441	0.409	56.278

OTHER OVERLAPPING GOVERNMENTS (2)							
ASSESSMENT YEAR (1)	USD 259 FISCAL YEAR	STATE & COUNTY	CITY OF WICHITA	CITY OF BEL AIRE	CITY OF EASTBOROUGH	CITY OF KECHI	CITY OF PARK CITY
2006	06-07	32.815	31.953	23.959	58.221	21.154	37.236
2007	07-08	32.833	31.979	33.503	60.252	24.037	37.145
2008	08-09	31.877	32.056	34.908	62.241	23.954	37.450
2009	09-10	31.368	32.142	35.970	58.351	33.857	37.332
2010	10-11	30.859	32.272	39.050	57.944	33.774	37.395
2011	11-12	30.928	32.359	46.118	59.999	33.676	37.792
2012	12-13	30.946	32.471	46.162	62.073	33.714	39.607
2013	13-14	30.877	32.509	45.695	64.597	33.706	39.890
2014	14-15	30.978	32.652	45.730	64.597	33.866	40.051
2015	15-16	30.883	32.686	46.246	64.664	33.699	40.111

Source: Sedgwick County Clerk

(1) The year shown is the year in which taxes are levied for collection in the following calendar year.

(2) Overlapping rates are those of local and county governments that apply to property owners within the boundary of USD 259.

(3) In April 2008, the community approved a \$370 million bond issue.

(4) Taxes were levied in 2015 for the purpose of funding special assessments at the new Southeast High School.

(5) In 2011, one mill for technology was moved from the Capital Outlay fund to the Supplemental General fund. An additional 1.5 mills were moved in 2012. The State of Kansas is no longer funding capital outlay, so the mills were moved to maximize the state aid that could be received in the Supplemental General fund without impacting the overall mill levy.

(6) The Bond & Interest and Capital Outlay mill levies were reduced in order to increase the Supplemental General mill levy for the purpose of maximizing the Supplemental General state aid. This is intended to be a one-year change.

(7) Due to the State of Kansas fully reinstating equalization state aid in the Supplemental General and Capital Outlay funds for FY 2015, the mill levy decreased in the Supplemental General fund, allowing the District to increase the Capital Outlay mill levy in order to fully maximize the matching state aid in that fund. The Bond & Interest mill levy was also restored to the 2012 level as planned.

(8) In FY2016 the State of Kansas eliminated the school funding formula and replaced it with a block grant system that provided essentially the same funding as FY2015 after mid-year cuts to equalization state aid. An increase to the Supplemental General mill levy was necessary to avoid losing additional state aid.

Statistical Section

PRINCIPAL PROPERTY TAXPAYERS Current Year and Nine Years Ago For the Year Ended December 31,

TAXPAYER	2006			2015 (1)		
	TAXABLE ASSESSED VALUATION	Rank	PERCENT OF TOTAL ASSESSED VALUATION	TAXABLE ASSESSED VALUATION	Rank	PERCENT OF TOTAL ASSESSED VALUATION
Kansas Gas & Electric	\$ 93,682,621	1	2.17%	\$ 43,130,564	1	1.64%
Beechcraft Corp. (2)	-	-	-	41,434,159	2	1.58%
Cessna Aircraft Co.	25,467,274	5	0.59%	37,203,774	3	1.42%
City of Wichita	-	-	-	27,634,274	4	1.05%
Simon Property Group LP	18,411,522	7	0.43%	25,630,817	5	0.98%
Kansas Gas Service-A Division of Oneok	15,854,817	9	0.37%	17,775,489	6	0.68%
Walmart/Sams	-	-	-	13,922,032	7	0.53%
Southwestern Bell Telephone Co	49,683,265	3	1.15%	12,929,852	8	0.49%
Wesley Medical Center LLC	26,165,336	4	0.61%	10,628,482	9	0.41%
Bradley Fair One LLC	-	-	-	9,744,828	10	0.37%
Raytheon Aircraft Company (2)	18,303,417	8	0.42%	-	-	-
Spirit Aerosystems, Inc.	85,302,070	2	1.98%	-	-	-
Boeing IDS Wichita/Boeing Company (3)	21,276,849	6	0.49%	-	-	-
Basic Chemicals Co. (formerly Vulcan Materials)	12,797,850	10	0.30%	-	-	-
Total	\$ 366,945,021		8.51%	\$ 240,034,271		9.15%
Total Assessed Value	\$ 2,428,891,164			\$ 2,624,142,662		

Source: Sedgwick County Clerk - Sedgwick County 2015 tax roll

(1) Data for 2016 is not available until December.

(2) Beechcraft Corporation's property was formerly owned by Raytheon Aircraft Company.

(3) Includes Boeing Military Airplane Company.

Statistical Section

PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Fiscal Years

ASSESSMENT YEAR	COLLECTION YEAR	TOTAL TAX LEVY (1)	CURRENT TAX COLLECTIONS (2)	PERCENT OF LEVY COLLECTED
2006	2007	\$ 118,198,862	\$ 114,338,778	96.73%
2007	2008	\$ 128,846,365	\$ 121,305,025	94.15%
2008	2009	\$ 133,916,687	\$ 127,433,823	95.16%
2009	2010	\$ 142,023,772	\$ 136,492,306	96.11%
2010	2011	\$ 143,768,168	\$ 135,624,083	94.34%
2011	2012	\$ 145,056,331	\$ 136,021,698	93.77%
2012	2013	\$ 143,292,358	\$ 135,979,816	94.90%
2013	2014	\$ 143,226,111	\$ 134,625,675	94.00%
2014	2015 (6)	\$ 86,953,849	\$ 83,065,435	95.53%
2015	2016	\$ 95,198,647	\$ 88,314,972 (5)	92.77% (5)

ASSESSMENT YEAR	COLLECTION YEAR	DELINQUENT TAX COLLECTIONS (2) (3)	TOTAL TAX COLLECTED	PERCENT OF TOTAL TAX COLLECTED TO LEVY
2006	2007	\$ 2,705,282	\$ 117,044,060	99.02%
2007	2008	\$ 3,154,760	\$ 124,459,785	96.60%
2008	2009	\$ 3,736,413	\$ 131,170,236	97.95%
2009	2010	\$ 2,284,364	\$ 138,776,670	97.71%
2010	2011	\$ 3,808,854	\$ 139,432,937	96.98%
2011	2012	\$ 4,406,040	\$ 140,427,738	96.81%
2012	2013	\$ 4,403,176	\$ 140,382,992	97.97%
2013	2014	\$ 2,899,128	\$ 137,524,803	96.02%
2014	2015	\$ 2,550,002	\$ 85,615,437	98.46%
2015	2016	N/A (4)	N/A (4)	N/A (4)

(1) Source: Sedgwick County Treasurer.

(2) Source: District Tax Year Report.

(3) All delinquent taxes collected in a year are applied to the previous year, as they are assumed to be predominantly related to that year.

(4) Information is not applicable, as all delinquent amounts collected during the year were for taxes assessed in previous years. No current year taxes are yet delinquent.

(5) Includes only the taxes collected during the period of January 1 through the District's June 30 fiscal year-end.

(6) Beginning in 2015, General Fund taxes are now required to be remitted directly to the State of Kansas rather than to school districts. Since collections do not include the General Fund amount, the Total Tax Levy amount has been reduced by the taxes levied in the General Fund for purposes of comparability.

Statistical Section

COMPUTATION OF DIRECT AND OVERLAPPING DEBT**For the Year Ended June 30, 2016**

GOVERNMENT UNITS	AMOUNT OF DEBT OUTSTANDING (2)	PERCENTAGE APPLICABLE TO TAXPAYERS OF USD 259	TOTAL DIRECT AND OVERLAPPING DEBT
Overlapping Debt:			
Sedgwick County	\$56,075,000	59.50% (1)	\$33,364,625
City of Wichita	568,570,000	69.95% (1)	397,714,715
City of Bel Aire	20,120,000	96.50% (1)	19,415,800
City of Eastborough	620,000	100.00% (1)	620,000
City of Kechi	5,365,000	77.77% (1)	4,172,361
City of Park City	17,940,000	73.74% (1)	13,228,956
Sub-total			<u>\$468,516,457</u>
Direct Debt:			
USD 259	443,489,274 (3)	100.00%	<u>443,489,274</u>
Total Direct and Overlapping Debt			<u><u>\$912,005,731</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of USD 259. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property owners of USD 259.

(1) The percentage of overlapping debt applicable to taxpayers of USD 259 is estimated using assessed valuations. For Sedgwick County, since 100 percent of USD 259 lies within Sedgwick County, the District's total assessed valuation was divided by the County's assessed valuation to determine the percentage of the County's debt applicable to taxpayers of the District. For all other entities, the portion of each entity's assessed valuation that is related to property located within USD 259 boundaries was divided by the entity's total assessed valuation.

(2) Source: Sedgwick County Clerk

(3) Includes premiums and discounts.

Statistical Section

RATIO OF NET GENERAL BONDED DEBT OUTSTANDING Last Ten Fiscal Years

ASSESSMENT YEAR	FISCAL YEAR	POPULATION (1)	TOTAL DISTRICT ENROLLMENT (2)	TOTAL ESTIMATED ACTUAL VALUE	GENERAL OBLIGATION DEBT (3)	GENERAL OBLIGATION DEBT AS PERCENTAGE OF PERSONAL INCOME	BONDED DEBT PER CAPITA
2006	06-07	357,698	48,770	\$ 15,336,753,086	\$ 295,133,035	3.63%	\$ 825
2007	07-08	361,016	48,705	\$ 16,125,531,303	\$ 282,167,436	3.13%	\$ 782
2008	08-09	356,564	49,146	\$ 16,860,190,386	\$ 461,558,975	5.42%	\$ 1,294
2009	09-10	359,306	50,042	\$ 16,857,044,692	\$ 579,496,211	6.38%	\$ 1,613
2010	10-11	383,142	50,033	\$ 15,635,085,749	\$ 525,674,860	5.88%	\$ 1,372
2011	11-12	384,439	50,103	\$ 15,671,444,537	\$ 468,413,312	5.24%	\$ 1,218
2012	12-13	385,586	50,639	\$ 16,570,740,491	\$ 449,856,476	4.77%	\$ 1,167
2013	13-14	386,558	51,169	\$ 16,541,976,947	\$ 484,800,076	5.12%	\$ 1,254
2014	14-15	388,413	51,330	\$ 16,662,190,497	\$ 462,807,499	4.82%	\$ 1,192
2015	15-16	389,955	51,133	\$ 16,817,463,318	\$ 443,489,274	4.47%	\$ 1,137

ASSESSMENT YEAR	FISCAL YEAR	DEBT SERVICE FUNDS AVAILABLE	NET BONDED DEBT	NET BONDED DEBT TO ESTIMATED ACTUAL VALUE	NET BONDED DEBT PER CAPITA	NET BONDED DEBT PER PUPIL
2006	06-07	\$ 17,141,033	\$ 277,992,002	1.81%	\$ 777	\$ 5,700
2007	07-08	\$ 17,740,086	\$ 264,427,350	1.64%	\$ 732	\$ 5,429
2008	08-09	\$ 22,024,806	\$ 439,534,169	2.61%	\$ 1,233	\$ 8,943
2009	09-10	\$ 23,372,779	\$ 556,123,432	3.30%	\$ 1,548	\$ 11,113
2010	10-11	\$ 20,876,849	\$ 504,798,011	3.23%	\$ 1,318	\$ 10,089
2011	11-12	\$ 22,492,365	\$ 445,920,947	2.85%	\$ 1,160	\$ 8,900
2012	12-13	\$ 24,403,113	\$ 425,453,363	2.57%	\$ 1,103	\$ 8,402
2013	13-14	\$ 23,254,437	\$ 461,545,639	2.79%	\$ 1,194	\$ 9,020
2014	14-15	\$ 25,973,964	\$ 436,833,535	2.62%	\$ 1,125	\$ 8,510
2015	15-16	\$ 29,282,262	\$ 414,207,012	2.46%	\$ 1,062	\$ 8,101

(1) Source: U.S. Census Bureau, 2015 American Community Survey 1-Year Estimate

(2) Source: USD 259 Student Records and Enrollment Services - 9/20 Official Enrollment Report

(3) Includes premiums and discounts.

Statistical Section

LEGAL DEBT MARGIN Last Ten Fiscal Years Ended June 30,

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed Value (1)	\$2,428,891,164	\$2,541,139,105	\$2,647,930,183	\$2,626,823,285	\$2,630,077,764	\$2,627,697,250	\$2,598,397,766	\$2,585,856,212	\$2,596,344,151	\$2,624,142,662
Taxable Value of Motor Vehicles (1)	309,793,961	317,624,387	323,268,835	317,561,667	305,460,828	298,653,431	299,263,978	305,928,045	311,405,014	320,613,950
Total Assessed Valuation (2)	\$2,738,685,125	\$2,858,763,492	\$2,971,199,018	\$2,944,384,932	\$2,935,538,592	\$2,926,350,681	\$2,887,651,744	\$2,891,784,257	\$2,907,749,165	\$2,944,756,612
Bonded Debt Limit Percentage (3)	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Bonded Statutory Debt Limit	\$ 383,415,918	\$ 400,226,889	\$ 415,967,863	\$ 412,213,890	\$ 410,975,403	\$ 409,689,095	\$ 404,271,244	\$ 404,849,796	\$ 407,084,883	\$ 412,265,926
Plus: Additional Authority (4)	0	0	0	87,511,110	65,504,597	48,960,905	32,713,615	61,759,717	38,074,086	11,522,279
Legal Debt Limit	\$ 383,415,918	\$ 400,226,889	\$ 415,967,863	\$ 499,725,000	\$ 476,480,000	\$ 458,650,000	\$ 436,984,859	\$ 466,609,513	\$ 445,158,969	\$ 423,788,205
Amount of Outstanding Debt (5)	\$ 289,120,000	\$ 276,855,000	\$ 452,040,000	\$ 570,600,000	\$ 514,270,000	\$ 458,650,000	\$ 438,985,000	\$ 470,610,000	\$ 451,160,000	\$ 431,790,000
Less: Amount in Sinking Fund	0	0	0	0	0	0	2,000,141	4,000,487	6,001,031	8,001,795
Less: Debt Not Applicable To the Limit (Crossover Advance Refunding)	70,875,000	70,875,000	70,875,000	70,875,000	37,790,000	0	0	0	0	0
Total Debt Applicable to the Limit	\$ 218,245,000	\$ 205,980,000	\$ 381,165,000	\$ 499,725,000	\$ 476,480,000	\$ 458,650,000	\$ 436,984,859	\$ 466,609,513	\$ 445,158,969	\$ 423,788,205
Legal Debt Margin	\$ 165,170,918	\$ 194,246,889	\$ 34,802,863	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Debt Applicable To the Limit as a Percentage of Debt Limit	56.92%	51.47%	91.63%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(1) Source: Sedgwick County Clerk as of December 31, 2015.

(2) Computed in accordance with K.S.A. 10-310.

(3) K.S.A. 72-6761.

(4) On September 9, 2008, the State Board of Education approved an additional \$246,682,112 to the legal debt limit of the District, as prescribed by K.S.A. 75-2318. This approval was needed in order for the District to hold an election for the issuance of bonds in the amount of \$370,000,000, which otherwise would have caused the School District's bonded indebtedness to exceed the general obligation bond debt limit. The increased authority applies only to bonds issued under the 2008 election, is valid as long as debt related to that election is outstanding, and cannot be used for a future election to issue additional debt. Therefore, the amount of the additional authority reflected is adjusted annually (not to exceed \$246,682,112) to arrive at a Legal Debt Margin of zero.

(5) As of June 30, 2016.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL CURRENT
GOVERNMENTAL EXPENDITURES
Last Ten Fiscal Years**

FISCAL YEAR	PRINCIPAL	INTEREST AND FISCAL CHARGES	TOTAL DEBT SERVICE (1)	TOTAL CURRENT GOVERNMENTAL EXPENDITURES	RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES
06-07	\$ 11,465,000	\$ 13,860,796	\$ 25,325,796	\$ 461,551,330	5.49%
07-08	\$ 12,264,999	\$ 13,211,519	\$ 25,476,518	\$ 502,103,024	5.07%
08-09	\$ 13,075,000	\$ 12,543,847	\$ 25,618,847	\$ 581,738,585	4.40%
09-10	\$ 13,955,000	\$ 21,802,132	\$ 35,757,132	\$ 595,798,321	6.00%
10-11	\$ 20,110,000	\$ 27,928,465	\$ 48,038,465	\$ 522,973,239	9.19%
11-12	\$ 17,830,000	\$ 23,386,402	\$ 41,216,402	\$ 512,448,293	8.04%
12-13	\$ 42,595,000 (2)	\$ 22,275,149	\$ 64,870,149	\$ 538,092,279	12.06%
13-14	\$ 17,215,000	\$ 22,814,417	\$ 40,029,417	\$ 564,751,855	7.09%
14-15	\$ 19,450,000	\$ 22,617,759	\$ 42,067,759	\$ 570,059,898	7.38%
15-16	\$ 20,775,000	\$ 21,573,654	\$ 42,348,654	\$ 552,657,996	7.66%

Source: USD 259 Audited Financial Statements

(1) Fund included: Debt Service

(2) Increase is due to refunding of general obligation bonds.

Statistical Section

DEMOGRAPHIC STATISTICS Last Ten Fiscal Years

CALENDAR YEAR	FISCAL YEAR	CITY OF WICHITA POPULATION (1)	WICHITA TOTAL PERSONAL INCOME	WICHITA PER CAPITA INCOME (1)	CITY OF WICHITA MEDIAN AGE (1)	USD 259 ENROLLMENT (3)
2006	06-07	357,698	\$ 8,131,906,332	\$ 22,734	34.8	48,770
2007	07-08	361,016	\$ 9,018,179,680	\$ 24,980	35.0	48,705
2008	08-09	356,564	\$ 8,509,756,424	\$ 23,866	34.5	49,146
2009	09-10	359,306	\$ 9,086,130,128	\$ 25,288	34.5	50,042
2010	10-11	383,142	\$ 8,942,151,138	\$ 23,339	33.9	50,033
2011	11-12	384,439	\$ 8,930,902,409	\$ 23,231	34.3	50,103
2012	12-13	385,586	\$ 9,431,819,146	\$ 24,461	35.1	50,639
2013	13-14	386,558	\$ 9,471,444,116	\$ 24,502	34.0	51,169
2014	14-15	388,413	\$ 9,610,502,859	\$ 24,743	34.0	51,330
2015	15-16	389,955	\$ 9,929,034,210	\$ 25,462	34.6	51,133

CALENDAR YEAR	FISCAL YEAR	WICHITA TAXABLE RETAIL SALES (4)	WICHITA ELECTRICITY CONSUMED IN KILOWATT HOURS (4)	WICHITA MID-CONTINENT AIRPORT ACTIVITY (4)		CITY OF WICHITA UNEMPLOYMENT RATE (2)
				AIR PASSENGERS INBOUND	AIR PASSENGERS OUTBOUND	
2006	06-07	\$ 8,088,252,015	6,217,885,000	755,692	748,662	4.6%
2007	07-08	\$ 8,467,165,395	6,320,720,000	837,479	827,383	4.6%
2008	08-09	\$ 8,287,942,146	5,898,842,000	761,388	754,314	10.1%
2009	09-10	\$ 8,055,177,921	5,884,120,000	765,033	757,477	9.6%
2010	10-11	\$ 8,193,427,230	6,173,909,000	782,485	774,592	8.9%
2011	11-12	\$ 8,685,224,619	6,120,423,000	776,219	771,167	7.8%
2012	12-13	\$ 8,965,184,409	5,839,845,000	743,449	744,037	7.0%
2013	13-14	\$ 9,427,875,142	5,862,989,000	774,736	771,085	6.0%
2014	14-15	\$ 9,526,700,614	5,701,334,000	775,312	767,217	5.0%
2015	15-16	\$ 9,773,059,070	5,573,792,867	802,885	797,564	5.1%

(1) Source: U.S. Census Bureau, 2015 American Community Survey 1-Year Estimate

(2) Source: Kansas Department of Labor website as of June

(3) Source: USD 259 Student Records and Enrollment Services - 9/20 Official Enrollment Report

(4) Source: Wichita State University Center for Economic Development & Business Research, figures for the Wichita Metropolitan Statistical Area, based on fiscal year ending June 30.

Statistical Section

PRINCIPAL EMPLOYERS Current Year and Nine Years Ago For the Year Ended December 31,

Employer	2006			2015		
	Full-Time Civilian Employees	Rank	Percentage of Total Wichita MSA Employment (1)	Full-Time Civilian Employees	Rank	Percentage of Total Wichita MSA Employment (1)
Spirit AeroSystems, Inc.	8,300	2	2.67%	10,900	1	3.63%
Via Christi Health	4,810	6	1.55%	6,027	2	2.01%
Wichita Public Schools USD #259	5,033	5	1.62%	5,620	3	1.87%
State of Kansas	3,977	7	1.28%	4,803	4	1.60%
McConnell Air Force Base	-	-	-	4,576	5	1.52%
Koch Industries Inc.	-	-	-	3,600	6	1.20%
City of Wichita	3,070	9	0.99%	2,752	7	0.92%
U.S. Government	5,435	4	1.75%	2,658	8	0.88%
Sedgwick County	2,719	10	0.88%	2,542	9	0.85%
Wesley Medical Center & Galichia Heart Hospiti	-	-	-	2,072	10	0.69%
Cessna Aircraft Company	9,393	1	3.02%	-	-	-
Raytheon Aircraft Corporation	6,259	3	2.02%	-	-	-
Boeing IDS Wichita	3,700	8	1.19%	-	-	-
Totals	52,696		16.97%	45,550		15.17%

Source: Sedgwick County Comprehensive Annual Financial Report

Note: MSA - Metropolitan Statistical Area

Data for 2016 is not available until December.

(1) Includes Butler, Harvey, Sedgwick, and Sumner counties.

**MISCELLANEOUS STATISTICS
Ten-Year Comparison**

Date Established as Unified School District 259 Geographical Area Form of Organization Accreditation	Kansas State Department of Education										July 1, 1965 152 square miles 7-member board
STUDENT DATA		2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Elementary school enrollment	24,271	24,348	24,926	25,290	25,355	25,476	25,915	26,243	26,359	26,459	26,459
Middle school enrollment	9,921	9,730	9,588	9,844	9,951	10,181	10,217	10,267	10,105	10,065	10,065
High school enrollment	12,763	12,766	12,771	12,627	12,493	12,330	12,339	12,408	12,637	12,706	12,706
Alternative and special school enrollment (5)	1,815	1,861	1,797	2,281	2,234	2,116	2,168	2,251	2,229	1,903	1,903
Average daily attendance	93.8%	94.0%	94.3%	93.9%	94.3%	94.5%	94.1%	94.0%	94.0%	94.0%	94.0%
Composite ACT scores	20.6	20.7	20.4	19.8	19.8	19.7	19.8	19.7	19.6	19.7	19.7
STUDENT/TEACHER RATIOS											
Elementary school	21.6	21.0	21.0	20.8	20.6	20.4	19.8	19.7	19.0	18.6	18.6
Middle school	18.2	13.1	13.1	13.3	13.4	14.9	14.1	16.1	14.3	14.8	14.8
High school	22.3	21.8	21.7	21.5	15.2	17.4	17.4	18.8	18.6	18.5	18.5
RACIAL AND ETHNIC PERCENTAGES OF STUDENTS											
African-American	20.9%	20.1%	19.9%	19.5%	19.2%	18.6%	18.2%	18.3%	18.5%	18.8%	18.8%
Asian	5.1%	5.0%	5.3%	4.9%	4.8%	4.7%	4.5%	4.5%	4.5%	4.4%	4.4%
Hispanic	22.3%	22.2%	23.8%	28.1%	29.6%	31.1%	32.1%	33.1%	33.5%	33.7%	33.7%
Native American-Indian	2.7%	2.6%	2.5%	1.7%	1.6%	1.4%	1.4%	1.2%	1.3%	1.1%	1.1%
Native Hawaiian	-	-	-	0.2%	0.1%	0.2%	0.2%	0.5%	0.2%	0.2%	0.2%
Multi Racial	7.6%	9.8%	10.2%	7.5%	8.0%	8.2%	8.6%	8.3%	8.0%	7.8%	7.8%
White or other	41.4%	40.3%	38.3%	38.1%	36.7%	35.8%	35.1%	34.0%	34.1%	33.9%	33.9%
MALE/FEMALE PERCENTAGES OF STUDENTS											
Male	50.8%	53.0%	51.0%	51.1%	51.2%	51.3%	51.4%	50.8%	51.0%	51.2%	51.2%
Female	49.2%	47.0%	49.0%	48.9%	48.8%	48.7%	48.6%	49.2%	49.0%	48.8%	48.8%
EMPLOYEES											
Instruction (3)	5,354	5,545	5,619	5,652	5,680	5,511	5,568	5,711	5,848	5,774	5,774
Instructional Support (3)	111	127	128	117	84	60	56	54	55	54	54
Operations (4)	928	918	924	910	899	891	975	973	939	956	956
Other Commitments/Capital Projects (4)	87	87	90	95	95	95	24	23	48	48	48
Leadership (6)	18	22	23	23	17	18	18	18	18	13	13
LATCHKEY CENTERS (1)	43	43	44	45	45	46	48	48	49	49	49
CHILD DEVELOPMENT CENTERS (2)	10	10	10	10	9	9	8	8	8	8	7

(1) Also known as School Age Program Centers. Latchkey centers are run by USD 259. Information provided by Wichita Public Schools.
 (2) Metro-Midtown Child Development Center closed at the end of 2009-10, and Metro-Boulevard closed in 2012-13. Metro-Meridian closed at the end of 2014-15.
 (3) Decreases in 2010-11 and 2011-12 are primarily due to cuts in state and federal aid.
 (4) In 2012-2013, 71 positions were moved from Capital Projects to Operations due to the state eliminating funding for capital outlay. In 2014-2015, positions were moved from Operations to Capital Projects due to changes in Capital Outlay regulations.
 (5) Due to state funding issues in 2015-16, an adult learning center was changed to a virtual format, causing enrollment to decline.
 (6) Due to budget reductions, 1.0 FTE was moved to Student Support Services, 3.0 FTE clerical vacancies were eliminated, and 1.0 FTE for Chief Operations Officer was eliminated.

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Instruction										
District-Wide Enrollment	48,770	48,705	49,146	50,042	50,033	50,103	50,639	51,169	51,330	51,133
Enrollment Percentage Change from Base Year (3)	104.7%	104.6%	105.5%	107.4%	107.4%	107.6%	108.7%	109.9%	110.2%	109.8%
Bilingual Enrollment	5,573	6,079	6,574	7,309	7,850	8,181	8,686	9,080	9,560	9,550
Special Education Enrollment	8,251	7,853	7,679	7,706	7,812	7,915	7,895	7,936	7,876	7,967
At-Risk Enrollment	26,398	26,654	27,464	30,416	31,668	32,721	33,303	34,402	33,165	33,171
Days School in Session	172	171	173	171	167	173	169	169	173	169
Student Attendance Percentage (1)	93.9%	94.0%	94.3%	93.9%	94.2%	94.5%	94.1%	93.9%	93.9%	94.0%
Student and Instructional Support										
Percentage of Seniors Graduating (1) (2)	76.4%	79.3%	80.1%	63.1%	66.2%	74.1%	76.5%	75.1%	75.3%	N/A
Administration										
Number of Student Suspensions	13,109	12,827	13,697	13,220	12,773	11,391	10,934	10,300	11,035	10,639
Number of Student Expulsions	69	139	191	141	138	92	42	20	30	26
Operations and Maintenance										
Number of Work Orders Completed	34,416	32,172	31,068	29,655	30,878	29,353	29,976	33,066	33,059	32,111
Transportation										
Number of Students Transported (1)	19,559	19,827	19,315	19,175	18,732	18,621	17,998	18,112	17,985	18,649
Nutrition Services										
Breakfasts Served	1,475,302	1,516,643	1,569,190	1,565,019	1,645,664	1,827,516	1,881,998	2,008,089	2,163,871	2,228,102
Lunches Served	4,993,009	5,029,026	5,264,881	5,339,748	5,336,254	5,575,561	5,336,982	5,493,014	5,566,753	5,481,155

N/A = Not Available

(1) Source: Kansas Department of Education

(2) Graduation data prior to 2008-09 used the National Center for Education Statistics (NCES) formula. 2008-09 graduation data used the No Child Left Behind (NCLB) formula.

2009-10 graduation data and thereafter uses the Four-Year and Five-Year Adjusted Cohort formulas which are significantly different than the NCES and NCLB formulas. Therefore, no comparisons can be made between graduation data from 2009 and earlier and graduation data from 2010 and beyond.

(3) The base year is 1995-96 enrollment of 46,579. This is the point of the lowest enrollment during the prior 20-year period.

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

<u>Function/Program</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Instruction										
Elementary Schools (5)	56	56	56	56	56	56	54	54	54	54
K-8 Schools (7)	1	1	2	2	2	2	3	3	3	3
Middle Schools (2)	16	16	16	16	16	15	15	15	15	15
High Schools (3)	11	11	11	11	10	10	10	10	10	10
Alternative and Special Schools (6)	16	16	16	16	16	13	13	13	11	10
Student and Instructional Support										
Number of Computer Servers	302	321	412	417	438	452	487	476	497	523
Number of Microwave Towers	49	47	47	48	49	49	49	49	49	49
Number of Computers (8)	21,148	23,628	25,996	28,145	27,053	31,750	37,062	41,368	43,832	45,609
Administration										
Non-School Buildings (4)	15	12	12	12	12	11	10	11	13	15
Acres of Unimproved Land (1)	80	80	82	82	349	127	127	127	127	0
Operations and Maintenance										
Number of Operational Vehicles Maintained	244	230	230	245	249	258	251	253	241	256
Number of Heavy Equipment Maintained	106	106	106	106	114	114	115	115	101	94
Nutrition Services										
Number of Nutrition Services Vehicles Maintained	24	24	24	23	23	26	26	26	27	31

Indicators are not available for the Transportation program, since the District contracts out student bussing and therefore does not own the assets.

- (1) In 2010-11, 267 acres of unimproved land were purchased for three additional new schools, as well as additions and improvements to existing buildings. The decrease in 2011-12 is due to completion of many of these projects. In 2015-16, construction of a new school is nearing completion on the remaining land.
- (2) Blackbear Bosin Academy closed in 2011-12.
- (3) Metro Midtown closed at the end of 2009-10.
- (4) Kellogg, South Hillside, and Funston properties were sold during 2007-08. Carter property was sold in 2011-12. Lincoln was sold in 2012-13. Opened a Grace Med Clinic at Dodge in 2013-14. Opened Grace Medical Clinics at Cloud and Gardiner in 2014-15. Opened Grace Med Clinics at Jardine and West in 2015-16, and the adult learning center that was previously located in the Dunbar Support Center was moved into another existing facility, so Dunbar is now a non-school building. Additionally, the Alvin E. Morris Administrative Center building was sold in 2015-16.
- (5) In 2012-13 Bryant, Lincoln, and Emerson closed, and Ortiz opened.
- (6) Leases were not renewed for three sites in 2011-12. Judge Riddel Boys Ranch and Riverside Academy closed in 2014-15. Dunbar Support Center was moved to the non-school buildings count in 2015-16, since it is no longer utilized for instructional purposes.
- (7) Gordon Parks Academy opened in 2008-09. Christa McAuliffe Academy opened in 2012-13.
- (8) The increase in 2012-13 is due to a timing issue. Schools have received their new computers but have not yet discarded their old computers.

**TEACHER SALARY SCHEDULE
2015-2016**

Initial Placement	Step	BA Degree	BA+ 10 Gr. Hours	BA+ 20 Gr. Hours	BA+ 30 Gr. Hours	BA Degree	MA+ 10 Gr. Hours	MA+ 20 Gr. Hours	MA+ 30 Gr. Hours	Ed. Sp. or MA+ 40 Gr. Hours	Ed. Sp.+ 10 or MA+ 50 Gr. Hours	Ed. Sp.+ 20 or MA+ 60 Gr. Hours	Earned Doctorate
0	2	\$ 39,146	\$ 39,680	\$ 40,215	\$ 40,750	\$ 41,586	\$ 42,121	\$ 42,655	\$ 43,190	\$ 43,724	\$ 44,259	\$ 44,794	\$ 45,328
1	3	\$ 40,086	\$ 40,621	\$ 41,156	\$ 41,690	\$ 42,828	\$ 43,363	\$ 43,898	\$ 44,432	\$ 44,967	\$ 45,501	\$ 46,036	\$ 46,571
2	4	\$ 41,027	\$ 41,562	\$ 42,096	\$ 42,631	\$ 44,071	\$ 44,605	\$ 45,140	\$ 45,675	\$ 46,209	\$ 46,744	\$ 47,278	\$ 47,813
3	5	\$ 41,968	\$ 42,502	\$ 43,037	\$ 43,571	\$ 45,313	\$ 45,848	\$ 46,382	\$ 46,917	\$ 47,452	\$ 47,986	\$ 48,521	\$ 49,055
4	6	\$ 42,908	\$ 43,443	\$ 43,977	\$ 44,512	\$ 46,556	\$ 47,090	\$ 47,625	\$ 48,159	\$ 48,694	\$ 49,229	\$ 49,763	\$ 50,298
5	7	\$ 43,849	\$ 44,383	\$ 44,918	\$ 45,453	\$ 47,798	\$ 48,333	\$ 48,867	\$ 49,402	\$ 49,936	\$ 50,471	\$ 51,006	\$ 51,540
6	8	\$ 44,789	\$ 45,324	\$ 45,859	\$ 46,393	\$ 49,041	\$ 49,575	\$ 50,110	\$ 50,644	\$ 51,179	\$ 51,713	\$ 52,248	\$ 52,783
7	9	\$ 45,730	\$ 46,265	\$ 46,799	\$ 47,334	\$ 50,283	\$ 50,818	\$ 51,352	\$ 51,887	\$ 52,421	\$ 52,956	\$ 53,490	\$ 54,025
8	10	\$ 47,205	\$ 47,740	\$ 48,274	\$ 48,808	\$ 51,525	\$ 52,060	\$ 52,595	\$ 53,129	\$ 53,664	\$ 54,198	\$ 54,733	\$ 55,268
9	11		\$ 48,681	\$ 49,215	\$ 49,749	\$ 52,768	\$ 53,302	\$ 53,837	\$ 54,372	\$ 54,906	\$ 55,441	\$ 55,975	\$ 56,510
10	12			\$ 50,156	\$ 50,690	\$ 54,010	\$ 54,545	\$ 55,079	\$ 55,614	\$ 56,149	\$ 56,683	\$ 57,218	\$ 57,752
11	13				\$ 55,253	\$ 55,787	\$ 56,322	\$ 56,856	\$ 57,391	\$ 57,926	\$ 58,460	\$ 58,995	
12	14						\$ 57,564	\$ 58,099	\$ 58,633	\$ 59,168	\$ 59,703	\$ 60,237	
13+	15							\$ 59,876	\$ 60,410	\$ 60,945	\$ 61,480		

Source: Agreement between the Unified School District No. 259 Board of Education and the United Teachers of Wichita.

A fractional part of a year's service shall be paid on the basis that the number of contract days worked bears to the total number of contract days in the contract year.

The base contract salary shall be prorated for any teacher who teaches less than full time.

Statistical Section

SUPPLEMENTAL SALARY SCHEDULE 2015-2016

Supplemental	2015-16 Annual Amount	Supplemental	2015-16 Annual Amount	Supplemental	2015-16 Annual Amount
Level A		Level B		Level C	
Untitled Level A	\$ 1,370	Untitled Level B	\$ 2,153	Untitled Level - C	\$ 2,936
All City Music Leader	1,370	Acad Core Team Ldr 3-4 - Midd	2,153	Acad Core Tm Ldr 5 & above Mid	2,936
Area Music Leader - Elementary	1,370	Academy Leader	2,153	Academic Bowl Sponsor - High	2,936
Asst Band	1,370	Athletic Coordinator - Middle	2,153	AVID District Coordinator	2,936
Before School Supervisor	1,370	AVID Site Coordinator	2,153	Cheerleader Head Sponsor High	2,936
Class Head Sponsor - High	1,370	AYP LA/Math Contact	2,153	Detention Rm Monitor-Mid or Hi	2,936
Elementary Chair 4 or more	1,370	Bus Monitor	2,153	Forensic Coach - High	2,936
Exploratory Team Leader - Midd	1,370	Drama Production Middle	2,153	Intensive Support Team	2,936
Extended School Year Team	1,370	Hallway Supervision Lunch	2,153	Newspaper Head Sponsor - High	2,936
EC Event/Club Sponsor - A	1,370	Instrumental Music Leader Midd	2,153	Peer Consultant - Gov Bd Membr	2,936
Flag Team/Color Guard Supervisor	1,370	Intervention Tutor - B	2,153	Pom Pon Head Sponsor - High	2,936
Future Educators Club Sponsor	1,370	Intramural Activity - High	2,153	School to Work Academy Leader - High	2,936
Grade Level Lead	1,370	Leadership Sponsor - JROTC Middle	2,153	Social Worker Ldr 3 & above	2,936
Honor Society Sponsor	1,370	Yearbook Head Sponsor-Middle	2,153	Student Council Hd Spons High	2,936
Intervention Tutor - A	1,370	National Academic League Sponsor	2,153	Teacher In Charge	2,936
Lead Teachers - Secondary	1,370	Pep Club Sponsor - High	2,153	PEP Grant Physical Activity Secondary	2,936
Intramural Activity - Middle	1,370	Safety Patrol Sponsor - Elem	2,153		
School Improvement Team	1,370	School Improvement Leader	2,153		
Science Olympiad Coach	1,370	Student Council Sponsor - Midd	2,153		
Shared Inquiry Coach	1,370	Vocal Music Leader - Middle	2,153		
Spirit Club Sponsor - Middle	1,370	EC School Wide Publications/Website Editor - B	2,153		
EC School Wide Publications/Website Editor - A	1,370	EC Event/Club Sponsor - B	2,153		
Family Engagement Contact	1,370				
Circle of Friends Program	1,370				
Vertical Team Leader	1,370				
Career/Technical Support Org	1,370				
Level D		Level E		Level F	
Untitled Level - D	\$ 3,719	Untitled Level - E	\$ 4,501	Untitled Level - F	\$ 5,285
Activity Bus Monitor	3,719	Department Chair 3-6 - High	4,501	After School Program Supervisor	5,285
Debate Coach - High	3,719	Head Counselor - High	4,501	Elementary Truancy Specialist	5,285
Drama Activities Leader - High	3,719	Head Library Media Spec - High	4,501	Instrumental Music Leader High	5,285
Site Technology Specialist - D	3,719	In-Service Presenter	4,501	Junior Reserve Officer - Commissioned - High	5,285
Yearbook Sponsor - High	3,719	Lunchroom Monitor	4,501		
		Site Technology Specialist - E	4,501		
		Ticket Specialist - High	4,501		
		Vocal Music Leader - High	4,501		
Level G		Level H		Level I	
Untitled Level - G	\$ 6,068	Untitled Level - H	\$ 6,850	Untitled Level - I	\$ 7,634
Department Chair 7-8 - High	6,068			Department Chair 9-17 - High	7,634
Junior Reserve Officer - Non-Commissioned - High	6,068			District Curriculum Designer	7,634
Level J		Level S cont.		Level S cont.	
Untitled Level - J	\$ 8,416	Head Volleyball - High	\$ 3,583	Asst Swimming - High	\$ 2,393
Dept Chair 18 & above - High	8,416	Head Wrestling - High	4,699	Asst Tennis - High	1,630
Peer Consultant - Teacher	8,416	Head Bowling - High	2,381	Asst Track - High	3,017
Level S		MS Head Basketball	3,241	Asst Volleyball - High	2,150
Head Baseball - High	\$ 3,810	MS Head Track	2,851	Asst Wrestling - High	2,819
Head Basketball - High	6,507	MS Head Volleyball	2,330	Asst Bowling - High	1,428
Head Cross Country - High	3,041	MS Head Cross Country	1,635	MS Asst Basketball	1,944
Head Football - High	6,507	Asst Baseball - High	2,286	MS Asst Track	1,711
Head Golf - High	2,625	Asst Basketball - High	3,904	MS Asst Volleyball	1,398
Head Gymnastics - High	4,229	Asst Cross Country - High	1,825	MS Asst Cross Country	981
Head Soccer - High	3,810	Asst Football - High	3,904	Athletic Coordinator	9,161
Head Softball - High	3,810	Asst Golf - High	1,575		
Head Swimming - High	3,988	Asst Gymnastics - High	2,538		
Head Tennis - High	2,716	Asst Soccer - High	2,286		
Head Track - High	5,028	Asst Softball - High	2,286		

Source: Agreement between the Unified School District No. 259 Board of Education and the United Teachers of Wichita.

The term "supplemental salary" shall refer to payment for the assigned, accepted, and performed services under a supplemental contract as set forth on this page.

Statistical Section

DISTRICT FEEDER PROGRAM

The District schools are organized into units called high school feeder patterns. Students move from the elementary school to middle school and on to the high school located in their neighborhoods.

<u>East High School Feeder Pattern</u> Number of students in the feeder pattern: 7,853 Number of buildings in the feeder pattern: 11 Average school building age: 56 years 15-16 <u>Enrollment</u> East High School 2,217 Jardine Middle School 503 Mead Middle School 528 Robinson Middle School 792 Anderson Elementary School 634 College Hill Elementary School 423 Colvin Elementary School 763 Griffith Elementary School 557 Hyde Elementary School 316 Linwood Elementary School 598 Washington Elementary School 522	<u>Heights High School Feeder Pattern</u> Number of students in the feeder pattern: 6,146 Number of buildings in the feeder pattern: 13 Average school building age: 30 years 15-16 <u>Enrollment</u> Heights High School 1,152 Brooks Middle School 551 Gordon Parks Middle School 113 Stucky Middle School 548 Buckner Elementary School 400 Chisholm Trail Elementary School 473 Earhart Elementary School 404 Gammon Elementary School 457 Gordon Parks Elementary School 339 Jackson Elementary School 405 L'Ouverture Elementary School 329 Mueller Elementary School 432 Spaght Elementary School 543	<u>North High School Feeder Pattern</u> Number of students in the feeder pattern: 7,853 Number of buildings in the feeder pattern: 15 Average school building age: 64 years 15-16 <u>Enrollment</u> North High School 2,166 Hadley Middle School 516 Horace Mann Middle School 161 Marshall Middle School 505 Pleasant Valley Middle School 665 Cloud Elementary School 642 Horace Mann Elementary School 443 Irving Elementary School 488 McLean Elementary School 260 OK Elementary School 298 Ortiz Elementary School 400 Park Elementary School 336 Pleasant Valley Elementary School 360 Riverside Elementary School 268 Woodland Elementary School 345
<u>Northeast High School Feeder Pattern</u> Number of students in the feeder pattern: 2,954 Number of buildings in the feeder pattern: 6 Average school building age: 39 years 15-16 <u>Enrollment</u> Northeast Magnet High School 693 Allison Middle School 532 Black Elementary School 439 Bostic Elementary School 285 Enders Elementary School 444 Isely Elementary School 561	<u>Northwest High School Feeder Pattern</u> Number of students in the feeder pattern: 4,459 Number of buildings in the feeder pattern: 7 Average school building age: 57 years 15-16 <u>Enrollment</u> Northwest High School 1,429 Wilbur Middle School 844 Benton Elementary School 358 Cleaveland Elementary School 275 Kensler Elementary School 632 McCollom Elementary School 474 Peterson Elementary School 447	<u>South High School Feeder Pattern</u> Number of students in the feeder pattern: 5,706 Number of buildings in the feeder pattern: 7 Average school building age: 51 years 15-16 <u>Enrollment</u> South High School 1,788 Truesdell Middle School 1,015 Cessna Elementary School 533 Enterprise Elementary School 477 Kelly Elementary School 533 White Elementary School 667 Woodman Elementary School 693
<u>Southeast High School Feeder Pattern</u> Number of students in the feeder pattern: 8,226 Number of buildings in the feeder pattern: 14 Average school building age: 46 years 15-16 <u>Enrollment</u> Southeast High School 1,586 Christa McAuliffe Middle School 382 Coleman Middle School 534 Curtis Middle School 723 Adams Elementary School 492 Allen Elementary School 529 Beech Elementary School 563 Caldwell Elementary School 560 Christa McAuliffe Elementary School 368 Clark Elementary School 377 Jefferson Elementary School 429 Minneha Elementary School 670 Price-Harris Elementary School 446 Seltzer Elementary School 567	<u>West High School Feeder Pattern</u> Number of students in the feeder pattern: 5,796 Number of buildings in the feeder pattern: 10 Average school building age: 70 years 15-16 <u>Enrollment</u> West High School 1,438 Hamilton Middle School 547 Mayberry Middle School 606 Dodge Elementary School 584 Franklin Elementary School 367 Gardiner Elementary School 634 Harry Street Elementary School 421 Lawrence Elementary School 428 Payne Elementary School 320 Stanley Elementary School 451	<u>Alternative and Special Schools</u> Number of students in the feeder pattern: 1,488 Number of buildings in the feeder pattern: 2 * Average school building age: 77 years 15-16 <u>Enrollment</u> Metro-Boulevard Alternative High School 99 Metro-Meridian Alternative High School 138 Learning Centers/Other Sites 1,251 * Excludes Learning Centers / Other Sites
<u>Special Education Schools</u> Number of students in the feeder pattern: 268 Number of buildings in the feeder pattern: 5 Average school building age: 48 years 15-16 <u>Enrollment</u> Chisholm Life Skills Center 88 Greiffenstein Special Education Center 36 Levy Special Education Center 64 Sowers Special Education Center 54 Wells Special Education Center 26	<u>Early Childhood Education Schools</u> Number of students in the feeder pattern: 384 Number of buildings in the feeder pattern: 1 Average school building age: 62 years 15-16 <u>Enrollment</u> Little Early Childhood Center 384	<u>Other District Buildings</u> Number of buildings: 3 Average building age: 46 years Joyce Focht Instructional Support Center Management Information Systems Center School Service Center

15-16 Student Enrollment Total: 51,133

Note: Information provided by Wichita Public Schools
Student Records and Enrollment Services.





The Wichita Public Schools does not discriminate on the basis of race, color, ancestry, national origin, religion, sex, disability, age, veteran status, or any other legally protected classification. Persons having inquiries may contact the School District's Title IX Director/ADA/Section 504 Coordinator. For adults at 316-973-4420, or Section 504 Coordinator for students at 316-973-4702, 201 N. Water, Wichita, KS 67202.

