

WICHITA PUBLIC SCHOOLS

2017-2018

Comprehensive Annual Financial Report



WICHITA
PUBLIC SCHOOLS®

Unified School District 259
For the year ending
June 30, 2018
Wichita, Kansas

USD259.ORG

Comprehensive Annual Financial Report

of the

Wichita Public Schools

Unified School District 259

Wichita, Sedgwick County, Kansas

For the Year Ended June 30, 2018

Prepared by:

Financial Services Department

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Introductory Section





Alicia Thompson
Superintendent

December 4, 2018

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

Wichita Public Schools, Unified School District No. 259 (District) is pleased to present the Comprehensive Financial Report (CAFR) for the fiscal year ended June 30, 2018. The District's Financial Services Department prepared this report, which includes the audited financial statements. Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District's administrative team and ultimately, the Board of Education.

To the best of our knowledge and belief, the enclosed data 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 (MD&A), 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.

The MD&A immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the Basic Financial Statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the District

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 389,000, 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 2018 fiscal year, these services include educational programs for grades K-12, special education, Federal Title programs, pre-kindergarten, career and technical 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. The student community comes from 96 countries and 119 languages are spoken in the homes of District students. Over 70% 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 appropriated annually 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.

The District is organized under the laws of the State of Kansas (State). Generally Accepted Accounting principles (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:

- In April 2018, the Board of Education adopted the Every Student Future Ready Strategic Plan. This five-year plan includes new shared beliefs, long-term goals, strategic themes, and a new vision and mission. The initial plan was guided by feedback from over twenty community listening sessions hosted by the Superintendent in fall 2017.
- The District, in partnership with WSU Tech and Textron Aviation, announced in May 2018 a new Aviation Pathway to start in the fall of 2018 at four high schools. The pathway will include Aviation Production and Aviation Maintenance tracks. Plans also

Introductory Section

include job shadow and internship opportunities during the students' final year. The program would eventually be an option for all public schools in Kansas.

- Launched in the fall 2017, the Superintendent's Challenge is an incentive program for students involved in athletics, cheer and dance. Schools' teams compete for the highest grade point average each quarter with a Champions Cup awarded to the school with the highest grade point average (GPA) for all activities at the end of the school year. The first Champions Cup went to Heights High School with a GPA of 3.27.
- To encourage academic and behavioral achievement beginning in middle school, Wichita Public Schools, in partnership with the Greater Wichita Junior Football League, created a unique program for middle school students. In addition to awards based on GPA, attendance and office referral rates, students also received twice monthly academic mentoring from guest speakers. More than 100 student athletes were recognized in the 3rd quarter for having a 3.0 or higher GPA.
- The United Way's Women United Leadership program continued its third year of the "Read to Succeed" program in 2017-18, expanding to 20 schools. Each week, 413 trained, volunteer reading coaches met with students for 30 minutes to help them improve their reading skills. A realistic goal for students is to increase an average of one word per minute per week. Students participating in "Read to Succeed" averaged 1.35 words per week – a 35% increase over the goal of one word per minute per week.
- The Homework Hotline became available as a resource to students and parents in October 2017. It is available Monday-Thursday from 3:30-7:30 p.m. and staffed by certified teachers who can answer questions on any assignment from kindergarten through high school. This year, the Homework Hotline received more than 1,000 calls.
- Cessna Elementary and Chester I. Lewis Academic Learning Center were selected for the Kansas Department of Education's next round of the Kansas Can School Redesign Project, launched as Gemini II: The Space Walk Begins. KSDE announced the recipients on April 17, 2018. To be selected for the project, the Wichita Public Schools agreed to redesign the two schools. Cessna's redesign will focus around social and emotional growth, kindergarten readiness and individualized plans of study. Chester I. Lewis Academic Learning Center's redesign will focus around social and emotional growth, individualized plans of study and increasing the high school graduation rate.
- The District has increased graduation rates by 15.7% over the eight years.

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.

Introductory Section

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 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. 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.
2. The Kansas legislature dramatically changed the way schools were 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 set the spending level for FY'16 and FY'17 while a new funding formula was being developed. The block grant eliminated the calculations for enrollment and set the funding for FY'16 and FY'17 at the same amount as the final legal maximum budget for FY'15 after reductions were made to equalization aid. There were some allowances for virtual education and new facilities, and special education funding calculations remained intact. However, the result was flat funding for the years the block grant was in effect.
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 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 allowed unencumbered cash carry-over in the General fund in FY'16 without any reduction in the subsequent year's

Introductory Section

state aid. On March 2, 2017, the Kansas Supreme Court ruled the block grant financing system unconstitutional. The resulting legislative changes to school funding included reinstating the former requirement that any year-end unencumbered cash balance in the General fund became a deduction from the following year's state aid. This change was applicable to the year-end cash balance of FY'17 and future years.

5. On May 30, 2017, the Kansas Legislature passed Senate Bill 19 (SB19) to create a new school finance formula. The new formula structure increased the Base Aid for Student Excellence (BASE) to \$4,006 per full-time equivalent student and included targeted funding for high need student populations (poverty, non-English speaking, at-risk). Given time constraints, the Court allowed SB19 to become law effective July 1, 2017 so that districts across Kansas could operate and submit budgets under the new formula for FY'18.
6. On October 2, 2017, the Kansas Supreme Court found SB19 to be unconstitutional and gave the Kansas legislature until June 30, 2018 to fix both the funding adequacy and the equity issues that arose in SB19. During the 2018 legislative session, the Kansas legislature added approximately \$522 million to the funding formula phased in over the next five years and fixed the equity violations. On June 25, 2018, the Court found the funding in the formula to still be inadequate, but the allowed the revised formula to go into effect July 1, 2018. The Court indicated if the legislature addresses inflation within the formula in the 2019 legislative session, lawmakers can bring the K-12 public education financing system into constitutional compliance. The Court retained jurisdiction and has set April 15, 2019 as the due date for the legislature to address the remaining constitutional issues.

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 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 annually 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.

Introductory Section

Financial Condition

In accordance with Governmental Accounting Standards Board (GASB) Statement 34, management is responsible for preparing an MD&A, providing an assessment of the District's finances for 2018. As previously mentioned, the MD&A follows the Independent Auditors' Report.

Operating Budget Policy

For FY'18 the District continued to follow the policy of confirming that current annual revenues were sufficient to support the current annual 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'18 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 now that the District has completed bond work under the Bond Issue Master Plan. FY'18 projects included roof replacements at two schools, tennis court resurfacing at two high schools, interior painting at two schools, exterior restoration at two schools, electrical and lighting improvements at seven schools, boiler and chiller work at three schools, additional security cameras and doors at several schools, and continuing work to remodel of a former high school for use as the District's Administrative Center. Funding sources for these projects included proceeds from the sale of District property and the Capital Outlay fund. During FY'17 and FY'18, the Capital Outlay fund has benefited from increases in state aid and conservative spending practices so that the fund balance has returned to a level similar to levels prior to the block grant. The more robust fund balance will allow for more vigorous effort during FY'19 to address deferred maintenance issues.

Economic Outlook and Conditions

State of Kansas Education Funding

- Under SB19, the District received its first significant increase in state funding in almost nine years, with over \$28 million increases in General fund, Supplemental General fund and weighted funds. In the District's FY'18 budget, this new funding was targeted toward covering fixed cost increases, adding new positions, funding new At Risk programs and increasing compensation.
- With additional funding provided under the revised finance formula passed during the 2018 legislative session, the District received an additional \$18 million increase in state funding for FY'19 in General fund, Supplemental General fund and weighted funds. New funding is targeted toward adding Pre-K classrooms, increasing compensation, adding new teaching positions and opening a new school designed to meet the academic needs of students needing social-emotional supports.

District Outlook

The District's enrollment trend over the last ten years has reflected an average increase of over 100 students a year. However, budget reduction measures and changes to Kindergarten funding at the state level are beginning to impact this trend. In FY'17, official enrollment decreased by 572 students, or one percent. Official enrollment in FY'18 increased by 80 students, but gains in virtual and alternative programs were offset by a significant decrease in elementary age students. The elementary enrollment decline continued into FY'19, with a loss of over 500 elementary students. Offsetting some of this loss, Secondary enrollment increased by 240 students. The declines in past few years can partially be attributed to cost-cutting measures under the block grant, including denial of out-of-district students, the consolidation of alternative high school programs, and the combination of a longer school day and shorter school year, which many parents viewed as negatively impacting their students. Further, now that the State fully funds all-day Kindergarten, parent who used to enroll students in the District to obtain all-day Kindergarten services can now receive those same services in the surrounding area districts. Additional FY'19 funding allowed the District to return to the longer school year, but it remains unclear if this action will bring back elementary students to the District.

Demographics are also changing. The number of Hispanic students has exceeded the number of non-Hispanic whites to become the largest ethnic group in the District, and this trend is expected to continue in future years. These changing demographics are one of the District's greatest strengths but also present some challenges. The District will continue its focus on improving academic rigor in classrooms to improve student achievement within all demographic groups.

Social-emotional trauma impacting student behavior continues to be a barrier to improving student achievement. During FY'18, the District added Learning Centers to all high schools to help students struggling with the traditional learning environment earn credits to graduate. The District offered an Opportunity Teacher Leader program to train staff interested in working with students of poverty. Curriculum for social-emotional growth was embedded in school schedules at all levels. For FY'19, the District has re-opened an alternative learning center at Towne East Square, added staff for Parents as Teacher support programs and opened the Bryant Opportunity Academy, all in an effort to focus programs and resources on students most at risk.

Another of the District's continuing priorities for FY'19 is to strengthen community and business partnerships. The Wichita community depends on a strong school system in promoting and recruiting new businesses and economic growth.

The oldest District facility was originally built in 1919, and the average age of all facilities is 55 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 made great strides to bring the facilities up to high standards. Even though the District has some old buildings, all of them have been updated. After nine years of budget cuts, the District was unable to fully support all bond initiatives. Additionally, the District looked to its Capital Outlay fund to support Information Technology needs as monies in other funds were cut. Even with Capital funds being stretched thin, the District is now focused on deferred maintenance needs at all facilities.

For the Future

During the 2018 Economic Outlook Conference, the Wichita State University Center for Economic Development and Business Research projected:

“Wichita’s employment growth is expected to flatten in 2018, with a modest contraction of fewer than 200 jobs. In 2019, growth is projected to resume at 0.8 percent, adding almost 2,500 jobs, which would return the Wichita area to its 2016 level of employment.”

“After five years of employment declines in the manufacturing sector, renewed local investment by major manufacturing firms will help encourage growth. Manufacturing employment is expected to rise 0.3 percent in 2019, adding more than 150 jobs in total. The natural resources and construction sector is forecast to add more than 500 jobs in 2019. Trade, transportation and utilities employment is expected to grow by 0.6 percent, creating almost 300 new jobs. The service sectors are projected to add more than 1,000 jobs with a projected growth rate of 0.8 percent.

The tax package that was passed by the Legislature in May 2017 repealed the 2012 elimination of taxes on pass-through entities and increased taxes on individuals. That action led to several months of tax receipts coming in far higher than expected. In April 2018, the State’s Consensus Revenue Estimating Group issued new estimates, raising their previous estimates for FY’19. Even so, the Kansas Revenue Report through September 2018 reflected tax collections of almost \$97.5 million above estimates. Continued higher than expected revenues combined with an estimated \$447.5 million ending balance in the State’s General fund at June 30, 2018, are positive indicators that the current tax structure could allow Kansas legislators to address K-12 public education funding as directed by the Kansas Supreme Court without a tax increase.

Schools for Fair Funding filed a lawsuit in 2010 against the State for failing to provide suitable funding for education. On June 25, 2018, in its sixth *Gannon vs. the State of Kansas* decision, the Kansas Supreme Court ruled that the new school finance formula failed to meet the minimum standards under the Kansas Constitution to provide adequate education for K-12 students. The Court did give the Legislature a roadmap to constitutionality, indicating that the only impediment remaining is funding to compensate for inflation. The question remains if the Kansas legislature will come to a consensus as to how to address the Court ruling particularly with a new governor taking office in January 2019 and the potential turnover resulting from all 125 House of Representative seats up for election.

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

Introductory Section

June 30, 2017. 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.

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,

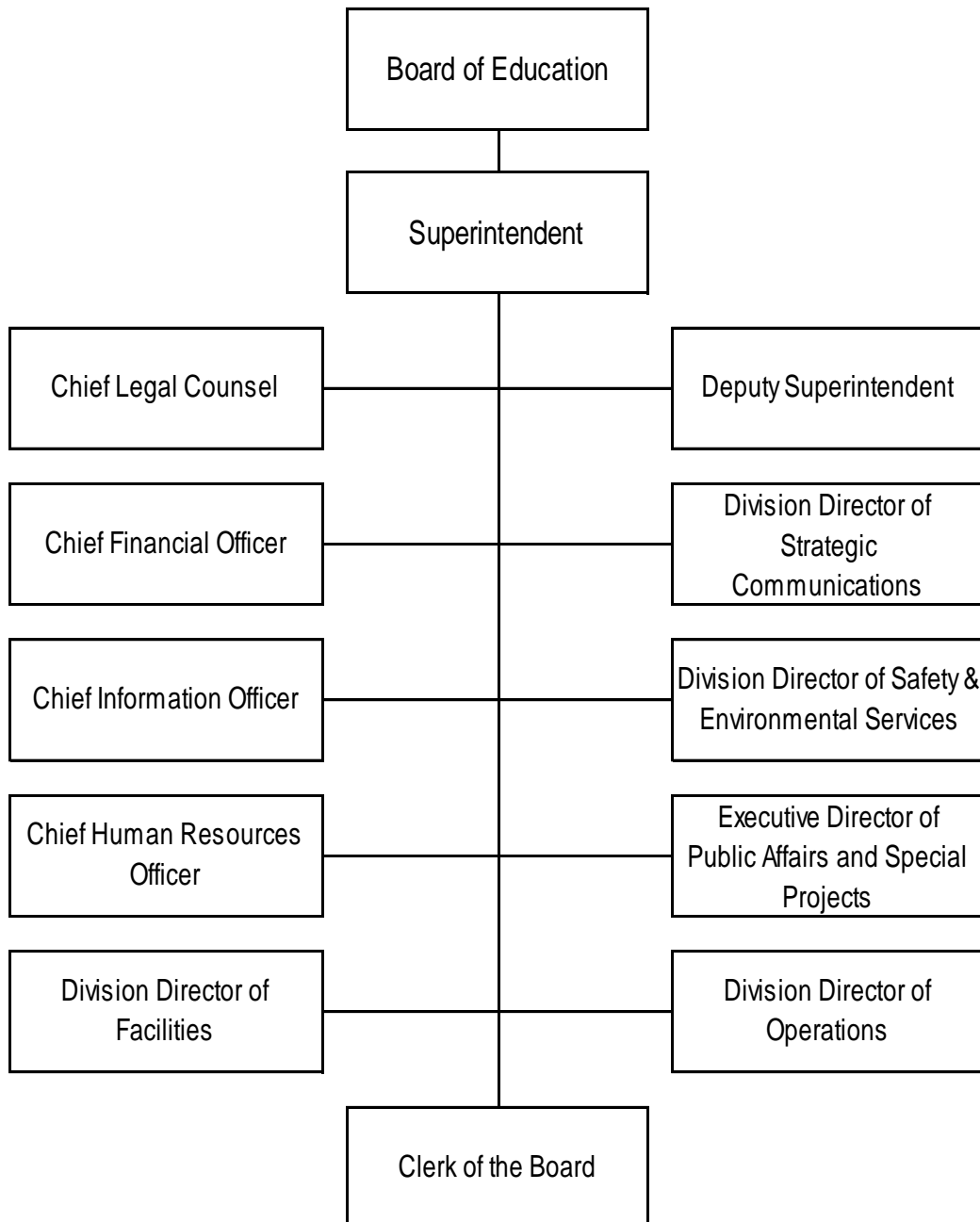


Dr. Alicia Thompson
Superintendent of Schools



Susan Willis
Chief Financial Officer

**WICHITA PUBLIC SCHOOLS
DISTRICT ADMINISTRATION ORGANIZATION CHART**



Administration

Dr. Alicia Thompson, *Superintendent of Schools*

Dr. Tiffinie Irving, *Deputy Superintendent*

Michele Ingenthron, *Assistant Superintendent of Elementary Schools*

Gil Alvarez, *Assistant Superintendent of Secondary Schools*

Dr. Andi Giesen, *Assistant Superintendent of Learning Services*

Assistant Superintendent of Student Support Services

Terrell Davis, *Executive Director of Public Affairs and Special Projects*

Susan Willis, *Chief Financial Officer*

Shannon Krysl, *Chief Human Resources Officer*

Cathy Sweeney, *Chief Information Officer*

Tom Powell, *Chief Legal Counsel*

Luke Newman, *Division Director of Facilities*

Fabian Armendariz, *Division Director of Operations*

Terri Moses, *Division Director of Safety & Environmental Services*

Wendy Johnson, *Division Director of Strategic Communications*

Dr. Mike Willome, *Clerk of the Board*

Introductory Section

WICHITA BOARD OF EDUCATION AS OF JUNE 30, 2018

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

District 1

Ben Blankley
3404 Country Club Place
Wichita, KS 67208



District 2

Julie Hedrick
2526 N. Greenleaf Court
Wichita, KS 67226



District 3

Ernestine Krehbiel
883 Fabrique St.
Wichita, KS 67226



District 4

Stan Reeser
2551 S. Hiram Ave.
Wichita, KS 67217



District 5

Mike Rodee
6514 W. Briarwood Cir
Wichita, KS 67212



District 6

Ron Rosales
2349 N. Market
Wichita, KS 67219



At-Large

Sheril Logan
1218 S. Gateway St.
Wichita, KS 67230



OFFICERS OF THE BOARD

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

SUPERINTENDENT OF SCHOOLS

Dr. Alicia Thompson



EVERY
STUDENT

FUTURE READY

THE WPS STRATEGIC PLAN | 2018-2023

VISION

Wichita Public Schools will be the district of choice in our region, where all students and staff are empowered to dream, believe and achieve.

MISSION

Wichita Public Schools prepares all students to achieve college, career and life readiness through an innovative and rigorous educational experience.

LONG-TERM GOALS

- 1 Increase the high school graduation rate.
- 2 Increase 3rd grade reading proficiency.
- 3 Increase the percentage of students completing dual credit, concurrent credit, industry certification or other college and career readiness opportunities.
- 4 Ensure that schools are trusted as safe places by students, parents, staff and community.

SHARED BELIEFS

Student Success

- Each student has value and worth and deserves a high-quality education that develops their natural skills, abilities and talents.
- Each student can and will learn, and it is worth the effort to ensure that learning occurs.
- High expectations are essential for success.



Safety and Belonging

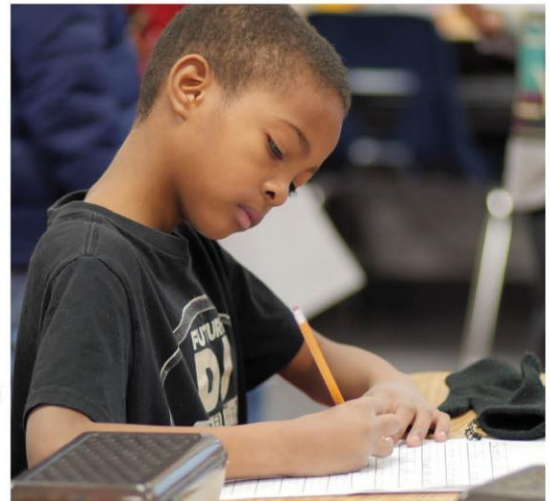
- Each student should be valued and understood.
- Everyone has worth and dignity and is treated with respect.
- A safe, quality learning experience is essential for every child, every day, everywhere.

Family and Community Collaboration

- All staff, families, students and community partners are responsible for students' academic, social and behavioral success.

Visionary Leadership

- Our culture will encourage innovation and taking risks.
- Effective, accountable leaders attract and retain top talent leading to positive student outcomes.
- Change is inevitable and necessary; our response is intentional.



Civic Engagement

- Public education is the foundation of functional citizenship, financial well-being, and productive participation as a member of our society.

Equity and Diversity

- Our students have a richer experience because they learn in a diverse environment where the world walks in our hallways.
- All students should have access to research-based, rigorous, culturally-relevant curriculum programs.
- Every student is entitled to adequate, equitable opportunities, resources and services.





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, 2017

Christopher P. Morill

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, 2017. This was the twenty-sixth 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 Certificate of Excellence in Financial Reporting
is presented to**

USD No. 259 Wichita Public Schools

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.'.

Charles E. Peterson, Jr., SFD, RSBA, MBA
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE
Executive Director

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, 2017. This was the twenty-sixth 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.

Financial Section



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, 2018, and the related notes to the financial statements, which collectively comprise the entity'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, 2018, 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 IV. G., in 2018, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* as it relates to their participation in the State of Kansas' Death and Disability OPEB plan. Our opinion is 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 4, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

December 4, 2018
Wichita, Kansas

Management's Discussion and Analysis

This Management's Discussion and Analysis is provided by the management of the Wichita Public Schools Unified District No. 259 (District) to offer an overall review of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the School District's financial performance as a whole, identify changes in position as well as to provide basic financial statements. 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

The Kansas School Equity and Enhancement Act was passed by the Kansas Legislature in May 2017, resulting in increased state aid funding of more than \$27 million for the District in FY'18. The Base Aid for Student Excellence (BASE) increased from \$3,852, where it had been frozen for the past three years, to \$4,006 per pupil. Weighted funding adjustments for special education, at-risk, vocational and bilingual students were restored in the new school finance formula. One notable exception was state funding for Supplemental General (LOB). The FY'18 LOB state aid amount was calculated on the FY'17 LOB maximum, which resulted in a \$1.7 million reduction in LOB state aid. Because a decrease in state aid in the LOB fund results in an increase in local property taxes to fund the maximum LOB budget authority, the LOB mill levy increased from 16.844 mills to 17.553 mills.

The District realized savings in FY'18 from the third consecutive year of lower than expected fuel, student transportation, and utility costs, as well as payroll savings from unfilled positions. The District was therefore again able to transfer unspent cash to Professional Development, Bilingual, and Vocational funds to support FY'19 staff development and academic improvement initiatives. The District contributed additional funds to its OPEB plan, the Retiree Health Benefits Trust, to support continuing retiree health expenses.

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 \$22,498,372. The improvement in net position is the net effect of several changes, as explained in the following bullets:

- Current and other assets increased \$125.8 million primarily as a result of proceeds from the crossover advance refunding of the Series 2010-B bonds. General Obligation Refunding bonds, Series 2017-A, were issued as part of the refunding. Since crossover refunding does not result in the defeasance of debt until the crossover date, long-term debt due more than one year increased. For additional information, please refer to Note III.C. of the Notes to the Financial Statements.
- The changes in deferred outflows – pension and deferred inflows – pension are related to the District's proportionate share of KPERS.
- The increases in deferred outflows – OPEB and deferred inflows – OPEB are partially due to changes in assumptions related to the District's Post-Retirement Benefits Plan. Additionally, the implementation of GASB 75 resulted in the District recognizing a \$1.4 million increase to deferred outflows related to the KPERS Death and Disability OPEB plan.
- The \$8.4 million increase in long-term liabilities due within one year reflects the District's intent to exercise an early call option on the Series 2009-A bonds, which it did in October 2018.
- Long-term liabilities due in more than one year increased as a result of the crossover advance refunding previously mentioned and a \$2.6 million increase in the environmental liability related to ground water remediation and reporting activities

planned for the next twenty years. The District's proportionate share of the KPERS collective net pension liability and total OPEB liability increased \$42.8 million in FY'18. The net OPEB liability decreased \$6.6 million due to additional contribution to the Retiree Health Benefits Trust using FY'18 budgetary savings from unfilled positions and lower than expected fuel, transportation and utility costs.

- The \$15.5 million increase in net position restricted for facilities and capital projects is due to an increase in cash in the Capital Outlay fund. Increased interest on idle funds and increased collection of delinquent taxes resulted in an increase in unbudgeted revenues. The District purposely reserved cash balances during FY'18 for several future capital projects including a major software upgrade planned for FY'19.
- The \$6.3 million increase in net position restricted for self-insurance claims is in large part a result of an increase in cash in the self-insured Health Care fund. Changes were made to the employee health plan in January 2017 for the purpose of increasing the balance in the fund due to high claims history drawing it down. Changes included increased employee and employer premiums and higher deductibles.
- The \$12.6 million decrease in unrestricted net position is primarily a result of the prior period adjustment for the total OPEB liability related to the KPERS Death and Disability OPEB plan. For additional information, please refer to Note IV.G. of the Notes to the Financial Statements.

Table 1
Net Position
Governmental Activities
As of June 30

	2018	2017	Change %
Assets			
Current and other assets	\$ 341,083,042	\$ 215,240,283	58.47%
Capital assets	792,409,433	808,069,967	-1.94%
Total Assets	<u>\$ 1,133,492,475</u>	<u>\$ 1,023,310,250</u>	<u>10.77%</u>
Deferred Outflows of Resources			
Deferred charge on refunding	\$ 1,440,678	\$ 1,983,125	-27.35%
Deferred outflows – OPEB	1,424,223	26,983	5178.22%
Deferred outflows – pension	102,546,075	75,887,559	35.13%
Total Deferred Outflows of Resources	<u>\$ 105,410,976</u>	<u>\$ 77,897,667</u>	<u>35.32%</u>
Liabilities			
Current and other liabilities	\$ 24,842,624	\$ 24,637,330	0.83%
Long-term liabilities:			
Due within one year	57,898,424	49,471,923	17.03%
Due in more than one year	1,024,098,062	913,814,428	12.07%
Total Liabilities	<u>\$ 1,106,839,110</u>	<u>\$ 987,923,681</u>	<u>12.04%</u>
Deferred Inflows of Resources			
Deferred inflows – OPEB	\$ 1,604,222	\$ -	100.00%
Deferred inflows – pension	52,133,555	57,456,044	-9.26%
Total Deferred Inflows of Resources	<u>\$ 53,737,777</u>	<u>\$ 57,456,044</u>	<u>-6.47%</u>

Financial Section

Net Position

Net investment in capital assets	\$ 411,756,706	\$ 401,755,601	2.49%
Restricted:			
Instruction and support services	5,827,796	3,276,706	77.86%
Facilities and capital projects	44,294,760	28,749,877	54.07%
Debt service	35,812,445	34,005,690	5.31%
Self-insurance claims	32,631,552	26,306,015	24.05%
Special education	8,213,543	8,798,754	-6.65%
Nutrition services	14,683,860	14,884,301	-1.35%
Federal and state grant programs	462,141	836,518	-44.75%
Unrestricted	(475,356,239)	(462,785,270)	-2.72%
Total Net Position	<u>\$ 78,326,564</u>	<u>\$ 55,828,192</u>	<u>40.30%</u>

Table 2 below shows condensed revenues, expenses, and change in net position for fiscal years 2018 and 2017.

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

	2018	2017	Change Increase (Decrease)
Revenues:			
Program Revenues:			
Charges for services	\$ 8,446,529	\$ 8,424,528	0.26%
Operating grants and contributions	283,406,800	178,029,107	59.19%
Capital grants and contributions	-	37,121	-100.00%
General Revenues:			
Property taxes	102,840,548	101,669,993	1.15%
State and federal aid not restricted to specific purposes	258,673,488	332,270,972	-22.15%
State aid received for debt service (principal)	10,157,400	9,642,600	5.34%
State aid received for non-employer pension contributions	-	66,165,270	-100.00%
Other	6,192,076	4,455,043	38.99%
Total Revenues	<u>\$ 669,716,841</u>	<u>\$ 700,694,634</u>	<u>-4.42%</u>
Program Expenses:			
Instruction	\$ 364,388,318	\$ 342,630,958	6.35%
Student and instructional support	81,019,951	77,043,654	5.16%
Administration	43,724,333	41,034,130	6.56%
Operations and maintenance	79,825,564	71,650,829	11.41%
Student transportation service	24,115,802	23,224,462	3.84%
Nutrition services	24,483,049	23,173,184	5.65%
Interest on long-term debt	19,014,877	17,705,215	7.40%
Total Expenses	<u>\$ 636,571,894</u>	<u>\$ 596,462,432</u>	<u>6.72%</u>

Financial Section

Increase/Decrease in Net Position	\$ 33,144,947	\$ 104,232,202	-68.20%
Net Position-Beginning	55,828,192	(34,739,747)	260.70%
Prior Period Adjustment	<u>(10,646,575)</u>	<u>(13,664,263)</u>	<u>22.08%</u>
Net Position-Ending	<u>\$ 78,326,564</u>	<u>\$ 55,828,192</u>	<u>40.30%</u>

- The increase in operating grants and contributions and the decrease in state and federal aid not restricted to specific purposes is primarily due to the State Intervention (K-12), 4 Year Old State Intervention, Bilingual Education and Vocational Educational funds meeting the requirements to be special revenue funds. Under the new school finance formula, weighted state aid is once again restricted to each of those specific purposes and 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'18 budget.
- The \$66.2 million state aid received for non-employer pension contributions in FY'17 is the District's proportionate share of a one-time bond issue by the State of Kansas in which the proceeds were deposited to the Kansas Public Employees Retirement System to reduce the unfunded actuarial pension liability.
- The increases in all program expenses except interest on long-term debt are a result of increased state aid in FY'18 as the BASE increased 4% to \$4,006 per pupil and was primarily targeted in all program areas towards recruitment and retention of staff through increased compensation.
- The prior period adjustments reflected for FY'17 and FY'18 are a result of the District's implementation of GASB 74 and 75 related to postemployment benefits other than pensions that was previously mentioned.

The results of this year's operations as a whole are reported in the Statement of Activities on page 32. 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, 2018, the District governmental funds reported a combined fund balance of \$269.1 million, an increase of \$119.4 million from FY'17. This increase is largely due to an increase in cash in the Bond and Interest and Capital Outlay funds, for reasons discussed below.

Table 3
Governmental Fund Balances
As of June 30 Year End

<u>Governmental Funds</u>	<u>2018</u>	<u>2017</u>	<u>Change %</u>
General	\$ 33,506,366	\$ 39,753,011	-15.71%
Special Education	11,455,153	11,195,190	2.32%
Nutrition Services	16,923,793	16,965,642	-0.25%
State Intervention (K-12)	579,608	255,714	126.66%
Capital Outlay	44,065,175	28,657,227	53.77%
Bond and Interest	155,515,423	47,935,209	224.43%
Nonmajor Governmental	7,056,809	4,956,941	42.36%
Total Governmental Fund Balances	<u>\$ 269,102,327</u>	<u>\$ 149,718,934</u>	<u>79.74%</u>

General Fund

The District's ending General fund balance decreased by \$6,246,645 primarily due to the purchase of a new English Language Arts curriculum for the elementary level during FY'18 reducing the Textbook fund by over \$5 million.

Special Education Fund

The Special Education fund balance remained stable in FY'18, with a slight increase of \$259,963 as the State provided a small amount of additional funding late in the fiscal year. The \$11.5 million FY'18 ending fund balance enables the District to fund the FY'19 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 remained stable in FY'18, with a slight decrease of \$41,849. Since this fund is a special revenue fund, all fund balances are restricted for expenditures related to child nutrition.

State Intervention (K-12)

The State Intervention (K-12) fund balance remained stable in FY'18, with a slight increase of \$323,894. The State Intervention (K-12) is a special revenue fund. Fund balance is restricted for expenditures related to students considered to be at-risk.

Capital Outlay Fund

The District has the authority to levy up to 8 mills in the Capital Outlay fund. The District levied 8 mills during the FY'18 budget process to take full advantage of the state aid.

The Capital Outlay fund balance increased \$15.4 million in FY'18. After beginning FY'18 with a higher beginning balance than the previous year, the District earned better than expected interest income and also collected more delinquent ad valorem taxes. Those increased revenues, combined with cash held for future projects including a major software upgrade in FY'19, resulted in an increased ending fund balance, as previously mentioned.

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 \$47.9 million to \$155.5 million as a result of proceeds from the crossover advance refunding of the Series 2010-B general obligation school building bonds, as previously mentioned. General obligation refunding bonds, Series 2017-A, were issued as part of the refunding. These funds will be used to make interest payments on the 2017-A general obligation refunding bonds until the crossover date of October 1, 2020, at which time the escrow will be used for defeasance of the 2010-B bonds.

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'18. However, the final legal maximum budget was reduced from \$351,059,229 to \$348,269,058 by the Kansas State Department of Education, due to lower than anticipated final audited enrollment.

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

Capital Assets and Debt Administration

Capital Assets

At the end of the fiscal years 2018 and 2017, the District had \$792,409,433 and \$808,069,967, respectively, invested in capital assets (net of depreciation). The FY'18 decrease in buildings and improvements and decrease in machinery and equipment are primarily attributable to

increases in depreciation as assets put into service in FY'17 upon the completion of the bond received a full year of depreciation in FY'18. Construction in progress increased by \$6.4 million as the District focused some capital spending on deferred improvement projects following the end of bond projects.

Table 4
Capital Assets - Net of Depreciation
Governmental Activities

	2018	2017	Change %
Land	\$ 20,872,376	\$ 20,880,026	-0.04%
Land Improvements	28,624,031	28,911,503	-0.99%
Intangibles	3,511,964	3,811,600	-7.86%
Construction in progress	14,458,281	8,064,841	79.28%
Buildings and improvements	708,891,466	727,703,125	-2.59%
Machinery and equipment	16,051,315	18,698,872	-14.16%
Total capital assets - net of depreciation	<u>\$ 792,409,433</u>	<u>\$ 808,069,967</u>	<u>-1.94%</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, 2018, the District had \$481,870,000 in bonds and notes outstanding. Table 5 summarizes debt outstanding.

Table 5
Governmental Activities
Outstanding Debt, at Year End

	2018	2017	Change %
General Obligation Bonds	\$ 481,870,000	\$ 409,875,000	17.57%

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

The District paid \$23,085,000 in scheduled bond principal payments during FY'18. As previously mentioned, the District issued \$95,080,000 in general obligation refunding bonds in December 2017.

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. As a result of the crossover advance refunding during FY'18, the net bonded debt to estimated actual value increased from 2.24% in FY'17 to

2.62% in FY'18, and the net bonded debt per capita increased from \$986 to \$1,182. Additionally, net bonded debt per pupil increased from \$7,606 in FY'17 to \$9,110 in FY'18.

The District was assigned a credit rating of Aa2 during FY'18, which is unchanged from the last rating action in 2015. 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'19 in the amount of \$21.8 million and the Title IIA allocation of \$2.3 million for FY'19.
- In August, the Board of Education approved FY'19 contract agreements with the teachers' union, United Teachers of Wichita (UTW), and the service employees' union, Service Employees International Union (SEIU). Additionally, the Board approved salary increases for its administrative and technical employee groups. The cost to the District for all groups in FY'19 is approximately \$18 million.
- In September, the District received notice of the Special Education IDEA VI-B allocation for FY'19 in the amount of \$10.9 million for the 3-5 Early Childhood and 3-21 Pass Through programs.
- On October 1, 2018, the District exercised an early call option for the 2009-A Series bonds, discharging \$6.9 million in principal balance.
- In October, the Kansas State Department of Education released a report that Kansas had 612 vacant teaching positions across the state, which is a 19% increase from the same time last year. Most of the vacancies are in special education, followed by elementary education, English language arts, science and math. This increase follows two years of increased funding which has allowed many districts to offer higher salaries.
- In November, Democrat Laura Kelly was elected as Governor of Kansas. Ms. Kelly has pledged as one of her first-year priorities investment in public schools.

Contacting the School District's Financial Management

Accounting Web Page: <https://www.usd259.org/Page/2461>

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

Contact Accounting by E-mail: accounting@usd259.net

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

Write the Financial Services Division:

Unified School District #259
Attention: Susan Willis
903 S. Edgemoor, Suite 209
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Basic Financial Statements



Financial Section

**Wichita Public Schools
Unified School District No. 259
Statement of Net Position
June 30, 2018**

	Governmental Activities
Assets	
Cash, cash equivalents and investments	\$ 189,977,748
Restricted cash, cash equivalents and investments	115,257,282
Receivables:	
State aid	24,963,930
Interest	333,241
Intergovernmental	8,163,084
Inventory	2,387,757
Capital assets:	
Land and construction in progress	35,330,657
Other capital assets, net of depreciation	<u>757,078,776</u>
Total assets	<u>1,133,492,475</u>
 Deferred outflows of resources	
Deferred charge on refunding	1,440,678
Deferred outflows - OPEB	1,424,223
Deferred outflows - pension	<u>102,546,075</u>
Total deferred outflows of resources	<u>105,410,976</u>
 Liabilities	
Accounts payable	8,397,222
Accrued payroll	10,607,293
Interest payable	5,628,215
Advance - grants	209,894
Long-term liabilities, including claims payable	
Due within one year	57,898,424
Due in more than one year	<u>1,024,098,062</u>
Total liabilities	<u>1,106,839,110</u>
 Deferred inflows of resources	
Deferred inflows - OPEB	1,604,222
Deferred inflows - pension	<u>52,133,555</u>
Total deferred inflows of resources	<u>53,737,777</u>
 Net Position	
Net investment in capital assets	411,756,706
Restricted for:	
Instruction and support services	5,827,796
Facilities and capital projects	44,294,760
Debt service	35,812,445
Self-insurance claims	32,631,552
Special education	8,213,543
Nutrition service	14,683,860
Federal and state grant programs	462,141
Unrestricted	<u>(475,356,239)</u>
Total net position	<u>\$ 78,326,564</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, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
Instruction	\$ 364,388,318	\$ 5,063,816	\$ 175,081,551	\$ -	\$ (184,242,951)
Student and instructional support	81,019,951	97,224	37,450,842	-	(43,471,885)
Administration	43,724,333	-	7,359,586	-	(36,364,747)
Operations and maintenance	79,825,564	-	11,218,387	-	(68,607,177)
Student transportation service	24,115,802	-	18,858,058	-	(5,257,744)
Nutrition services	24,483,049	3,285,489	21,474,137	-	276,577
Interest on long-term debt	19,014,877	-	11,964,239	-	(7,050,638)
Total primary government	<u>\$ 636,571,894</u>	<u>\$ 8,446,529</u>	<u>\$ 283,406,800</u>	<u>\$ -</u>	<u>(344,718,565)</u>
General revenues:					
Property taxes levied for:					
General purposes					53,812,918
Debt service					24,920,297
Capital outlay					24,107,333
State and federal aid not restricted to specific purposes					258,673,488
State aid received for debt service (principal)					10,157,400
Earnings on investments					2,220,664
Miscellaneous					3,971,412
Total general revenues					<u>377,863,512</u>
Change in net position					<u>33,144,947</u>
Net position-beginning					<u>55,828,192</u>
Prior period adjustment					<u>(10,646,575)</u>
Net position-ending					<u>\$ 78,326,564</u>

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

Unified School District No. 259
Balance Sheet
Governmental Funds
June 30, 2018

	General	Special Education	Nutrition Services	State Intervention (K-12)	Capital Outlay	Bond and Interest	Nonmajor Governmental Funds	Total Governmental Funds
Assets:								
Cash, cash equivalents and investments	\$ 16,069,436	\$ 13,575,932	\$ 16,045,496	\$ 2,770,777	\$ 46,864,498	\$ 40,314,590	\$ 6,972,891	\$ 142,613,620
Restricted cash, cash equivalents and investments	-	-	-	-	-	115,182,373	74,909	115,257,282
Intergovernmental receivables	482,580	4,614,264	-	-	-	1,107,611	1,958,629	8,163,084
State aid receivable	24,963,930	-	-	-	-	-	-	24,963,930
Interest receivable	-	-	-	-	314,781	18,460	-	333,241
Inventory	1,075,447	-	1,312,310	-	-	-	-	2,387,757
Total assets	<u>\$ 42,591,393</u>	<u>\$ 18,190,196</u>	<u>\$ 17,357,806</u>	<u>\$ 2,770,777</u>	<u>\$ 47,179,279</u>	<u>\$ 156,623,034</u>	<u>\$ 9,006,429</u>	<u>\$ 293,718,914</u>
Liabilities:								
Accounts payable	\$ 3,864,357	\$ 319,251	\$ 287,415	\$ 191,467	\$ 2,990,278	\$ -	\$ 424,757	\$ 8,077,525
Accrued payroll	5,020,254	1,801,528	146,598	1,999,702	123,826	-	1,515,385	10,607,293
Advance - grants	200,416	-	-	-	-	-	9,478	209,894
Total liabilities	<u>9,085,027</u>	<u>2,120,779</u>	<u>434,013</u>	<u>2,191,169</u>	<u>3,114,104</u>	<u>-</u>	<u>1,949,620</u>	<u>18,894,712</u>
Deferred Inflows of Resources:								
Unavailable revenue - receivables	-	4,614,264	-	-	-	1,107,611	-	5,721,875
Total deferred inflows of resources	<u>-</u>	<u>4,614,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,107,611</u>	<u>-</u>	<u>5,721,875</u>
Fund Balances:								
Nonspendable	1,075,447	-	1,312,310	-	-	-	-	2,387,757
Restricted	462,141	11,455,153	15,611,483	579,608	44,065,175	155,515,423	7,056,809	234,745,792
Assigned	13,839,324	-	-	-	-	-	-	13,839,324
Unassigned	18,129,454	-	-	-	-	-	-	18,129,454
Total fund balances	<u>33,506,366</u>	<u>11,455,153</u>	<u>16,923,793</u>	<u>579,608</u>	<u>44,065,175</u>	<u>155,515,423</u>	<u>7,056,809</u>	<u>269,102,327</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 42,591,393</u>	<u>\$ 18,190,196</u>	<u>\$ 17,357,806</u>	<u>\$ 2,770,777</u>	<u>\$ 47,179,279</u>	<u>\$ 156,623,034</u>	<u>\$ 9,006,429</u>	<u>\$ 293,718,914</u>

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, 2018

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

Total fund balance -- governmental funds		\$ 269,102,327
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 1,177,938,963	
Accumulated Depreciation	<u>(385,529,530)</u>	792,409,433
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	1,440,678	
Deferred outflows - pension	102,546,075	
Deferred outflows - OPEB	<u>1,424,223</u>	105,410,976
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	(481,870,000)	
Premium on Bonds Payable	(15,466,654)	
Discount on Bonds Payable	7,623	
Accrued Interest Payable on the Bonds	(5,628,215)	
Special Assessments	(311,917)	
Early Retirement Program	(34,938,510)	
Compensated Absences	(10,541,000)	
Total OPEB Liability	(11,314,931)	
Net OPEB Liability	(34,126,311)	
Net Pension Liability	(476,205,472)	
Environmental Liability	<u>(2,816,435)</u>	(1,073,211,822)
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	(52,133,555)	
Deferred inflows - OPEB	<u>(1,604,222)</u>	(53,737,777)
Medicaid accounts 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.		4,614,264
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.		1,107,611
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>32,631,552</u>
Total net position -- governmental activities		\$ 78,326,564

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, 2018

	General	Special Education	Nutrition Services	State Intervention (K-12)	Capital Outlay	Bond and Interest	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:								
Taxes	\$ 53,383,237	\$ -	\$ -	\$ -	\$ 24,107,333	\$ 24,920,297	\$ 429,681	\$ 102,840,548
Intergovernmental - State	267,194,924	43,328,346	239,239	78,131,422	9,534,356	17,698,311	60,004,187	476,130,785
Intergovernmental - Federal	-	20,304,944	19,614,715	-	-	-	32,125,529	72,045,188
Interest expense subsidy - Federal	-	-	-	-	-	4,423,328	-	4,423,328
Charges for services	858,988	-	3,285,489	37,989	-	-	4,264,063	8,446,529
Earnings on investments	8,730	-	196,177	-	1,911,419	(367,352)	13,757	1,762,731
Other	1,730,968	80,262	-	-	126,667	-	711,036	2,648,933
Contributions	414,380	-	-	-	-	-	-	414,380
Total revenues	323,591,227	63,713,552	23,335,620	78,169,411	35,679,775	46,674,584	97,548,253	668,712,422
Expenditures:								
Current:								
Instruction	116,674,067	67,983,073	-	80,156,800	5,087,500	-	72,085,041	341,986,481
Student and instructional support	32,198,548	26,873,781	-	1,355,000	3,399	-	21,977,203	82,407,931
Administration	36,237,828	2,174,265	-	863,524	1,428	-	5,655,441	44,932,486
Operations and maintenance	63,093,833	2,479,225	-	547,723	6,352,026	-	5,303,056	77,775,863
Student transportation service	12,888,754	11,012,105	-	-	-	-	258,335	24,159,194
Nutrition services	1,370	-	23,486,022	-	-	-	1,620,183	25,107,575
Sub-total current expenditures	261,094,400	110,522,449	23,486,022	82,923,047	11,444,353	-	106,899,259	596,369,530
Facility acquisition and construction service	318,987	-	-	-	13,623,148	-	432,804	14,374,939
Debt Service:								
Principal retirement	-	-	-	-	-	23,085,000	-	23,085,000
Interest	-	-	-	-	-	21,105,418	-	21,105,418
Total expenditures	261,413,387	110,522,449	23,486,022	82,923,047	25,067,501	44,190,418	107,332,063	654,934,887
Excess (deficiency) of revenues over (under) expenditures	62,177,840	(46,808,897)	(150,402)	(4,753,636)	10,612,274	2,484,166	(9,783,810)	13,777,535
Other financing sources (uses):								
Refunding bond issuance	-	-	-	-	-	95,080,000	-	95,080,000
Premium on bond issuance	-	-	-	-	-	10,016,048	-	10,016,048
Sale of property	-	-	-	-	1,322,478	-	-	1,322,478
Transfers in	-	47,068,860	-	5,077,530	3,473,196	-	11,883,678	67,503,264
Transfers out	(68,403,264)	-	-	-	-	-	-	(68,403,264)
Total other financing sources (uses)	(68,403,264)	47,068,860	-	5,077,530	4,795,674	105,096,048	11,883,678	105,518,526
Net change in fund balances	(6,225,424)	259,963	(150,402)	323,894	15,407,948	107,580,214	2,099,868	119,296,061
Fund balances at beginning of year	39,753,011	11,195,190	16,965,642	255,714	28,657,227	47,935,209	4,956,941	149,718,934
Change in reserve for inventory	(21,221)	-	108,553	-	-	-	-	87,332
Fund balances at end of year	\$ 33,506,366	\$ 11,455,153	\$ 16,923,793	\$ 579,608	\$ 44,065,175	\$ 155,515,423	\$ 7,056,809	\$ 269,102,327

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, 2018

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

Net change in fund balances -- total governmental funds		\$ 119,296,061
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	\$ (31,719,775)	
Capital assets capitalized	<u>18,748,615</u>	(12,971,160)
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.		
		(2,689,374)
Revenues reported in the funds that do not provide current financial resources are reported as revenues in the statement of activities.		
		(772,435)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		
		(95,080,000)
Bond premium proceeds provide current financial resources to governmental funds, but increases long-term liabilities in the statement of net position.		
		(10,016,048)
The amortization of bond premiums and discounts decreases the long term liabilities in the statement of net position, but does not provide current financial resources to the governmental funds.		
		3,239,866
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		23,085,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		(610,436)
Repayments of special assessments decrease liabilities in the statement of net position, but do not provide current financial resources to the governmental funds.		
		263,337
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 more than benefits paid	(385,000)	
Early retirement benefits earned were less than benefits paid	296,495	
Reduction in total OPEB liability exceeded costs incurred	736,193	
Reduction in net OPEB liability exceeded costs incurred	6,588,090	
Increase in the net pension liability was more than benefits paid	(31,504,658)	
Environmental liabilities incurred were more than amounts paid	<u>(2,570,880)</u>	(26,839,760)
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	26,658,516	
Deferred outflows - OPEB	(7,309)	
Deferred inflows - pensions	5,322,489	
Deferred inflows - OPEB	(1,604,222)	
Deferred refunding	<u>(542,447)</u>	29,827,027
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.		
		6,325,537
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.		
		<u>87,332</u>
Change in net position of governmental activities		\$ 33,144,947

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, 2018**

	Internal Service Funds
Assets:	
Current assets:	
Cash, cash equivalents and investments	\$ 47,364,128
Total current assets	<u>47,364,128</u>
Liabilities:	
Current liabilities:	
Accrued liabilities	319,697
Current portion - claims payable	<u>9,413,003</u>
Total current liabilities	<u>9,732,700</u>
Noncurrent liabilities	
Long-term claims payable	<u>4,999,876</u>
Total liabilities	<u>14,732,576</u>
Net Position:	
Total net position restricted for self-insurance claims	<u><u>\$ 32,631,552</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, 2018**

	Internal Service Funds
Operating revenues:	
Charges for services	\$ 72,170,371
Total operating revenues	<u>72,170,371</u>
Operating expenses:	
Contractual services	<u>67,202,767</u>
Total operating expenses	<u>67,202,767</u>
Operating income (loss)	<u>4,967,604</u>
Nonoperating revenues:	
Interest	<u>457,933</u>
Total nonoperating revenues	<u>457,933</u>
Income (loss) before transfers	5,425,537
Transfers in	<u>900,000</u>
Change in net position	6,325,537
Total net position-beginning of year	<u>26,306,015</u>
Total net position-end of year	<u><u>\$ 32,631,552</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, 2018**

	Internal Service Funds
Cash flows from operating activities:	
Cash received from services	\$ 72,170,371
Cash payments for claims	(65,829,205)
Net cash flow from operating activities	<u>6,341,166</u>
Cash flows from non-capital financing activities:	
Transfers from other funds	<u>900,000</u>
Net cash flow from non-capital financing activities	<u>900,000</u>
Cash flows from investing activities:	
Interest on investments	<u>457,933</u>
Net cash flow from investing activities	<u>457,933</u>
Net change in cash and cash equivalents	7,699,099
Cash and cash equivalents-beginning of the year	<u>39,665,029</u>
Cash and cash equivalents-end of the year	<u><u>\$ 47,364,128</u></u>
 Reconciliation of operating income to net cash flow from operating activities:	
Operating income (loss)	\$ 4,967,604
Adjustments to reconcile operating income (loss) to net cash flow from operating activities:	
Change in accrued liabilities	62,156
Change in claims payable	<u>1,311,406</u>
Net cash flow from operating activities	<u><u>\$ 6,341,166</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, 2018**

	Employee Benefit Trust Funds	Agency Funds
Assets:		
Cash and cash equivalents	\$ 12,139,189	\$ 8,164,874
Certificates of deposit	10,500,000	-
Investments	3,982,251	-
Interest receivable	117,400	-
Total assets	<u>26,738,840</u>	<u>8,164,874</u>
Liabilities:		
Due to others	-	8,164,874
Total liabilities	<u>-</u>	<u>8,164,874</u>
Net Position:		
Restricted for other employee benefits	19,187,641	
Restricted for other post employment benefits	7,551,199	-
Total net position	<u>\$ 26,738,840</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, 2018**

	Employee Benefit Trust Funds
Additions:	
Employer contributions	\$ 27,429,011
Interest income	197,017
Total additions	<u>27,626,028</u>
Deductions:	
Benefits	17,717,815
Administration	157,113
Total deductions	<u>17,874,928</u>
Change in net position	9,751,100
Net position - beginning of year	<u>16,987,740</u>
Net position - end of year	<u><u>\$ 26,738,840</u></u>

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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. However, interfund services provided and used are not eliminated in the process of consolidation.

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 Instructional 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, the deputy superintendent, 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 Service – 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.

State Intervention (K-12) – used to account for programs for the District’s population by providing educational opportunities and instructional services to assist in closing the achievement gap. The primary revenues supporting this fund are from state aid restricted for this purpose.

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

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

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

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

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

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

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 year. Tax

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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 \$24,963,930 for the fiscal year ended June 2018 until July 2018. The District was instructed by the State to record the final payment as though it had been received on June 30, 2018. 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 \$10,000 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:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
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 \$30 per unused accrued temporary leave day 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. *Postemployment Benefits Other Than Pensions (OPEB)*

For purposes of measuring the net OPEB liability, deferred outflows and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefit Trust Plan (RBTP) and additions to/deductions from the RBTP has been determined on the same

basis as they are reported by the RBTP. For this purpose, the RBTP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value with the exception of money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

9. *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 three items that qualify for reporting in this category, deferred charge on refunding, collective deferred outflows for pensions and deferred outflows for OPEB. 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. F. and G. for more information on the deferred outflows for pensions and OPEB, respectively.

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 three 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 other two items, deferred inflows for pensions and deferred inflows for OPEB, are reported only in the Statement of Net Position. See Notes IV. F. and G. for more information on these deferred inflows for pension and OPEB, respectively.

10. *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 General Fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

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.

11. 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.

12. 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 2017 legislative session, Senate Bill 19 passed, amending and repealing numerous statutes pertaining to how public schools are financed in Kansas. For fiscal year ending June 30, 2018, the level of the general fund budget is based on a formula that used \$4,006 per full-time equivalent weighted student as of September 20. Additionally, state aid that had been previously unrestricted was deemed to be restricted to a number of funds. Based on this change, certain funds that had previously been reported as part of the General Fund were reclassified and reported as special revenue funds, due to now having revenue sources that were restricted to specific purposes beginning with the fiscal year ended June 30, 2018. This included the 4 Year Old State Intervention, State Intervention (K-12), Bilingual Education, and Vocational Education 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, 2018, 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, 2018, the securities underlying the District's repurchase agreements include U.S. Treasury notes and GNR 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.

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; and 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). As of June 30, 2018, \$103,065,275 of investment value represent proceeds of issuance of Series 2017A general obligation refunding bonds and are held by an escrow agent. These funds will be used to make interest payments on the 2017A general obligation refunding bonds until the crossover date of October 1, 2020 at which time the escrow will be used for the defeasance of the 2010B general obligation school building bonds.

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.

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As of June 30, 2018, 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	\$ 3,860,228	\$ 3,860,228	\$ --	N/A
U.S. Treasury bills	111,047,522	11,467,412	99,580,110	Level 1
Treasury obligation mutual	20,368,678	20,368,678	--	Level 1
Total	<u>\$ 135,276,428</u>	<u>\$ 35,696,318</u>	<u>\$ 99,580,110</u>	

Deposits and investments at June 30, 2018 appear in the financial statements as summarized below:

Carrying amount of deposits	\$ 204,744,916
Carrying amount of investments	<u>135,276,428</u>
Total	<u>\$ 340,021,344</u>
Cash and investments - governmental funds, balance sheet	\$ 257,870,902
Cash and investments - internal service funds, statement of net position	<u>47,364,128</u>
Cash and investments - governmental activities statement of net position	305,235,030
Cash and investments - fiduciary funds	<u>34,786,314</u>
Total	<u>\$ 340,021,344</u>

B. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 20,880,026	\$ --	\$ 7,650	\$ 20,872,376
Construction in progress	<u>8,064,841</u>	<u>14,656,886</u>	<u>8,263,446</u>	<u>14,458,281</u>
Total capital assets, not being depreciated	<u>28,944,867</u>	<u>14,656,886</u>	<u>8,271,096</u>	<u>35,330,657</u>
Capital assets, being depreciated:				
Buildings and improvements	1,047,127,982	9,310,446	5,289,502	1,051,148,926
Machinery and equipment	41,669,516	1,616,601	1,768,933	41,517,184
Land improvements	44,223,771	1,428,128	161,728	45,490,171
Intangibles	<u>4,573,659</u>	<u>--</u>	<u>121,634</u>	<u>4,452,025</u>
Total capital assets being depreciated	<u>1,137,594,928</u>	<u>12,355,175</u>	<u>7,341,797</u>	<u>1,142,608,306</u>

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Less accumulated depreciation for:

Buildings and improvements	319,424,857	26,080,748	3,248,145	342,257,460
Machinery and equipment	22,970,644	3,756,967	1,261,742	25,465,869
Land improvements	15,312,268	1,657,938	104,066	16,866,140
Intangibles	762,059	224,122	46,120	940,061
Total accumulated depreciation	<u>358,469,828</u>	<u>31,719,775</u>	<u>4,660,073</u>	<u>385,529,530</u>
Total capital assets, being depreciated, net	<u>779,125,100</u>	<u>(19,364,600)</u>	<u>2,681,724</u>	<u>757,078,776</u>
Governmental activities capital assets, net	<u>\$ 808,069,967</u>	<u>\$ (4,707,714)</u>	<u>\$ 10,952,820</u>	<u>\$ 792,409,433</u>

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

Governmental activities:

Instruction	\$ 28,896,124
Student and Instructional Support	44,045
Administration	6,019
Operations and Maintenance	2,343,855
Transportation	8,816
Nutrition Services	<u>420,916</u>
Total depreciation expense – governmental activities	<u>\$ 31,719,775</u>

C. Long-Term Obligations

Long-term liability activity for the year ended June 30, 2018 was as follows:

	Balance June 30, 2017	Prior period adjustment	Additions	Reductions	Balance June 30, 2018	Due within one year
General obligation bonds	\$ 409,875,000	\$ --	\$ 95,080,000	\$ 23,085,000	\$ 481,870,000	\$ 29,830,000
Special assessments	575,254	--	--	263,337	311,917	311,917
Early retirement program	35,235,005	--	16,019,675	16,316,170	34,938,510	13,752,305
Compensated absences	10,156,000	--	19,230,000	18,845,000	10,541,000	851,000
Premium on bonds	8,692,896	--	10,016,048	3,242,290	15,466,654	3,381,098
Discount on bonds	(10,047)	--	--	(2,424)	(7,623)	(2,424)
Environmental liability	245,555	--	2,686,850	115,970	2,816,435	361,525
Claims payable	13,101,473	--	55,678,467	54,367,061	14,412,879	9,413,003
Total OPEB liability	--	12,051,124	1,007,687	1,743,880	11,314,931	--
Net OPEB liability	40,714,401	--	5,919,350	12,507,440	34,126,311	--
Net pension liability	444,700,814	--	139,021,549	107,516,891	476,205,472	--
Total	<u>\$ 963,286,351</u>	<u>\$ 12,051,124</u>	<u>\$ 344,659,626</u>	<u>\$ 238,000,615</u>	<u>\$ 1,081,996,486</u>	<u>\$ 57,898,424</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 and total OPEB 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 net OPEB liability will be liquidated by the Retiree Health Benefits Trust Fund as discussed in Note IV.G.

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. 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, 2018, this sinking fund had a balance of \$12,117,098, 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 were 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 were 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.

On December 28, 2017, the District issued \$95,080,000 in General Obligation Refunding Bonds with interest rates with an average yield of 2.02% due October 1, 2025. The bond proceeds were used to crossover advance refund \$100,000,000 of the Series 2010B bonds. The net proceeds related to the crossover refunding of the Series 2010B bonds of \$104,468,674 were placed into an escrow account to be used temporarily to meet debt service requirements on the new refunding bonds. At a later date,

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known as the “crossover date,” resources in the escrow account will be dedicated exclusively to payment of principal and interest on the refunded bonds. Therefore, crossover refundings do not result in the defeasance of debt until the crossover date. The District has recorded both the refunding and refunded bonds in the financial statements, as well as the balance of funds held in escrow for their repayment, which totals \$103,065,275 as of June 30, 2018. General obligation bond series 2010B has a crossover date of October 1, 2020. The crossover advance refunding was done to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$4,203,022.

As of June 30, 2018, \$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>
2019	\$ 29,830,000	\$ 20,032,562
2020	21,465,000	20,953,300
2021	25,125,000	20,036,950
2022	26,610,000	19,003,000
2023	38,085,000	17,613,437
2024 – 2028	317,855,000	45,212,198
2029 – 2033	<u>22,900,000</u>	<u>712,190</u>
Total	<u>\$ 481,870,000</u>	<u>\$ 143,563,637</u>

Special Assessment Taxes Payable. While the District does not have any special assessment bonded debt, the District is liable for certain special assessments on certain real property. The payments will be paid from future property tax revenues.

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 475 retirees receiving benefits.

For the year ended June 30, 2018, the District paid \$16,316,170 in benefits. The liability for the early retirement program includes the expected cash outflows related to future benefit payments, discounted at 3.30%.

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

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participants under the trust, assets held in the trust as of June 30, 2018 were recorded as a reduction to the liability and additional contributions made during 2018 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 Activity

A summary of interfund transfers by fund type for the year ended June 30, 2018 is as follows:

	Special Education	State Intervention (K-12)	Capital Outlay	Nonmajor Governmental	Internal Service	Total
Transfer from:						
General fund	\$ 47,068,860	\$ 5,077,530	\$ 3,473,196	\$ 11,883,678	\$ 900,000	\$ 68,403,264
Total	\$ 47,068,860	\$ 5,077,530	\$ 3,473,196	\$ 11,883,678	\$ 900,000	\$ 68,403,264

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.

E. Fund Balances

A summary of the components of fund balance, by purpose, for the year ended June 30, 2018 is as follows:

	General	Special Education	Nutrition Services	State Intervention (K-12)	Capital Outlay	Bond and Interest	Nonmajor Governmental	Total
Nonspendable:								
Inventory	\$ 1,075,447	\$ --	\$ 1,312,310	\$ --	\$ --	\$ --	\$ --	\$ 2,387,757
Restricted for:								
Instruction	--	--	--	579,608	--	--	5,248,188	5,827,796
Facilities	--	--	--	--	44,065,175	--	594,755	44,659,930
Debt Svc	--	--	--	--	--	155,515,423	--	155,515,423
Spec Ed	--	11,455,153	--	--	--	--	--	11,455,153
Nutrition	--	--	15,611,483	--	--	--	29,017	15,640,500
Fed & State	462,141	--	--	--	--	--	1,184,849	1,646,990
Assigned to:								
Instruction	13,839,324	--	--	--	--	--	--	13,839,324
Unassigned	18,129,454	--	--	--	--	--	--	18,129,454
Total	\$ 33,506,366	\$ 11,455,153	\$ 16,923,793	\$ 579,608	\$ 44,065,175	\$ 155,515,423	\$ 7,056,809	\$ 269,102,327

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.

Healthcare. All active employees of the District who are .75 FTE or higher, as well as grandfathered employees who are .5 to .74 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 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.

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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, 2016	\$ 6,971,253	\$ 82,000	\$ 7,026,635	\$ --
Incurred claims (including IBNR)	51,880,825	889,230	993,847	1,537,554
Claims payments	<u>(52,740,258)</u>	<u>(880,230)</u>	<u>(1,121,829)</u>	<u>(1,537,554)</u>
Unpaid claims, June 30, 2017	6,111,820	91,000	6,898,653	--
Incurred claims (including IBNR)	51,046,270	930,514	2,476,458	1,225,225
Claim payments	<u>(50,424,090)</u>	<u>(930,514)</u>	<u>(1,787,232)</u>	<u>(1,225,225)</u>
Unpaid claims, June 30, 2018	<u>\$ 6,734,000</u>	<u>\$ 91,000</u>	<u>\$ 7,587,879</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 for an estimated 20 years. The present value of the costs required for the Feasibility Study, monitoring activities, and interim remedial measures is estimated at \$2,816,435. 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.

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D. Construction Commitments and Encumbrances

As of June 30, 2018, the District has outstanding construction commitments of \$53,253 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	\$ 1,958,606
Nutrition Services	6,331,502
State Intervention (K-12)	576,516
Capital Outlay	12,346,926
Nonmajor Governmental	<u>640,313</u>
Total	<u><u>\$ 21,853,863</u></u>

E. Tax Abatements

Due to tax abatements by the following local governments, the District's fiscal year 2018 property tax revenues were reduced by the total reflected below:

Sedgwick County	\$ 2,183,313
City of Wichita	1,823,117
City of Kechi	20,316
City of Bel Aire	6,953
Park City	<u>529,676</u>
Total	<u><u>\$ 4,563,375</u></u>

F. Defined Benefit Pension Plan

General 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>, 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 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.

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

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, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate 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. The actuarially determined employer contribution rate (not including 1.00% contribution rate for Death and Disability program) and the statutory contribution rate was 16.03% and 10.81%, respectively, for the fiscal year ended June 30, 2017. The actuarially determined employer contribution rate (not including 1.00% contribution rate for Death and Disability program) and the statutory contribution rate was 16.38% and 12.01%, respectively, for the fiscal year ended June 30, 2018.

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 \$39,639,537 and \$27,581,510 for the periods ended June 30, 2018 and 2017, respectively. Since the statutes require the State of Kansas to set the KPERS employer

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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.

Per 2017 Senate Substitute House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million per year. The first year payment of \$6.4 million was received in July 2017.

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

At June 30, 2018, the District reported a liability of \$476,205,472 for its proportionate share of the KPERS' collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2017, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. 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, 2017. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2017, the District's proportion was 7.09%, which was an increase of 0.47% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$39,163,192. At June 30, 2018, 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	\$ -	\$ 23,682,918
Net difference between projected and actual earnings on pension plan investments	10,212,918	-
Changes in proportionate share	30,208,740	27,820,247
Changes in assumptions	22,484,880	630,390
District contributions subsequent to measurement date	<u>39,639,537</u>	<u>-</u>
Total	<u>\$ 102,546,075</u>	<u>\$ 52,133,555</u>

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The \$39,639,537 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, 2019. 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	
2019	\$	(3,383,776)
2020		10,130,128
2021		3,617,041
2022		(3,392,533)
2023		3,802,123
	\$	<u>10,772,983</u>

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75 percent
Wage inflation	3.50 percent
Salary increases, including wage increases	3.50 to 12.00 percent, including inflation
Long-term rate of return net of investment expense, and including price inflation	7.75 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, 2016 valuation were based on the results of an actuarial experience study conducted for the three-year period beginning January 1, 2013.

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

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

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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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	47%	6.80%
Fixed income	13	1.25
Yield driven	8	6.55
Real return	11	1.71
Real estate	11	5.05
Alternatives	8	9.85
Short-term investments	2	(0.25)
Total	100%	

Discount rate. The discount rate used by KPERS to measure the total pension liability was 7.75%. 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 statutory cap for fiscal year 2017 was 1.2%. 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 7.75%, 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
District's proportionate share of the collective net pension liability	\$ 634,888,268	\$ 476,205,472	\$ 342,304,014

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. Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contributions to KPERS were decreased by \$194,022,683 for the fiscal year ended June 30, 2019. Section 56 (19) of the bill also stipulates that repayments of the reduced contributions are to be

amortized over twenty years at a level dollar amount commencing in fiscal year 2020. The level dollar amount was computed to be \$19.4 million per year.

It is unknown at the time whether these reductions 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.

G. Postemployment Benefits Other Than Pensions

District 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 (District). The Plan does not issue a stand-alone audited GAAP basis financial report.

Investment policy. The District's policy in regard to the allocation of invested assets is established and may be amended by the Board of Education. As of June 30, 2018, the targeted allocation was 100% in cash equivalents for liquidity purposes.

Rate of return. For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 0.77%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

General Information About the Plan

Plan description and benefits provided. 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 are offered the plan with the highest coverage levels, which is one of several options offered to active employees. Within that plan, retirees and spouses have the same benefits as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches the Medicare eligibility age which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or dies. Membership of the Plan consisted of the following at July 1, 2017, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries receiving benefits	881
Active plan members	6,620
Total	<u>7,501</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, which are 125% of the premium cost for

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active employees, as allowed by statute. 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. For the year ended June 30, 2018, the District contributed \$11,115,280 into the Plan.

Total OPEB Liability of the District

The components of the net OPEB liability of the District at June 30, 2018, were as follows:

Total OPEB liability	\$ 41,677,510
Plan fiduciary net position	<u>7,551,199</u>
District's net OPEB liability	<u><u>\$ 34,126,311</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	18.12%

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2018.

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	0.40%
Healthcare cost trend rates	6.50% for 2017 grading to 5.00% over 7 years

Mortality rates were based on the RPH-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.

The actuarial assumptions used in the July 1, 2016 valuation were based on similar assumptions used to value pension liabilities for Kansas school district employees. The Kansas state pension plans base their assumptions on periodic experience studies.

The long-term expected rate of return on OPEB 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 investment expense and inflation) are developed for each major asset class. As of June 30, 2018, the District only had investments in cash equivalents with a long-term expected real rate of return of 0.40%.

Discount rate. The discount rate used to measure the total OPEB liability was 3.30%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by

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year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members through the year 2022. At that point in time, the plan's fiduciary net position will be insufficient to satisfy projected future benefits payments. Therefore, the long-term expected rate of return on OPEB investments (0.40%) was applied to years 2019 through 2022 of projected benefit payments and the 20-year municipal bond rate of 3.50% was applied to projected benefit payments after 2022 to determine the total OPEB liability. The discount rate increased from 2.90% on June 30, 2017 to 3.30% on June 30, 2018.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2017	\$ 40,927,826	\$ 213,425	\$ 40,714,401
Changes from the prior year:			
Service cost	2,186,495	-	2,186,495
Interest cost	1,234,422	-	1,234,422
Assumption changes	(1,445,590)	-	(1,445,590)
Employer contributions	-	11,115,280	(11,115,280)
Employee contributions	2,553,421	-	2,553,421
Projected investment return	-	854	(854)
Difference between expected and actual experience	-	704	(704)
Benefit payments	(3,779,064)	(3,779,064)	-
Administrative expenses	-	-	-
Other changes	-	-	-
Total net changes	<u>749,684</u>	<u>7,337,774</u>	<u>(6,588,090)</u>
Balances at June 30, 2018	<u>\$ 41,677,510</u>	<u>\$ 7,551,199</u>	<u>\$ 34,126,311</u>

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.30%) or 1-percentage-point higher (4.30%) than the current discount rate:

	1% Decrease 2.30%	Discount Rate 3.30%	1% Increase 4.30%
Net OPEB Liability	\$ 38,324,595	\$ 34,126,311	\$ 30,298,459

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.50% decreasing to 4.00%) or 1-percentage-point higher (7.50% decreasing to 6.00%) than the current healthcare cost trend rates:

	1% Decrease (5.50% decreasing to 4.00%)	Healthcare Trend Rate (6.50% decreasing to 5.00%)	1% Increase (7.50% decreasing to 6.00%)
Net OPEB liability	\$ 28,464,858	\$ 34,126,311	\$ 40,971,525

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OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized OPEB expense of \$3,365,929. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ 19,674	\$ -
Changes in assumptions	-	1,264,891
Total	<u>\$ 19,674</u>	<u>\$ 1,264,891</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	<u>Deferred Outflows (Inflows) of Resources</u>
2019	\$ (174,094)
2020	(174,094)
2021	(174,094)
2022	(180,839)
2023	(180,699)
Thereafter	(361,397)
	<u>\$ (1,245,217)</u>

KPERS Death and Disability OPEB Plan

Plan Description. The District participates in an agent multiple-employer defined benefit other post-employment benefit (OPEB) plan which is administered by KPERS. The Plan provides long-term disability benefits and life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. Because the trust's assets are used to pay employee benefits other than OPEB, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There is no stand-alone financial report for the plan.

Benefits provided:

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

Long-term disability benefit: Monthly benefit is 60% of the member's monthly compensation, with a minimum of \$100 and maximum of \$5,000. The monthly benefit is subject to reduction by deductible

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sources of income, which include Social Security primary disability or retirement benefits, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability occurs after age 60, benefits are payable while disability continues, for a period of 5 years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the term of the disability or 24 months per lifetime, whichever is less. There are no automatic cost-of-living increase provisions. KPERS has the authority to implement an ad hoc cost-of living increase.

Group life waiver of premium benefit: Upon the death of an employee who is receiving monthly disability benefits, the plan will pay a lump-sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of the member's annual rate of compensation at the time of disability or the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for 5 or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual life insurance plan.

Members covered by benefit terms. At June 30, 2018, the following members were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	114
Active employees	6,833
	<u>6,947</u>

Total OPEB Liability

The District's total OPEB liability of \$11,314,931 was measured as of June 30, 2017, and was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise noted:

Price inflation	2.75%
Payroll growth	3.00%
Salary increases, including inflation	3.50 to 11.50%, including price inflation
Discount rate	3.58%
Healthcare cost trend rates	Not applicable for the coverage in this plan
Retiree share of benefit cost	Not applicable for the coverage in this plan

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustment for mortality improvements based on Scale MP-2017.

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The actuarial assumptions used in the June 30, 2017 valuation were based on actuarial experience study for the period July 1, 2014 – June 30, 2016. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2016 KPERS pension valuation.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at fiscal year-end 6/30/17	<u>\$ 12,051,124</u>
Changes for the year:	
Service cost	703,157
Interest	343,623
Effect of assumptions changes or inputs	(378,424)
Benefit payments	<u>(1,404,549)</u>
Net changes	<u>(736,193)</u>
Balance at fiscal year-end 6/30/18	<u><u>\$ 11,314,931</u></u>

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate increased from 2.85% on June 30, 2016 to 3.58% on June 30, 2017.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB liability	<u>\$ 11,826,976</u>	<u>\$ 11,314,931</u>	<u>\$ 10,815,177</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS. Therefore, there is no sensitivity to a change in healthcare trend rates.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized OPEB expense of \$1,007,687. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Changes in assumptions	\$ -	\$ 339,331
Benefit payments subsequent to the measurement date	1,404,549	-
Total	<u>\$ 1,404,549</u>	<u>\$ 339,331</u>

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The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling \$1,404,549 consist of payments made to KPERS for benefits and administrative costs, and will be recognized as a reduction in the total OPEB liability during the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflows (Inflows) of Resources
Year ended June 30:	
2019 \$	(39,093)
2020	(39,093)
2021	(39,093)
2022	(39,093)
2023	(39,093)
Thereafter	(143,866)
	<u>\$ (339,331)</u>

Prior period adjustment. The implementation of GASB 75 resulted in a \$1,404,549 increase to deferred outflows of resources, a \$12,051,124 increase to the total OPEB liability and a \$10,646,575 decrease to net position as of July 1, 2017.

Summary of OPEB Plans

As of June 30, 2018, the District's net OPEB liability, total OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB expense associated with the two OPEB plans are summarized as follows:

	<u>2018</u>
Total OPEB liability	\$ 11,314,931
Net OPEB liability	\$ 34,126,311
Deferred outflows of resources	\$ 1,424,223
Deferred inflows of resources	\$ 1,604,222
OPEB expense	\$ 4,373,616

H. 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	\$ 19,187,641	\$ 7,551,199	\$ 26,738,840
Total liabilities	-	-	-
Net position	<u>\$ 19,187,641</u>	<u>\$ 7,551,199</u>	<u>\$ 26,738,840</u>

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Additions	\$ 16,509,190	\$ 11,116,838	\$ 27,626,028
Deductions	<u>14,095,864</u>	<u>3,779,064</u>	<u>17,874,928</u>
Change in net position	2,413,326	7,337,774	9,751,100
Beginning net position	<u>16,774,315</u>	<u>213,425</u>	<u>16,987,740</u>
Ending net position	<u>\$ 19,187,641</u>	<u>\$ 7,551,199</u>	<u>\$ 26,738,840</u>

I. 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. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability and a corresponding deferred outflow of resources for AROs when the liability is incurred and reasonable estimable. This statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for estimating the liability and the estimated remaining useful life of the associated tangible capital asset. The provisions of this statement are effective for financial statements for the District's fiscal year ending June 30, 2019.

GASB Statement No. 84, *Fiduciary Activities*, improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when demands for resources has been made or when no further action, approval or condition is required to be taken or met by the beneficiary to release the assets. The provisions of this statement are effective for financial statements for the District's fiscal year ending June 30, 2020.

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Provisions of this statement are effective for financial statements for the District's fiscal year ending June 30, 2021.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, improves information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Provisions of this statement are effective for financial statements for the District's year ending June 30, 2019.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. It also simplifies the accounting for interest cost incurred before the end of a

construction period. Provisions of this statement are effective for financial statements for the District's fiscal year ending June 30, 2021.

GASB Statement No. 90, *Major Equity Interests*, improves consistency and comparability of reporting a government's majority equity interest in a legally separate organization, and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. Provisions of this statement are effective for financial statements for the District's year ending June 30, 2020.

J. Subsequent Events

On October 1, 2018, the District exercised an early call option for the 2009-A Series bonds, discharging \$6.9 million in principal balance.



Required Supplementary Information



Financial Section

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

June 30, 2018

**Schedule of Changes in the
District's Net OPEB Liability and Related Ratios
Last Two Fiscal Years***

	2018	2017
Total OPEB liability		
Service cost	\$ 2,186,495	\$ 2,417,716
Interest	1,234,422	1,192,288
Assumption changes	(1,445,590)	
Employee contributions	2,553,421	2,740,447
Benefit payments	(3,779,064)	(5,476,604)
Net change in total OPEB liability	749,684	873,847
Total OPEB liability - beginning	40,927,826	40,053,979
Total OPEB liability - ending (a)	<u>\$ 41,677,510</u>	<u>\$ 40,927,826</u>
 Plan fiduciary net position		
Employer contributions	\$ 11,115,280	\$ -
Net investment income	1,558	(10,925)
Benefit payments	(3,779,064)	(5,476,604)
Net change in plan fiduciary net position	7,337,774	(5,487,529)
Plan fiduciary net position - beginning	213,425	5,700,954
Plan fiduciary net position - ending (b)	<u>\$ 7,551,199</u>	<u>\$ 213,425</u>
 District's net OPEB liability - ending (a) - (b)	<u>\$ 34,126,311</u>	<u>\$ 40,714,401</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	18.12%	0.52%
 Covered-employee payroll	\$ 354,130,642	\$ 319,342,479
 District's net OPEB liability as a percentage of covered-employee payroll	9.64%	12.75%

* GASB 74 and 75 requires presentation of ten years. As of June 30, 2018, only two years of information is available.

Changes in assumptions. Change in assumptions reflect the effects of changes in the discount rate each period. The discount rate increased from 2.90% on June 30, 2017 to 3.30% on June 30, 2018.

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

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

**Schedule of District's Contributions
Retiree Benefit Trust (OPEB)
Last Eight Fiscal Years***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially/contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>11,115,280</u>	<u>-</u>	<u>-</u>	<u>2,936,473</u>	<u>2,432,030</u>	<u>2,755,567</u>	<u>1,681,203</u>	<u>10,000,000</u>
Contribution deficiency (excess)	<u>\$ 11,115,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,936,473</u>	<u>\$ 2,432,030</u>	<u>\$ 2,755,567</u>	<u>\$ 1,681,203</u>	<u>\$ 10,000,000</u>
District's covered-employee payroll	\$ 354,130,642	\$ 319,342,479	\$ 318,036,320	\$ 315,685,482	\$ 311,279,122	\$ 304,023,616	\$ 277,826,766	\$ 305,696,639
Contributions as a percentage of covered-employee payroll	3.14%	0.00%	0.00%	0.93%	0.78%	0.91%	0.61%	3.27%

Note to schedule

As discussed in Note IV.G., the District has no contractual obligation to contribute into the trust. Because the District does not have a formal funding policy of the Plan, the District also does not have an actuarially determined contribution rate. This schedule was provided to show contributions made by the District over the last eight years since the trust was established.

* GASB 74 and 75 require presentation of ten years. As of June 30, 2018, only eight years of information is available.

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

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

**Schedule of Investment Returns - Retiree Benefit Trust (OPEB)
Last Eight Fiscal Years***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual money-weighted rate of return, net of investment expense	0.77%	0.64%	0.62%	0.41%	0.41%	0.04%	0.14%	0.14%

* GASB 74 requires ten years. As of June 30, 2018, only eight years of information is available.

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

June 30, 2018

**Schedule of Changes in the District's
Death and Disability Total OPEB Liability and Related Ratios
Last Fiscal Year***

Measurement Date	<u>2018</u> June 30, 2017
Total OPEB liability	
Service cost	\$ 703,157
Interest	343,623
Assumption changes	(378,424)
Benefit payments	<u>(1,404,549)</u>
Net change in total OPEB liability	(736,193)
Total OPEB liability - beginning	<u>12,051,124</u>
Total OPEB liability - ending (a)	<u><u>\$ 11,314,931</u></u>
 Covered-employee payroll	 \$ 319,342,479
 District's total OPEB liability as a percentage of covered-employee payroll	 3.54%

* GASB 75 requires presentation of ten years. As of June 30, 2018, only one year of information is available.

Changes in assumptions. Change in assumptions reflect the effects of changes in the discount rate each period. The discount rate increased from 2.85% on June 30, 2016 to 3.58% on June 30, 2017.

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WICHITA PUBLIC SCHOOLS UNIFIED SCHOOL DISTRICT NO. 259

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
District's proportion of the collective net pension liability	7.087%	6.617%	7.210%	7.159%	6.997%
District's proportionate share of the collective net pension liability	\$ 476,205,472	\$ 444,700,814	\$ 499,258,574	\$ 457,481,114	\$ 508,221,480
District's covered payroll	\$ 319,342,479	\$ 318,036,320	\$ 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 payroll	149%	140%	158%	147%	167%
Plan fiduciary net position as a percentage of the total pension liability	67.12%	65.10%	64.95%	66.60%	59.94%

* GASB 68 requires presentation of ten years. As of June 30, 2018 only five 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, 2018

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 39,639,537	\$ 27,581,510	\$ 26,426,489	\$ 30,172,889	\$ 30,792,556
Contributions in relation to the contractually required contribution	<u>(39,639,537)</u>	<u>(27,581,510)</u>	<u>(26,426,489)</u>	<u>(30,172,889)</u>	<u>(30,792,556)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 354,130,642	\$ 319,342,479	\$ 318,036,320	\$ 315,685,482	\$ 311,279,122
Contributions as a percentage of covered payroll	11.19%	8.64%	8.31%	9.56%	9.89%

* GASB 68 requires presentation of ten years. As of June 30, 2018, only five years of information is available.

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

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

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 2 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.

As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation are as follows:

- The price inflation assumption was lowered from 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.
- The post-retirement health mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups
- The termination of employment assumption was increased for all three groups
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	Over/ (Under)
Revenues:				
Taxes	\$ -	\$ -	\$ 370	\$ 370
Intergovernmental - State	351,047,229	348,257,058	348,268,688	11,630
Other	12,000	12,000	-	(12,000)
Total revenue	351,059,229	348,269,058	348,269,058	-
Expenditures:				
Current:				
Instruction	109,187,547	106,397,376	107,538,928	1,141,552
Student and instructional support	29,022,540	29,022,540	29,620,424	597,884
Administration	34,294,349	34,294,349	35,355,581	1,061,232
Operations and maintenance	34,409,909	34,409,909	35,126,809	716,900
Student transportation service	80,000	80,000	93,822	13,822
Total expenditures	206,994,345	204,204,174	207,735,564	3,531,390
Revenue over expenditures	144,064,884	144,064,884	140,533,494	(3,531,390)
Other financing sources (uses):				
Transfer out	(144,064,884)	(144,064,884)	(140,533,494)	(3,531,390)
Total other financing sources (uses)	(144,064,884)	(144,064,884)	(140,533,494)	(3,531,390)
Revenues and other financing sources over (under) expenditures and other uses	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

Explanation of difference between budgetary and GAAP fund balances:

Separately budgeted general fund subfunds:	
Supplemental General, including \$566,744 of encumbrances	3,717,752
Professional Development, including \$85,176 of encumbrances	836,642
Textbook Rental, including \$239,470 of encumbrances	9,514,863
Non-budgeted general fund subfunds:	
Contingency Reserve	14,873,751
Supplemental Grants - State and Local	3,038,068
Encumbrances for equipment and supplies ordered but not received are not reported for GAAP purposes until received.	449,843
Inventory purchases are outflows of budgetary resources but are not expenditures for GAAP.	1,075,447
GAAP fund balance at end of year	<u>\$ 33,506,366</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, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 20,800,000	\$ 20,800,000	\$ 20,304,944	\$ (495,056)
Other	75,000	75,000	230,228	155,228
Total revenues	20,875,000	20,875,000	20,535,172	(339,828)
Expenditures:				
Current:				
Instruction	70,468,034	70,468,034	68,040,640	(2,427,394)
Student and instructional support	27,305,608	27,305,608	26,815,970	(489,638)
Administration	2,802,354	2,802,354	2,179,540	(622,814)
Operations and maintenance	2,956,596	2,956,596	2,471,701	(484,895)
Student transportation service	11,381,702	11,381,702	10,969,374	(412,328)
Total expenditures	114,914,294	114,914,294	110,477,225	(4,437,069)
Revenues over (under) expenditures	(94,039,294)	(94,039,294)	(89,942,053)	4,097,241
Other financing sources (uses):				
Transfers in	94,039,294	94,039,294	90,397,206	(3,642,088)
Total other financing sources (uses)	94,039,294	94,039,294	90,397,206	(3,642,088)
Revenues and other financing sources over (under) expenditures and other uses	-	-	455,153	455,153
Fund balances at beginning of year	11,000,000	11,000,000	11,000,000	-
Fund balances at end of year	<u>\$ 11,000,000</u>	<u>\$ 11,000,000</u>	<u>\$ 11,455,153</u>	<u>\$ 455,153</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.			-	
GAAP fund balance at end of year			<u>\$ 11,455,153</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, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Intergovernmental - State	\$ 219,379	\$ 219,379	\$ 239,239	\$ 19,860
Intergovernmental - Federal	19,269,608	19,269,608	19,614,715	345,107
Charges for services	4,388,135	4,388,135	3,285,489	(1,102,646)
Earnings on investments	100,000	100,000	196,177	96,177
Other	-	-	1,158,712	1,158,712
Total revenues	23,977,122	23,977,122	24,494,332	517,210
Expenditures:				
Current:				
Nutrition services	28,062,918	28,062,918	25,607,332	(2,455,586)
Total expenditures	28,062,918	28,062,918	25,607,332	(2,455,586)
Revenues over (under) expenditures	(4,085,796)	(4,085,796)	(1,113,000)	2,972,796
Fund balances at beginning of year	10,392,981	10,392,981	10,392,981	-
Fund balances at end of year	<u>\$ 6,307,185</u>	<u>\$ 6,307,185</u>	<u>\$ 9,279,981</u>	<u>\$ 2,972,796</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.			6,331,502	
Inventory purchases are outflows of budgetary resources but are not expenditures for GAAP.			1,312,310	
GAAP fund balance at end of year			<u>\$ 16,923,793</u>	

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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	Over/ (Under)
Revenues:				
Charges for services	\$ 95,000	\$ 95,000	\$ 37,989	\$ (57,011)
Other	-	-	6,530	6,530
Total revenues	95,000	95,000	44,519	(50,481)
Expenditures:				
Current:				
Instruction	83,372,477	83,372,477	80,469,529	(2,902,948)
Student and instructional support	565,539	565,539	1,366,378	800,839
Administration	206,606	206,606	866,749	660,143
Operations and maintenance	43,465	43,465	547,723	504,258
Total expenditures	84,188,087	84,188,087	83,250,379	(937,708)
Revenues over (under) expenditures	(84,093,087)	(84,093,087)	(83,205,860)	887,227
Other financing sources (uses):				
Transfers in	84,093,087	84,093,087	83,208,952	(884,135)
Total other financing sources (uses)	84,093,087	84,093,087	83,208,952	(884,135)
Revenues and other financing sources over (under) expenditures and other uses	-	-	3,092	3,092
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ 3,092	\$ 3,092
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.			576,516	
GAAP fund balance at end of year			\$ 579,608	



Supplementary Information



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.

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:

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

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

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.

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

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.

KPERS Retirement Contributions – used to account for revenues and expenditures of the Kansas Public Employees Retirement System. KPERS 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:

Bond Capital Projects – used to account for capital improvements that are financed by the District's general obligation bond issues.

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, 2018**

	General Fund Subfunds						
	General	Supplemental General	Contingency Reserve	Supplemental Grants - State and Local	Professional Development	Textbook Rental	Total General Fund
Assets:							
Cash, cash equivalents and investments	\$ -	\$ 537,901	\$ 768,264	\$ 3,571,907	\$ 874,235	\$ 10,317,129	\$ 16,069,436
Intergovernmental receivables	-	-	464,967	17,613	-	-	482,580
State aid receivable	18,957,061	6,006,869	-	-	-	-	24,963,930
Due from other funds	-	-	13,640,520	-	-	-	13,640,520
Inventory	1,075,447	-	-	-	-	-	1,075,447
Total assets	\$ 20,032,508	\$ 6,544,770	\$ 14,873,751	\$ 3,589,520	\$ 874,235	\$ 10,317,129	\$ 56,231,913
Liabilities:							
Accounts payable	\$ 429,939	\$ 2,321,315	\$ -	\$ 309,282	\$ 1,555	\$ 802,266	\$ 3,864,357
Accrued payroll	4,436,759	505,703	-	41,754	36,038	-	5,020,254
Advance - grants	-	-	-	200,416	-	-	200,416
Due to other funds	13,640,520	-	-	-	-	-	13,640,520
Total liabilities	18,507,218	2,827,018	-	551,452	37,593	802,266	22,725,547
Fund Balances:							
Nonspendable	1,075,447	-	-	-	-	-	1,075,447
Restricted	-	-	-	462,141	-	-	462,141
Assigned	449,843	1,232,149	-	2,557,293	85,176	9,514,863	13,839,324
Unassigned	-	2,485,603	14,873,751	18,634	751,466	-	18,129,454
Total fund balances	1,525,290	3,717,752	14,873,751	3,038,068	836,642	9,514,863	33,506,366
Total liabilities and fund balances	\$ 20,032,508	\$ 6,544,770	\$ 14,873,751	\$ 3,589,520	\$ 874,235	\$ 10,317,129	\$ 56,231,913

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, 2018

	General Fund Subfunds						
	General	Supplemental General	Contingency Reserve	Supplemental Grants - State and Local	Professional Development	Textbook Rental	Total General Fund
Revenues:							
Taxes	\$ 370	\$ 53,382,867	\$ -	\$ -	\$ -	\$ -	\$ 53,383,237
Intergovernmental - State	230,767,602	36,326,021	-	52,376	48,925	-	267,194,924
Charges for services	-	-	-	306,538	-	552,450	858,988
Earnings on investments	-	-	-	8,730	-	-	8,730
Other	-	-	-	1,730,968	-	-	1,730,968
Contributions	-	-	-	414,380	-	-	414,380
Total revenues	230,767,972	89,708,888	-	2,512,992	48,925	552,450	323,591,227
Expenditures:							
Current:							
Instruction	107,480,942	145,619	-	583,596	-	8,463,910	116,674,067
Student and instructional support	29,473,642	910,542	-	108,798	1,705,566	-	32,198,548
Administration	35,347,815	843,115	-	46,898	-	-	36,237,828
Operations and maintenance	35,225,016	26,912,394	-	956,423	-	-	63,093,833
Student transportation service	93,545	12,789,057	-	6,152	-	-	12,888,754
Nutrition services	-	-	-	1,370	-	-	1,370
Facility acquisition and construction service	-	-	-	318,987	-	-	318,987
Total expenditures	207,620,960	41,600,727	-	2,022,224	1,705,566	8,463,910	261,413,387
Excess (deficiency) of revenues over (under) expenditures	23,147,012	48,108,161	-	490,768	(1,656,641)	(7,911,460)	62,177,840
Other financing sources (uses):							
Transfers in	-	2,000,000	2,000,000	-	1,493,000	2,865,463	8,358,463
Transfers out	(23,032,408)	(51,729,319)	(2,000,000)	-	-	-	(76,761,727)
Total other financing sources (uses)	(23,032,408)	(49,729,319)	-	-	1,493,000	2,865,463	(68,403,264)
Net change in fund balances	114,604	(1,621,158)	-	490,768	(163,641)	(5,045,997)	(6,225,424)
Fund balances at beginning of year	1,431,907	5,338,910	14,873,751	2,547,300	1,000,283	14,560,860	39,753,011
Change in reserve for inventory	(21,221)	-	-	-	-	-	(21,221)
Fund balances at end of year	\$ 1,525,290	\$ 3,717,752	\$ 14,873,751	\$ 3,038,068	\$ 836,642	\$ 9,514,863	\$ 33,506,366

**Wichita Public Schools
Unified School District No. 259
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018**

	Special Revenue Funds							
	4 Year Old State Intervention	Bilingual Education	Virtual Education	Latchkey	Parents as Teachers	Summer School	Vocational Education	Special Liability Expense
Assets:								
Cash, cash equivalents and investments	\$ 370,333	\$ 548,234	\$ 305,121	\$ 1,351,852	\$ 83,541	\$ 289,713	\$ 631,225	\$ 544,299
Restricted cash, cash equivalents and investments	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-
Total assets	<u>\$ 370,333</u>	<u>\$ 548,234</u>	<u>\$ 305,121</u>	<u>\$ 1,351,852</u>	<u>\$ 83,541</u>	<u>\$ 289,713</u>	<u>\$ 631,225</u>	<u>\$ 544,299</u>
Liabilities:								
Accounts payable	\$ 700	\$ 6,250	\$ 8,330	\$ 23,486	\$ -	\$ -	\$ 5,771	\$ 24,193
Accrued payroll	59,303	182,274	4,791	229,459	8,139	19,366	181,280	-
Advance - grants	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>60,003</u>	<u>188,524</u>	<u>13,121</u>	<u>252,945</u>	<u>8,139</u>	<u>19,366</u>	<u>187,051</u>	<u>24,193</u>
Fund Balances:								
Restricted	310,330	359,710	292,000	1,098,907	75,402	270,347	444,174	520,106
Total fund balances	<u>310,330</u>	<u>359,710</u>	<u>292,000</u>	<u>1,098,907</u>	<u>75,402</u>	<u>270,347</u>	<u>444,174</u>	<u>520,106</u>
Total liabilities and fund balances	<u>\$ 370,333</u>	<u>\$ 548,234</u>	<u>\$ 305,121</u>	<u>\$ 1,351,852</u>	<u>\$ 83,541</u>	<u>\$ 289,713</u>	<u>\$ 631,225</u>	<u>\$ 544,299</u>

(continued)

**Wichita Public Schools
Unified School District No. 259
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018
(continued)**

	Special Revenue Funds					Capital Project Funds		Total Nonmajor Governmental Funds
	Athletic Activity	Music Rental	Student Material Revolving	Supplemental Grants - Federal	KPERS Retirement Contributions	Bond Capital Projects	Special Assessments	
Assets:								
Cash, cash equivalents and investments	\$ 792,249	\$ 618,149	\$ 578,791	\$ 317,882	\$ -	\$ -	\$ 541,502	\$ 6,972,891
Restricted cash, cash equivalents and investments	-	-	-	-	-	74,909	-	74,909
Accounts receivable	-	-	-	1,958,629	-	-	-	1,958,629
Total assets	<u>\$ 792,249</u>	<u>\$ 618,149</u>	<u>\$ 578,791</u>	<u>\$ 2,276,511</u>	<u>\$ -</u>	<u>\$ 74,909</u>	<u>\$ 541,502</u>	<u>\$ 9,006,429</u>
Liabilities:								
Accounts payable	\$ 33,408	\$ 36,438	\$ 42,131	\$ 222,394	\$ -	\$ 21,656	\$ -	\$ 424,757
Accrued payroll	-	-	-	830,773	-	-	-	1,515,385
Advance - grants	-	-	-	9,478	-	-	-	9,478
	-	-	-	-	-	-	-	-
Total liabilities	<u>33,408</u>	<u>36,438</u>	<u>42,131</u>	<u>1,062,645</u>	<u>-</u>	<u>21,656</u>	<u>-</u>	<u>1,949,620</u>
Fund Balances:								
Restricted	758,841	581,711	536,660	1,213,866	-	53,253	541,502	7,056,809
Total fund balances	<u>758,841</u>	<u>581,711</u>	<u>536,660</u>	<u>1,213,866</u>	<u>-</u>	<u>53,253</u>	<u>541,502</u>	<u>7,056,809</u>
Total liabilities and fund balances	<u>\$ 792,249</u>	<u>\$ 618,149</u>	<u>\$ 578,791</u>	<u>\$ 2,276,511</u>	<u>\$ -</u>	<u>\$ 74,909</u>	<u>\$ 541,502</u>	<u>\$ 9,006,429</u>

**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, 2018**

	Special Revenue Funds							
	4 Year Old State Intervention	Bilingual Education	Virtual Education	Latchkey	Parents as Teachers	Summer School	Vocational Education	Special Liability Expense
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 316,905
Intergovernmental - State	4,038,048	9,199,378	1,593,020	-	159,146	-	3,478,921	-
Intergovernmental - Federal	154,005	-	-	436,379	12,699	-	-	-
Charges for services	-	-	-	2,694,732	-	112,790	203,189	-
Earnings on investments	-	-	-	-	-	-	-	5,814
Other	174	33,944	-	2,583	-	749	-	1
Total revenues	4,192,227	9,233,322	1,593,020	3,133,694	171,845	113,539	3,682,110	322,720
Expenditures:								
Current:								
Instruction	4,874,613	12,073,261	1,303,704	3,094,194	-	83,047	8,922,154	-
Student and instructional support	112,788	642,310	108,397	-	241,277	12,711	23,292	-
Administration	1,375	546,257	136,104	-	-	1,617	633,595	-
Operations and maintenance	57,024	1,791	-	-	-	6,205	79,903	261,343
Student transportation service	-	-	18,764	-	-	-	-	-
Nutrition services	-	-	-	-	-	-	-	-
Facility acquisition and construction service	-	-	-	-	-	-	-	-
Total expenditures	5,045,800	13,263,619	1,566,969	3,094,194	241,277	103,580	9,658,944	261,343
Net change in fund balance	(853,573)	(4,030,297)	26,051	39,500	(69,432)	9,959	(5,976,834)	61,377
Other financing sources (uses):								
Transfers in	1,163,602	4,041,454	-	-	75,000	-	6,135,810	-
Total other financing sources (uses)	1,163,602	4,041,454	-	-	75,000	-	6,135,810	-
Net change in fund balances	310,029	11,157	26,051	39,500	5,568	9,959	158,976	61,377
Fund balances at beginning of year	301	348,553	265,949	1,059,407	69,834	260,388	285,198	458,729
Fund balances at end of year	\$ 310,330	\$ 359,710	\$ 292,000	\$ 1,098,907	\$ 75,402	\$ 270,347	\$ 444,174	\$ 520,106

(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, 2018
(continued)**

	Special Revenue Funds					Capital Project Funds		Total Nonmajor Governmental Funds
	Athletic Activity	Music Rental	Student Material Revolving	Supplemental Grants - Federal	KPERS Retirement Contributions	Bond Capital Projects	Special Assessments	
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,776	\$ 429,681
Intergovernmental - State	-	-	-	-	41,535,674	-	-	60,004,187
Intergovernmental - Federal	-	-	-	31,522,446	-	-	-	32,125,529
Charges for services	416,871	57,221	779,260	-	-	-	-	4,264,063
Earnings on investments	5,628	-	-	-	-	2,315	-	13,757
Other	671,684	-	200	1,701	-	-	-	711,036
Total revenues	1,094,183	57,221	779,460	31,524,147	41,535,674	2,315	112,776	97,548,253
Expenditures:								
Current:								
Instruction	797,246	116,805	561,242	14,243,289	26,015,486	-	-	72,085,041
Student and instructional support	-	-	80,005	14,460,568	6,295,855	-	-	21,977,203
Administration	-	-	-	585,360	3,751,133	-	-	5,655,441
Operations and maintenance	-	-	-	404,905	4,491,885	-	-	5,303,056
Student transportation service	128,562	-	-	22,121	88,888	-	-	258,335
Nutrition services	-	-	-	727,756	892,427	-	-	1,620,183
Facility acquisition and construction service	-	-	-	-	-	193,627	239,177	432,804
Total expenditures	925,808	116,805	641,247	30,443,999	41,535,674	193,627	239,177	107,332,063
Net change in fund balance	168,375	(59,584)	138,213	1,080,148	-	(191,312)	(126,401)	(9,783,810)
Other financing sources (uses):								
Transfers in	-	467,812	-	-	-	-	-	11,883,678
Total other financing sources (uses)	-	467,812	-	-	-	-	-	11,883,678
Net change in fund balances	168,375	408,228	138,213	1,080,148	-	(191,312)	(126,401)	2,099,868
Fund balances at beginning of year	590,466	173,483	398,447	133,718	-	244,565	667,903	4,956,941
Fund balances at end of year	\$ 758,841	\$ 581,711	\$ 536,660	\$ 1,213,866	\$ -	\$ 53,253	\$ 541,502	\$ 7,056,809

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, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Taxes	\$ 51,597,883	\$ 51,597,883	\$ 53,382,867	\$ 1,784,984
Intergovernmental - State	58,713,982	57,973,212	58,580,339	607,127
Other	-	-	93,492	93,492
Total revenues	110,311,865	109,571,095	112,056,698	2,485,603
Expenditures:				
Current:				
Instruction	268,700	268,700	150,712	(117,988)
Student and instructional support	1,156,589	1,156,589	907,527	(249,062)
Administration	1,050,532	1,050,532	820,833	(229,699)
Operations and maintenance	28,705,419	27,964,649	26,099,845	(1,864,804)
Student transportation service	14,342,958	14,342,958	12,833,993	(1,508,965)
Total expenditures	45,524,198	44,783,428	40,812,910	(3,970,518)
Revenues over (under) expenditures	64,787,667	64,787,667	71,243,788	6,456,121
Other financing sources (uses):				
Transfers in	2,000,000	2,000,000	2,000,000	-
Transfers out	(70,013,119)	(70,013,119)	(73,983,637)	3,970,518
Total other financing sources (uses)	(68,013,119)	(68,013,119)	(71,983,637)	3,970,518
Revenues and other financing sources over (under) expenditures and other uses	(3,225,452)	(3,225,452)	(739,849)	2,485,603
Fund balances at beginning of year	3,225,452	3,225,452	3,225,452	-
Fund balances at end of year	\$ -	\$ -	\$ 2,485,603	\$ 2,485,603

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, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Intergovernmental - State	\$ 277,018	\$ 277,018	\$ 48,925	\$ (228,093)
Other	-	-	292	292
Total revenues	277,018	277,018	49,217	(227,801)
Expenditures:				
Current:				
Student and instructional support	2,797,280	2,797,280	1,790,751	(1,006,529)
Total expenditures	2,797,280	2,797,280	1,790,751	(1,006,529)
Revenues over (under) expenditures	(2,520,262)	(2,520,262)	(1,741,534)	778,728
Other financing sources (uses):				
Transfers in	1,520,262	1,520,262	1,493,000	(27,262)
Total other financing sources (uses)	1,520,262	1,520,262	1,493,000	(27,262)
Revenues and other financing sources over (under) expenditures and other uses	(1,000,000)	(1,000,000)	(248,534)	751,466
Fund balances at beginning of year	1,000,000	1,000,000	1,000,000	-
Fund balances at end of year	\$ -	\$ -	\$ 751,466	\$ 751,466

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, 2018**

	Budgeted Amounts		Actual Amounts Budgetary	Variance with Final Budget Over/ (Under)
	Original	Final	Basis	
Revenues:				
Intergovernmental - Federal	\$ 1,368,049	\$ 1,368,049	\$ 154,005	\$ (1,214,044)
Other	-	-	174	174
Total revenues	1,368,049	1,368,049	154,179	(1,213,870)
Expenditures:				
Current:				
Instruction	5,456,265	5,456,265	5,033,942	(422,323)
Student and instructional support	118,235	118,235	113,488	(4,747)
Administration	608	608	1,375	767
Operations and maintenance	48,202	48,202	57,024	8,822
Total expenditures	5,623,310	5,623,310	5,205,829	(417,481)
Revenues over (under) expenditures	(4,255,261)	(4,255,261)	(5,051,650)	(796,389)
Other financing sources (uses):				
Transfers in	4,255,261	4,255,261	5,201,650	946,389
Total other financing sources (uses)	4,255,261	4,255,261	5,201,650	946,389
Revenues and other financing sources over (under) expenditures and other uses	-	-	150,000	150,000
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ 150,000	\$ 150,000

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, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Other	\$ -	\$ -	\$ 34,619	\$ 34,619
Total revenues	-	-	34,619	34,619
Expenditures:				
Current:				
Instruction	12,737,126	12,737,126	12,085,209	(651,917)
Student and instructional support	833,925	833,925	642,310	(191,615)
Administration	527,822	527,822	546,141	18,319
Operations and maintenance	-	-	1,791	1,791
Total expenditures	14,098,873	14,098,873	13,275,451	(823,422)
Revenues over (under) expenditures	(14,098,873)	(14,098,873)	(13,240,832)	858,041
Other financing sources (uses):				
Transfers in	13,748,873	13,748,873	13,240,832	(508,041)
Total other financing sources (uses)	13,748,873	13,748,873	13,240,832	(508,041)
Revenues and other financing sources over (under) expenditures and other uses	(350,000)	(350,000)	-	350,000
Fund balances at beginning of year	350,000	350,000	350,000	-
Fund balances at end of year	\$ -	\$ -	\$ 350,000	\$ 350,000

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, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Other	\$ -	\$ -	\$ 48,541	\$ 48,541
Total revenues	-	-	48,541	48,541
Expenditures:				
Current:				
Instruction	2,530,744	2,530,744	1,290,223	(1,240,521)
Student and instructional support	74,830	74,830	108,636	33,806
Administration	155,746	155,746	136,104	(19,642)
Operations and maintenance	24,675	24,675	18,644	(6,031)
Total expenditures	2,785,995	2,785,995	1,553,607	(1,232,388)
Revenues over (under) expenditures	(2,785,995)	(2,785,995)	(1,505,066)	1,280,929
Other financing sources (uses):				
Transfers in	2,618,150	2,618,150	1,593,020	(1,025,130)
Total other financing sources (uses)	2,618,150	2,618,150	1,593,020	(1,025,130)
Revenues and other financing sources over (under) expenditures and other uses	(167,845)	(167,845)	87,954	255,799
Fund balances at beginning of year	167,845	167,845	167,845	-
Fund balances at end of year	\$ -	\$ -	\$ 255,799	\$ 255,799

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, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 564,409	\$ 564,409	\$ 436,379	\$ (128,030)
Charges for services	-	-	2,694,732	2,694,732
Other	2,829,425	2,829,425	11,844	(2,817,581)
Total revenues	3,393,834	3,393,834	3,142,955	(250,879)
Expenditures:				
Current:				
Student and instruction support	4,391,739	4,391,739	3,077,954	(1,313,785)
Total expenditures	4,391,739	4,391,739	3,077,954	(1,313,785)
Revenues over (under) expenditures	(997,905)	(997,905)	65,001	1,062,906
Fund balances at beginning of year	997,905	997,905	997,905	-
Fund balances at end of year	\$ -	\$ -	\$ 1,062,906	\$ 1,062,906

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, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Intergovernmental - State & Local	\$ 212,752	\$ 212,752	\$ 183,639	\$ (29,113)
Intergovernmental - Federal	12,699	12,699	12,699	-
Other	114,559	114,559	-	(114,559)
Total revenues	340,010	340,010	196,338	(143,672)
Expenditures:				
Current:				
Student and instructional support	385,351	385,351	241,277	(144,074)
Total expenditures	385,351	385,351	241,277	(144,074)
Revenues over (under) expenditures	(45,341)	(45,341)	(44,939)	402
Other financing sources (uses):				
Transfers in	-	-	75,000	75,000
Total other financing sources (uses)	-	-	75,000	75,000
Revenues and other financing sources over (under) expenditures and other uses	(45,341)	(45,341)	30,061	75,402
Fund balances at beginning of year	45,341	45,341	45,341	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,402</u>	<u>\$ 75,402</u>

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, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Charges for services	\$ 125,000	\$ 125,000	\$ 112,790	\$ (12,210)
Other	-	-	749	749
Total revenues	125,000	125,000	113,539	(11,461)
Expenditures:				
Current:				
Instruction	203,121	203,121	83,047	(120,074)
Student and instructional support	5,884	5,884	12,711	6,827
Administration	3,783	3,783	1,617	(2,166)
Operations and maintenance	2,711	2,711	6,205	3,494
Total expenditures	215,499	215,499	103,580	(111,919)
Revenues over (under) expenditures	(90,499)	(90,499)	9,959	100,458
Fund balances at beginning of year	260,388	260,388	260,388	-
Fund balances at end of year	<u>\$ 169,889</u>	<u>\$ 169,889</u>	<u>\$ 270,347</u>	<u>\$ 100,458</u>

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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	Over/ (Under)
Revenues:				
Intergovernmental - State	\$ 21,862	\$ 21,862	\$ 13,730	\$ (8,132)
Charges for services	-	-	203,189	203,189
Other	272,500	272,500	18,284	(254,216)
Total revenues	294,362	294,362	235,203	(59,159)
Expenditures:				
Current:				
Instruction	8,964,685	8,964,685	8,999,579	34,894
Student and instructional support	-	-	23,292	23,292
Administration	662,822	662,822	633,607	(29,215)
Operations and maintenance	328,948	328,948	79,903	(249,045)
Total expenditures	9,956,455	9,956,455	9,736,381	(220,074)
Revenues over (under) expenditures	(9,662,093)	(9,662,093)	(9,501,178)	160,915
Other financing sources (uses):				
Transfers in	9,409,575	9,409,575	9,601,000	191,425
Total other financing sources (uses)	9,409,575	9,409,575	9,601,000	191,425
Revenues and other financing sources over (under) expenditures and other uses	(252,518)	(252,518)	99,822	352,340
Fund balances at beginning of year	252,518	252,518	252,518	-
Fund balances at end of year	\$ -	\$ -	\$ 352,340	\$ 352,340

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, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Taxes	\$ 311,330	\$ 311,330	\$ 316,905	\$ 5,575
Earnings on investments	-	-	5,814	5,814
Other	-	-	251	251
Total revenues	311,330	311,330	322,970	11,640
Expenditures:				
Current:				
Administration	590,000	590,000	317,264	(272,736)
Total expenditures	590,000	590,000	317,264	(272,736)
Revenues over (under) expenditures	(278,670)	(278,670)	5,706	284,376
Fund balances at beginning of year	428,171	428,171	428,171	-
Fund balances at end of year	\$ 149,501	\$ 149,501	\$ 433,877	\$ 284,376

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, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Intergovernmental - State	\$ 43,854,601	\$ 43,854,601	\$ 41,535,674	\$ (2,318,927)
Total revenues	43,854,601	43,854,601	41,535,674	(2,318,927)
Expenditures:				
Current:				
Instruction	28,222,591	28,222,591	26,015,486	(2,207,105)
Student and instructional support	6,967,728	6,967,728	6,295,855	(671,873)
Administration	3,980,303	3,980,303	3,751,133	(229,170)
Operations and maintenance	3,894,017	3,894,017	4,491,885	597,868
Transportation	84,369	84,369	88,888	4,519
Nutrition services	705,593	705,593	892,427	186,834
Total expenditures	43,854,601	43,854,601	41,535,674	(2,318,927)
Revenues over (under) expenditures	-	-	-	-
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, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Taxes	\$ 95,554	\$ 95,554	\$ 112,776	\$ 17,222
Total revenues	95,554	95,554	112,776	17,222
Expenditures:				
Current:				
Facility acquisition and construction service	667,903	667,903	239,177	(428,726)
Total expenditures	667,903	667,903	239,177	(428,726)
Revenues over (under) expenditures	(572,349)	(572,349)	(126,401)	445,948
Fund balances at beginning of year	667,903	667,903	667,903	-
Fund balances at end of year	<u>\$ 95,554</u>	<u>\$ 95,554</u>	<u>\$ 541,502</u>	<u>\$ 445,948</u>

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, 2018**

	Budgeted Amounts		Actual Amounts Budgetary	Variance with Final Budget Over/ (Under)
	Original	Final	Basis	
Revenues:				
Taxes	\$ 23,820,583	\$ 23,820,583	\$ 24,107,333	\$ 286,750
Intergovernmental - State	9,651,511	9,651,511	9,534,356	(117,155)
Earnings on investments	220,000	220,000	1,726,291	1,506,291
Sale of property	-	-	1,322,478	1,322,478
Other	300,000	300,000	454,614	154,614
Total revenues	33,992,094	33,992,094	37,145,072	3,152,978
Expenditures:				
Current:				
Instruction	5,752,500	5,752,500	4,995,186	(757,314)
Student and instructional support	763,000	763,000	117,905	(645,095)
Administration	-	-	4,827	4,827
Operations and maintenance	9,119,347	9,119,347	8,913,823	(205,524)
Facility acquisition and construction service	21,375,618	21,375,618	16,909,140	(4,466,478)
Total expenditures	37,010,465	37,010,465	30,940,881	(6,069,584)
Revenues over (under) expenditures	(3,018,371)	(3,018,371)	6,204,191	9,222,562
Other financing sources (uses):				
Transfers in	2,028,038	2,028,038	3,473,197	1,445,159
Total other financing sources (uses)	2,028,038	2,028,038	3,473,197	1,445,159
Revenues and other financing sources over (under) expenditures and other uses	(990,333)	(990,333)	9,677,388	10,667,721
Fund balances at beginning of year	21,726,080	21,726,080	21,726,080	-
Fund balances at end of year	\$ 20,735,747	\$ 20,735,747	\$ 31,403,468	\$ 10,667,721

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, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Taxes	\$ 24,480,537	\$ 24,480,537	\$ 24,920,297	\$ 439,760
Intergovernmental - State	17,701,442	17,701,442	17,698,311	(3,131)
Interest expense subsidy - Federal	4,416,212	4,416,212	4,423,328	7,116
Total revenues	46,598,191	46,598,191	47,041,936	443,745
Expenditures:				
Current:				
Principal/Interest on long-term debt	44,746,763	44,746,763	44,646,762	(100,001)
Total expenditures	44,746,763	44,746,763	44,646,762	(100,001)
Revenues over (under) expenditures	1,851,428	1,851,428	2,395,174	543,746
Fund balances at beginning of year	37,919,416	37,919,416	37,919,416	-
Fund balances at end of year	<u>\$ 39,770,844</u>	<u>\$ 39,770,844</u>	<u>\$ 40,314,590</u>	<u>\$ 543,746</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.

Financial Section

**Wichita Public Schools
Unified School District No. 259
Combining Schedule of Net Position
Internal Service Funds
June 30, 2018**

	Healthcare	Disability Reserve	Workers' Compensation	Risk Management	Total
Assets:					
Current assets:					
Cash and cash equivalents	\$ 31,289,759	\$ 3,549,244	\$ 10,413,303	\$ 2,111,822	\$ 47,364,128
Total current assets	31,289,759	3,549,244	10,413,303	2,111,822	47,364,128
Liabilities:					
Current liabilities:					
Accrued liabilities	14,947	100	56,257	248,393	319,697
Current portion - claims payable	6,734,000	91,000	2,588,003	-	9,413,003
Total current liabilities	6,748,947	91,100	2,644,260	248,393	9,732,700
Noncurrent liabilities:					
Long-term claims payable	-	-	4,999,876	-	4,999,876
Total liabilities	6,748,947	91,100	7,644,136	248,393	14,732,576
Net Position:					
Total net position restricted for self-insurance claims	\$ 24,540,812	\$ 3,458,144	\$ 2,769,167	\$ 1,863,429	\$ 32,631,552

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, 2018**

	Healthcare	Disability Reserve	Workers' Compensation	Risk Management	Total
Operating revenues:					
Charges for services	\$ 69,211,414	\$ 1,104,625	\$ 1,223,194	\$ 631,138	\$ 72,170,371
Total operating revenues	69,211,414	1,104,625	1,223,194	631,138	72,170,371
Operating expenses:					
Contractual services	61,050,924	1,159,186	2,892,948	2,099,709	67,202,767
Total operating expenses	61,050,924	1,159,186	2,892,948	2,099,709	67,202,767
Operating income (loss)	8,160,490	(54,561)	(1,669,754)	(1,468,571)	4,967,604
Nonoperating revenues:					
Interest	216,486	46,458	146,879	48,110	457,933
Total nonoperating revenue	216,486	46,458	146,879	48,110	457,933
Income (loss) before transfers	8,376,976	(8,103)	(1,522,875)	(1,420,461)	5,425,537
Transfers in	-	-	-	900,000	900,000
Change in net position	8,376,976	(8,103)	(1,522,875)	(520,461)	6,325,537
Total net position-beginning of year	16,163,836	3,466,247	4,292,042	2,383,890	26,306,015
Total net position-end of year	\$ 24,540,812	\$ 3,458,144	\$ 2,769,167	\$ 1,863,429	\$ 32,631,552

Financial Section

**Wichita Public Schools
Unified School District No. 259
Combining Schedule of Cash Flows
Internal Service Funds
Year ended June 30, 2018**

	Healthcare	Disability Reserve	Workers' Compensation	Risk Management	Total
Cash flows from operating activities:					
Cash received for services	\$ 69,211,414	\$ 1,104,625	\$ 1,223,194	\$ 631,138	\$ 72,170,371
Cash payments for claims	(60,430,144)	(1,159,099)	(2,371,958)	(1,868,004)	(65,829,205)
Net cash flow from operating activities	8,781,270	(54,474)	(1,148,764)	(1,236,866)	6,341,166
Cash flows from non-capital financing activities:					
Transfers from other funds	-	-	-	900,000	900,000
Net cash flow from non-capital financing activities	-	-	-	900,000	900,000
Cash flows from investing activities:					
Interest on investments	216,486	46,458	146,879	48,110	457,933
Net cash flow from investing activities	216,486	46,458	146,879	48,110	457,933
Change in cash and cash equivalents	8,997,756	(8,016)	(1,001,885)	(288,756)	7,699,099
Cash and cash equivalents-beginning of the year	22,292,003	3,557,260	11,415,188	2,400,578	39,665,029
Cash and cash equivalents-end of the year	\$ 31,289,759	\$ 3,549,244	\$ 10,413,303	\$ 2,111,822	\$ 47,364,128
Reconciliation of operating income (loss) to net cash flow from operating activities:					
Operating income (loss)	\$ 8,160,490	\$ (54,561)	\$ (1,669,754)	\$ (1,468,571)	\$ 4,967,604
Adjustments to reconcile operating income (loss) to net cash flow from operating activities:					
Change in accrued liabilities	(1,400)	87	(168,236)	231,705	62,156
Change in claims payable	622,180	-	689,226	-	1,311,406
Net cash flow from operating activities	\$ 8,781,270	\$ (54,474)	\$ (1,148,764)	\$ (1,236,866)	\$ 6,341,166



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.

Financial Section

**Wichita Public Schools
Unified School District No. 259
Combining Schedule of Fiduciary Net Position
Fiduciary Funds - Employee Benefit Trust Funds
June 30, 2018**

	Early Retirement Incentive Plan Trust	Retiree Benefit Trust	Total
Assets:			
Cash	\$ 4,589,081	\$ 7,550,108	\$ 12,139,189
Certificates of deposit	10,500,000	-	10,500,000
Investments	3,982,251	-	3,982,251
Interest receivable	116,309	1,091	117,400
Total assets	<u>19,187,641</u>	<u>7,551,199</u>	<u>26,738,840</u>
Liabilities:			
Due to others	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:			
Restricted for other employee benefits	19,187,641	-	19,187,641
Restricted for other post employment benefits	-	7,551,199	7,551,199
Total net position	<u>\$ 19,187,641</u>	<u>\$ 7,551,199</u>	<u>\$ 26,738,840</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, 2018**

	Early Retirement Incentive Plan Trust	Retiree Benefit Trust	Total
Additions:			
Employer contributions	\$ 16,313,731	\$ 11,115,280	\$ 27,429,011
Interest income	195,459	1,558	197,017
Total additions	<u>16,509,190</u>	<u>11,116,838</u>	<u>27,626,028</u>
Deductions:			
Benefits	14,095,864	3,621,951	17,717,815
Administration	-	157,113	157,113
Total deductions	<u>14,095,864</u>	<u>3,779,064</u>	<u>17,874,928</u>
Change in net position	2,413,326	7,337,774	9,751,100
Net position - beginning of year	<u>16,774,315</u>	<u>213,425</u>	<u>16,987,740</u>
Net position - end of year	<u><u>\$ 19,187,641</u></u>	<u><u>\$ 7,551,199</u></u>	<u><u>\$ 26,738,840</u></u>

Financial Section

**Wichita Public Schools
Unified School District No. 259
Combining Schedule of Fiduciary Assets and Liabilities
Fiduciary Funds - Agency Funds
June 30, 2018**

	<u>Agency Funds</u>			
	Student Activity Funds	Payroll Trust Fund	Flexible Spending	Total Agency Funds
Assets:				
Cash and cash equivalents	\$ 3,764,163	\$ 4,400,711	\$ -	\$ 8,164,874
Total assets	<u>\$ 3,764,163</u>	<u>\$ 4,400,711</u>	<u>\$ -</u>	<u>\$ 8,164,874</u>
Liabilities:				
Due to others	\$ 3,764,163	\$ 4,400,711	\$ -	\$ 8,164,874
Total liabilities	<u>\$ 3,764,163</u>	<u>\$ 4,400,711</u>	<u>\$ -</u>	<u>\$ 8,164,874</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, 2018**

	Balance, June 30 2017	Additions	Deletions	Balance, June 30 2018
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 4,713,633	\$ 162,163,533	\$ 158,712,292	\$ 8,164,874
Total assets	\$ 4,713,633	\$ 162,163,533	\$ 158,712,292	\$ 8,164,874
Liabilities:				
Due to others	\$ 4,713,633	\$ 162,163,533	\$ 158,712,292	\$ 8,164,874
Total liabilities	\$ 4,713,633	\$ 162,163,533	\$ 158,712,292	\$ 8,164,874
Student Activity Funds				
Assets:				
Cash and cash equivalents	\$ 3,834,649	\$ 12,253,212	\$ 12,323,698	\$ 3,764,163
Total assets	\$ 3,834,649	\$ 12,253,212	\$ 12,323,698	\$ 3,764,163
Liabilities:				
Due to others	\$ 3,834,649	\$ 12,253,212	\$ 12,323,698	\$ 3,764,163
Total liabilities	\$ 3,834,649	\$ 12,253,212	\$ 12,323,698	\$ 3,764,163
Payroll Trust Fund				
Assets:				
Cash and cash equivalents	\$ 1,173,410	\$ 146,055,177	\$ 142,827,876	\$ 4,400,711
Total assets	\$ 1,173,410	\$ 146,055,177	\$ 142,827,876	\$ 4,400,711
Liabilities:				
Due to others	\$ 1,173,410	\$ 146,055,177	\$ 142,827,876	\$ 4,400,711
Total liabilities	\$ 1,173,410	\$ 146,055,177	\$ 142,827,876	\$ 4,400,711
Flexible Spending Fund				
Assets:				
Cash and cash equivalents	\$ (294,426)	\$ 3,855,144	\$ 3,560,718	\$ -
Total assets	\$ (294,426)	\$ 3,855,144	\$ 3,560,718	\$ -
Liabilities:				
Due to others	\$ (294,426)	\$ 3,855,144	\$ 3,560,718	\$ -
Total liabilities	\$ (294,426)	\$ 3,855,144	\$ 3,560,718	\$ -

Statistical Section



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.	116
Revenue Capacity	
These schedules contain information to help the reader assess the District's financially significant local revenue source, the property tax.	122
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.	126
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.	130
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.	133

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

Statistical Section

WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Last Ten Fiscal Years Ended June 30,
(Continued on next page)

		2009	2010	2011	2012
Revenues:					
Taxes	(4) \$	142,769,888	\$ 149,855,266	\$ 148,191,597	\$ 152,246,674
Intergovernmental - State	(4)	361,839,622	320,824,377	334,143,207	340,963,641
Intergovernmental - Federal		58,799,705	96,757,118	99,248,416	74,047,748
Interest expense subsidy - Federal	(1)	-	2,435,821	4,888,103	4,743,515
Charges for services		6,492,556	5,890,320	5,173,988	5,315,600
Earnings on investments	(2)	5,701,943	2,566,359	2,511,719	874,998
Other		2,763,531	2,397,458	4,268,316	1,331,039
Contributions		972,267	856,818	653,523	1,110,602
Total revenues		579,339,512	581,583,537	599,078,869	580,633,817
Expenditures:					
Current:					
Instruction		291,195,270	290,231,979	301,439,506	291,958,123
Student and instructional support		79,389,067	76,125,699	71,632,655	68,401,079
Administration		42,609,103	41,568,245	45,409,783	38,273,012
Operations and maintenance		70,351,157	61,571,070	60,773,798	65,790,223
Student transportation service		21,509,033	26,958,550	25,105,244	27,369,629
Nutrition services		19,342,146	18,974,782	18,612,253	20,656,227
Sub-total current expenditures		524,395,776	515,430,325	522,973,239	512,448,293
Facility acquisition and construction service	(5)	31,360,422	43,723,073	127,522,666	133,472,994
Debt Service:					
Principal retirement	(3)(6)	13,075,000	13,955,000	20,110,000	17,830,000
Interest		12,907,387	21,802,132	26,852,512	23,386,402
Other		-	887,791	1,075,953	-
Total expenditures		581,738,585	595,798,321	698,534,370	687,137,689
Excess (deficiency) of revenues over (under) expenditures		(2,399,073)	(14,214,784)	(99,455,501)	(106,503,872)
Other financing sources (uses):					
Bond issuance	(6)	191,260,000	141,800,000	-	-
Refunding bond issuance	(6)	-	-	39,960,000	-
Premium on bond issuance	(6)	5,336,620	1,193,154	4,557,196	-
Discount on bond issuance	(6)	(29,083)	-	-	-
Payment to refunded bond escrow	(6)	(3,000,000)	(9,285,000)	(76,180,000)	(37,790,000)
Premiums on bonds sold		-	-	-	-
Sale of property		-	427,431	268,111	350,877
Transfers in		182,742,671	178,170,320	45,048,382	62,519,291
Transfers out		(182,874,588)	(181,794,428)	(45,180,299)	(62,651,208)
Total other financing sources (uses)		193,435,620	130,511,477	(31,526,610)	(37,571,040)
Net change in fund balances		191,036,547	116,296,693	(130,982,111)	(144,074,912)
Fund balances at beginning of year		218,586,019	409,711,044	525,706,249	394,799,503
Change in reserve for inventory		88,478	(301,488)	75,365	(342,308)
Fund balances at end of year		\$ 409,711,044	\$ 525,706,249	\$ 394,799,503	\$ 250,382,283
Ratio of total debt service expenditures to noncapital expenditures.					
		4.60%	6.47%	8.17%	7.40%

- (1) 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, and there have been minor adjustments to the rate in each subsequent calendar year.
- (2) Decreases in investment earnings beginning in FY 2009 were due to lower interest rates caused by the economic downturn, as well as reduced balances resulting from reductions in state funding. The increases beginning in FY 2017 is due to increasing interest rates.
- (3) 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).
- (4) 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.
- (5) The reduction in facility acquisition and construction service in FY 2017 is a result of the final construction projects related to the 2008 bond election nearing completion.
- (6) In November 2008, Wichita citizens approved the passage of a \$370 million bond issue. The increase in the Refunding bond issuance in FY18 without a corresponding increase in Principal retirement is a result of a crossover advance refunding in December 2017.

Statistical Section

WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Last Ten Fiscal Years Ended June 30,
(Continued from previous page)

2013	2014	2015	2016	2017	2018
\$ 151,694,016	\$ 152,072,266	\$ 100,385,117	\$ 105,863,014	\$ 101,669,993	\$ 102,840,548
362,539,736	374,108,949	433,219,516	428,761,535	440,023,206	476,130,785
72,517,008	73,167,160	77,701,708	72,386,604	74,265,294	72,045,188
4,743,515	4,366,406	4,399,610	4,409,097	4,418,584	4,423,328
5,295,618	7,672,429	8,412,812	9,139,660	8,424,528	8,446,529
208,885	351,946	228,736	305,599	762,995	1,762,731
1,598,306	1,114,157	1,223,057	812,279	2,026,116	2,648,933
1,679,427	932,121	1,012,126	553,954	624,528	414,380
600,276,511	613,785,434	626,582,682	622,231,742	632,215,244	668,712,422
304,831,401	317,047,741	322,726,073	310,551,641	315,814,269	341,986,481
71,916,610	74,194,422	80,675,328	76,344,338	77,042,938	82,407,931
40,049,966	41,632,066	42,353,120	40,560,037	40,907,185	44,932,486
71,311,684	79,911,405	70,759,974	73,930,068	70,751,088	77,775,863
26,645,532	28,767,496	27,114,304	26,407,376	23,321,254	24,159,194
23,337,086	23,198,725	26,431,099	24,864,536	23,313,630	25,107,575
538,092,279	564,751,855	570,059,898	552,657,996	551,150,364	596,369,530
71,273,321	44,096,432	71,362,132	59,998,942	24,110,829	14,374,939
42,595,000	17,215,000	19,450,000	20,775,000	21,915,000	23,085,000
22,084,519	22,387,746	22,617,759	21,378,841	20,486,373	21,105,418
190,630	426,671	-	194,813	-	-
674,235,749	648,877,704	683,489,789	655,005,592	617,662,566	654,934,887
(73,959,238)	(35,092,270)	(56,907,107)	(32,773,850)	14,552,678	13,777,535
22,930,000	48,760,000	-	-	-	-
-	580,000	-	39,400,000	-	95,080,000
3,170,002	6,179,106	-	4,610,992	-	10,016,048
-	-	-	-	-	-
-	(592,979)	-	(42,433,450)	-	-
-	-	-	-	-	-
1,716,015	1,319,650	1,648,681	534,492	1,526,463	1,322,478
58,629,955	59,978,723	61,255,205	45,627,872	45,098,046	67,503,264
(63,139,942)	(60,110,640)	(61,655,205)	(46,027,872)	(45,998,046)	(68,403,264)
23,306,030	56,113,860	1,248,681	1,712,034	626,463	105,518,526
(50,653,208)	21,021,590	(55,658,426)	(31,061,816)	15,179,141	119,296,061
250,382,283	200,125,823	221,591,556	165,266,866	134,272,564	149,718,934
396,748	444,143	(666,264)	67,514	267,229	87,332
\$ 200,125,823	\$ 221,591,556	\$ 165,266,866	\$ 134,272,564	\$ 149,718,934	\$ 269,102,327
11.10%	6.71%	6.93%	7.23%	7.19%	6.95%
(3)					

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years**

		Fiscal Year									
		2009	2010	2011 (2)	2012	2013	2014	2015	2016	2017	2018
General Fund											
Reserved		\$ 3,372,025	\$ 3,034,222	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved		8,597	49,253	-	-	-	-	-	-	-	-
Nonspendable		-	-	1,304,348	1,060,873	935,247	1,027,783	955,551	1,069,429	1,096,668	1,075,447
Restricted	(5)	-	-	1,864,289	2,990,924	1,527,850	984,780	1,605,846	882,256	836,518	462,141
Assigned	(6) (7)	-	-	15,440,778	13,265,618	13,757,749	6,687,905	5,629,716	18,229,240	18,870,149	13,839,324
Unassigned		-	-	16,836,650	19,267,946	17,346,150	20,329,041	18,000,521	18,926,266	19,839,442	18,129,454
Total general fund		3,380,622	3,083,475	35,446,065	36,585,361	33,566,996	29,029,509	26,191,634	39,107,191	40,642,777	33,506,366
All Other Governmental Funds											
Reserved	(1)	\$ 104,724,314	\$ 138,469,242	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				-	-	-	-	-	-	-	-
Special revenue funds		59,097,752	61,985,141	-	-	-	-	-	-	-	-
Capital projects funds		215,643,501	292,076,658	-	-	-	-	-	-	-	-
Debt service funds		26,864,855	30,091,733	-	-	-	-	-	-	-	-
Nonspendable		-	-	829,014	730,181	1,252,555	1,604,162	1,010,131	963,767	1,203,757	1,312,310
Restricted, reported in:											
Special revenue funds	(7)	-	-	47,292,756	46,728,832	40,690,923	35,374,191	34,992,966	28,954,451	30,367,496	34,108,298
Capital projects funds	(3)	-	-	247,089,000	139,146,479	93,606,826	123,467,411	66,507,674	24,702,409	29,569,695	44,659,930
Debt service funds	(4)	-	-	64,142,668	27,191,430	31,008,523	32,116,572	36,564,585	41,504,964	47,935,209	155,515,423
Unassigned, reported in:											
Special revenue funds		-	-	-	-	-	(289)	(124)	(960,218)	-	-
Total all other governmental funds		406,330,422	522,622,774	359,353,438	213,796,922	166,558,827	192,562,047	139,075,232	95,165,373	109,076,157	235,595,961
Total Fund Balances		\$ 409,711,044	\$ 525,706,249	\$ 394,799,503	\$ 250,382,283	\$ 200,125,823	\$ 221,591,556	\$ 165,266,866	\$ 134,272,564	\$ 149,718,934	\$ 269,102,327

(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. The FY 2018 increase is due to increased assessed valuation, increased interest income and conservative spending as the District worked on a system-wide facilities wide maintenance plan.

(4) Decrease in FY 2012 is due to call of the Series 2001 bond. In FY 2018, Bond and Interest funds have accumulated to the point that the District will exercise its call option on the 2009-A bond series. Increase in 2018 is due to recording of a crossover advance refunding, which totals \$103,065,275 as of June 30, 2018. General obligation bond series 2010B has a crossover date of October 1, 2020.

(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 and FY 2017, several funds no longer meet the requirements to be special revenue funds and are now combined with the General Fund.

WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259
SCHEDULE OF CHANGES IN NET POSITION
Last Ten Fiscal Years

	Fiscal Year									
	2009	2010 (3)	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
Instruction	(1) \$ 311,741,071	\$ 304,175,635	\$ 324,059,324	\$ 304,492,992	\$ 310,436,796	\$ 346,685,399	\$ 361,233,411	\$ 346,455,686	\$ 342,630,958	\$ 364,388,318
Student and instructional support	80,905,216	75,254,586	72,600,464	66,154,324	70,466,957	75,391,283	82,846,535	78,375,866	77,043,654	81,019,951
Administration	43,170,671	41,377,798	42,705,447	36,896,438	39,567,265	42,055,747	43,939,152	42,201,508	41,034,130	43,724,333
Operations and maintenance	(8) 72,110,571	66,482,872	65,617,612	65,131,662	69,226,727	82,520,406	74,032,676	74,830,191	71,650,829	79,825,564
Student transportation services	22,040,131	26,574,028	25,302,589	27,485,148	26,044,801	29,159,038	27,097,070	26,386,173	23,224,462	24,115,802
Nutrition services	19,661,902	19,199,980	18,782,975	20,661,401	20,636,334	20,958,861	26,918,661	24,014,679	23,173,184	24,483,049
Interest on long-term debt	(4) 12,530,101	22,752,909	24,252,596	21,162,287	19,928,885	20,303,268	19,803,124	18,364,528	17,705,215	19,014,877
Total primary government expenses	\$ 562,159,663	\$ 555,817,808	\$ 573,321,007	\$ 541,984,252	\$ 556,307,765	\$ 617,074,002	\$ 635,870,629	\$ 610,628,631	\$ 596,462,432	\$ 636,571,894
Program Revenues										
Governmental activities:										
Charges for services										
Instruction	(6) \$ 2,481,255	\$ 2,216,342	\$ 1,964,420	\$ 2,060,864	\$ 1,993,694	\$ 7,138,221	\$ 5,033,829	\$ 5,666,170	\$ 4,885,971	\$ 5,063,816
Student and instructional support	75,060	108,982	82,619	37,294	108,400	78	21,821	130,760	272,037	97,224
Operations and maintenance	-	-	-	-	-	-	4,320	4,755	-	-
Nutrition services	3,936,241	3,564,996	3,126,797	3,217,442	3,193,524	3,281,889	3,352,842	3,337,975	3,266,520	3,285,489
Operating grants and contributions	(2) (10) 132,872,905	261,912,962	270,853,079	245,991,467	249,460,514	256,161,515	268,015,891	172,972,436	178,029,107	283,406,800
Capital grants and contributions	(5) 218,597	-	-	6,487,575	4,145,271	1,211,708	1,673,980	87,111	37,121	-
Total primary government program revenues	\$ 139,584,058	\$ 267,803,282	\$ 276,026,915	\$ 257,794,642	\$ 258,901,403	\$ 267,793,411	\$ 278,102,683	\$ 182,199,207	\$ 186,490,756	\$ 291,853,329
Net (Expense)/Revenue										
Total primary government net expense	\$ (422,575,605)	\$ (288,014,526)	\$ (297,294,092)	\$ (284,189,610)	\$ (297,406,362)	\$ (349,280,591)	\$ (357,767,946)	\$ (428,429,424)	\$ (409,971,676)	\$ (344,718,565)
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	(9) \$ 104,914,577	\$ 103,899,233	\$ 102,754,794	\$ 107,564,069	\$ 110,710,176	\$ 116,349,986	\$ 51,355,634	\$ 56,558,311	\$ 51,029,955	\$ 53,812,918
Property taxes levied for debt service	17,326,543	25,692,971	25,678,590	27,004,292	27,056,492	22,963,346	27,438,403	27,161,300	26,806,608	24,920,297
Property taxes levied for capital outlay	20,528,768	20,263,062	19,758,213	17,678,313	13,927,348	12,758,934	21,591,080	22,143,403	23,833,430	24,107,333
State and federal aid not restricted to specific purposes	(9) (10) 288,520,092	158,961,172	168,080,171	168,235,282	181,557,719	188,824,383	240,108,713	325,453,330	332,270,972	258,673,488
State aid received for debt service (principal)	-	-	-	4,814,100	5,608,500	6,023,100	7,196,500	8,102,250	9,642,600	10,157,400
State aid for nonemployer pension contributions	(11) -	-	-	-	-	-	-	-	66,165,270	-
Earnings on investments	(7) 5,950,637	2,629,093	2,598,057	919,021	279,178	397,061	274,584	372,350	927,465	2,220,664
Sale of property	519,592	427,431	-	-	-	-	-	-	-	-
Miscellaneous	2,243,939	2,397,458	4,268,466	1,331,039	1,598,306	1,114,160	1,746,413	1,345,377	3,527,578	3,971,412
Total primary government general revenue	\$ 440,004,148	\$ 314,270,420	\$ 323,138,291	\$ 327,546,116	\$ 340,737,719	\$ 348,430,970	\$ 349,711,327	\$ 441,136,321	\$ 514,203,878	\$ 377,863,512
Change in Net Position										
Total primary government	\$ 17,428,543	\$ 26,255,894	\$ 25,844,199	\$ 43,356,506	\$ 43,331,357	\$ (849,621)	\$ (8,056,619)	\$ 12,706,897	\$ 104,232,202	\$ 33,144,947

- (1) FY 2010 and FY 2012 reductions are due to State aid cuts. FY 2011 increase is due to Federal funds.
- (2) 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.
- (3) Starting in FY 2010, State aid generated for at-risk, bilingual, virtual, 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.
- (4) The increase in 2010 is due to additional bond issuances; increase in 2018 is due to advanced refunding bonds issued with interest payable from escrow funds.
- (5) 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 and FY 2017 decreased due to construction of fewer storm shelters and clinics.
- (6) 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.
- (7) Decreases in investment earnings since FY 2009 are due to lower interest rates caused by the economic downturn, as well as reduced balances resulting from reductions in state funding. Increases beginning FY 2017 reflect increasing interest rates.
- (8) 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).
- (9) 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.
- (10) 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 contribution was no longer restricted and was therefore included in State and federal aid not restricted to specific purposes. The legislature passed a new school finance formula in June 2017 that once again provided state aid designated for specific purposes and therefore is included in Operating grants and contributions for FY 2018.
- (11) The state aid received in FY 2017 is the District's proportionate share of a one-time bond issue by the State of Kansas in which the proceeds were deposited to the Kansas Public Employees Retirement System (KPERs) to reduce the unfunded actuarial pension liability.

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259
NET POSITION BY COMPONENT
Last Ten Fiscal Years**

		Fiscal Year									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities:											
Net Investment in Capital Assets	(1)	\$ 196,865,922	\$ 217,714,525	\$ 243,866,697	\$ 264,879,340	\$ 312,942,740	\$ 334,998,662	\$ 355,521,886	\$ 379,706,034	\$ 401,755,601	\$ 411,756,706
Restricted for:											
Instruction and Support Services	(7)	-	15,697,614	15,930,095	13,881,209	11,911,677	9,823,734	10,428,626	3,666,331	3,276,706	5,827,796
Facilities and Capital Projects	(2)	45,465,264	42,982,926	39,494,516	35,472,632	32,701,407	31,760,044	22,162,727	22,077,676	28,749,877	44,294,760
Debt Service	(3)	22,024,806	23,372,779	20,876,849	22,492,365	24,403,113	23,254,437	25,973,964	29,282,262	34,005,690	35,812,445
Self-Insurance Claims	(6)	35,507,219	43,074,689	37,992,028	41,601,378	45,230,277	41,545,589	29,107,028	19,940,071	26,306,015	32,631,552
Special Education	(5)	4,760,509	3,555,567	3,370,405	12,472,770	8,568,239	6,028,150	7,246,306	8,104,950	8,798,754	8,213,543
Nutrition Services		7,991,437	9,407,307	10,284,378	12,093,756	11,785,330	12,905,249	12,032,973	13,405,797	14,884,301	14,683,860
Federal and State Grant Programs		3,708,684	2,288,903	1,823,584	2,180,807	1,510,421	948,423	1,572,155	882,256	836,518	462,141
Other		4,053,911	-	-	-	-	-	-	-	-	-
Unrestricted	(3)(4)	(17,984,535)	(29,445,199)	(19,145,242)	(7,224,441)	(10,164,684)	(23,225,389)	(511,492,309)	(511,805,124)	(462,785,270)	(475,356,239)
Total Primary Government Net Position		\$ 302,393,217	\$ 328,649,111	\$ 354,493,310	\$ 397,849,816	\$ 438,888,520	\$ 438,038,899	\$ (47,446,644)	\$ (34,739,747)	\$ 55,828,192	\$ 78,326,564

- (1) Increases in 2010-2017 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. In FY 2017, spending was purposely reduced to build cash in order to eliminate cash flow issues in the first half of each year before taxes and state aid are received. This resulted in an increase to the restricted net position. In FY 2018, the increase is due to increased assessed valuation, increased interest income and conservative spending as the District worked on a system-wide facilities wide maintenance plan.
- (3) 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. The Board again levied a tax in the Special Assessments Fund for one year in FY 2017 to pay the future special assessments related to a newly-constructed high school.
- (4) 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 (KPERs) collective net pension liability. In FY 2017, the majority of the increase is due to the net difference between the increase in the Net OPEB Liability related to implementation of GASB 74 and 75 and the decrease in the Net Pension Liability related to recording the District's proportionate share of the one-time bond issue by the State of Kansas in which the proceeds were deposited to KPERs.
- (5) The increase in FY 2012 is due primarily to reduced liabilities as a result of funding retiree obligations in an irrevocable trust.
- (6) The decrease in FY 2015 and FY 2016 are due to a substantial increase in health claims that drew down reserves. Due to depletion of health plan reserves, in mid-FY 2017 substantial plan changes were made, increasing reserves and restricted net position.
- (7) 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).

WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259
STATE REVENUE BY SOURCE, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

				2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Revenues:														
Unrestricted state school aid	(1)	(4)	(5)	\$	194,862,053	\$ 155,681,924	\$ 161,195,704	\$ 166,627,015	\$ 175,658,938	\$ 183,371,138	\$ 239,116,617	\$ 332,471,214	\$ 337,943,198	\$ 256,577,873
Transportation aid		(5)			7,547,320	8,149,174	8,680,691	8,520,120	8,331,530	8,412,896	8,000,604	-	-	8,000,783
New facilities aid					6,745,967	2,831,488	1,686,611	1,327,536	5,742,032	5,288,380	884,804	898,672	2,267,287	2,043,060
Juvenile detention centers aid					721,600	1,144,338	1,073,505	901,894	925,691	811,353	696,189	493,029	369,792	471,907
Virtual education aid	(1)				1,004,960	1,287,852	1,775,587	1,804,194	960,651	867,388	769,630	1,222,628	1,468,767	1,593,020
Unrestricted state grant					241,483	402,287	174,017	113,942	156,749	157,259	107,292	84,048	57,678	52,376
Special education aid					39,141,960	36,851,423	38,145,500	41,081,697	42,635,958	42,147,885	44,536,009	44,276,340	43,091,851	43,328,346
State intervention aid	(2)	(5)			67,786,840	68,579,121	69,893,955	69,194,034	72,091,073	70,684,066	70,576,256	-	-	78,131,422
Capital outlay aid		(4)			-	-	-	1,126	-	-	4,525,512	4,525,512	9,325,716	9,534,356
Bond and interest aid					5,702,065	7,503,304	9,885,746	9,607,117	10,758,658	12,313,084	14,677,215	15,500,450	17,592,428	17,698,311
4-year-old aid		(5)			4,105,200	3,839,235	3,763,772	3,613,680	3,669,128	3,669,129	3,682,512	-	-	4,038,048
Bilingual education aid	(3)	(5)			6,431,920	6,972,454	7,764,158	7,774,704	8,485,818	8,960,195	9,080,320	-	-	9,199,378
Latchkey aid					-	-	-	2,794	-	-	-	-	-	-
School food assistance aid					219,542	220,170	186,769	268,064	265,169	254,700	257,271	256,362	241,267	239,239
Parents as teachers aid					504,419	510,130	505,311	158,388	328,742	467,251	403,507	338,043	60,761	159,146
Vocational education aid		(5)			3,352,800	3,047,114	2,970,073	2,823,661	3,015,406	3,079,029	3,049,563	35,486	22,951	3,478,921
KPERS contributions		(7)			22,980,806	23,560,267	26,198,202	27,143,675	29,514,193	33,625,196	32,856,215	28,659,751	27,581,510	41,535,674
New teacher mentoring aid					181,300	163,950	136,010	-	-	-	-	-	-	-
State safety aid					63,270	80,146	107,596	-	-	-	-	-	-	-
Professional development aid		(6)			246,117	-	-	-	-	-	-	-	-	48,925
Total revenues				\$	361,839,622	\$ 320,824,377	\$ 334,143,207	\$ 340,963,641	\$ 362,539,736	\$ 374,108,949	\$ 433,219,516	\$ 428,761,535	\$ 440,023,206	\$ 476,130,785

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

(2) Increases are due to the continual increase in low-income students, as well as increased State support in fiscal year 2009 as a result of litigation.

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

(4) Equalization state aid was reinstated in 2014-15 in the Supplemental General Fund and Capital Outlay Fund as a result of a Supreme Court ruling, but the Capital Outlay aid was cut mid-year from \$7.7 million to \$4.5 million. The Legislature's implementation of Block Grant funding in 2015-16 froze the state aid in both funds at the 2015-16 amount. As a result of another Supreme Court ruling, equalization state aid was again fully reinstated in 2016-17.

(5) Due to the Legislature's implementation of Block Grant funding for the 2015-16 and 2016-17 school years, state aid that was previously designated for specific purposes is no longer restricted to those purposes and was therefore included in Unrestricted State School Aid for 2016 and 2017. Beginning 2018, this aid has been designated for specific purposes and is restricted.

(6) Professional development aid is part of the school finance funding formula beginning in 2017-18.

(7) Increase in KPERS in FY 2018 due to the State meeting its full KPERS obligation. In the previous two fiscal years, as a result of State's revenue challenges, only partial KPERS payments had been made.

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259
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
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
2016	16-17	\$ 2,441,305,088	\$ 16,327,450,771	\$ 128,095,527	\$ 530,576,891	\$ 105,798,499	\$ 320,601,512
2017	17-18	\$ 2,501,486,897	\$ 16,776,259,335	\$ 125,937,992	\$ 522,916,465	\$ 109,152,947	\$ 330,766,506

ASSESSMENT YEAR	FISCAL YEAR	TOTAL		ASSESSED/ACTUAL RATIO	DIRECT TAX RATE (2)
		ASSESSED VALUE	ESTIMATED ACTUAL		
2008	08-09	\$ 2,647,930,183	\$ 16,860,190,386	15.71%	53.309
2009	09-10	\$ 2,626,823,265	\$ 16,856,954,692	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
2016	16-17	\$ 2,675,199,114	\$ 17,178,629,174	15.57%	53.683
2017	17-18	\$ 2,736,577,836	\$ 17,629,942,306	15.52%	53.733

Source: Sedgwick County Clerk

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

(2) Tax rates are per \$1,000 of assessed value

Statistical Section

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259
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	SPECIAL LIABILITY EXPENSE	TOTAL USD 259
2008	08-09	20.000	20.411	7.000	5.898	-	-	53.309
2009	09-10	20.000	20.439	7.000	9.411	-	-	56.850
2010	10-11	20.000	20.482	7.015	9.431	-	-	56.928
2011	11-12	20.000	21.549	6.014	9.454	-	-	57.017
2012	12-13	20.000	23.154	4.534	9.496	-	-	57.184
2013	13-14	20.000	25.200	4.254	7.761	-	-	57.215
2014	14-15	20.000	16.212 ⁽⁴⁾	8.000 ⁽⁴⁾	9.523 ⁽⁴⁾	-	-	53.735
2015	15-16	20.000	18.498 ⁽⁵⁾	7.930	9.441	0.409 ⁽³⁾	-	56.278
2016	16-17	20.000	16.844 ⁽⁵⁾	8.000	8.839	-	-	53.683
2017	17-18	20.000	17.553 ⁽⁵⁾	8.000	8.055	-	0.125 ⁽⁶⁾	53.733

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	CITY OF VALLEY CENTER
2008	08-09	31.877	32.056	34.908	62.241	23.954	37.450	48.367
2009	09-10	31.368	32.142	35.970	58.351	33.857	37.332	48.516
2010	10-11	30.859	32.272	39.050	57.944	33.774	37.395	48.448
2011	11-12	30.928	32.359	46.118	59.999	33.676	37.792	51.172
2012	12-13	30.946	32.471	46.162	62.073	33.714	39.607	53.630
2013	13-14	30.877	32.509	45.695	64.597	33.706	39.890	53.630
2014	14-15	30.978	32.652	45.730	64.597	33.866	40.051	55.443
2015	15-16	30.883	32.686	46.246	64.664	33.699	40.111	55.446
2016	16-17	30.893	32.625	45.726	63.637	36.727	40.224	55.640
2017	17-18	30.893	32.667	45.719	63.637	36.726	41.325	54.951

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

(4) 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.

(5) In FY 2016 the State of Kansas eliminated the school funding formula and replaced it with a block grant system that provided essentially the same funding as FY 2015 after mid-year cuts to equalization state aid. An increase to the Supplemental General mill levy was necessary to avoid losing additional state aid. In FY 2017, as a result of a Supreme Court ruling, equalization state aid was again reinstated, resulting in a decrease to the Supplemental General mill levy. In FY 2018, a decrease in state aid in the Supplemental General fund results in an increase in the mill levy to fund the maximum budget authority.

(6) Taxes were levied in 2018 to fund environmental liability related to ground water remediation and reporting activities at the School Service Center.

Statistical Section

WICHITA PUBLIC SCHOOLS UNIFIED SCHOOL DISTRICT NO. 259 PRINCIPAL PROPERTY TAXPAYERS Current Year and Nine Years Ago For the Year Ended December 31,

TAXPAYER	2017 (1)			2008		
	TAXABLE ASSESSED VALUATION	Rank	PERCENT OF TOTAL ASSESSED VALUATION	TAXABLE ASSESSED VALUATION	Rank	PERCENT OF TOTAL ASSESSED VALUATION
Kansas Gas & Electric - A Westar Co.	\$ 50,981,113	1	1.86%	\$ 31,591,867	3	1.19%
Beechcraft Corp. (2)	43,446,124	2	1.59%	-	-	-
Cessna Aircraft Co.	42,056,293	3	1.54%	29,534,298	4	1.12%
Simon Property Group LP	23,609,358	4	0.86%	18,785,396	5	0.71%
City of Wichita	21,246,667	5	0.78%	12,898,347	10	0.49%
Kansas Gas Service-A Division of Onegas	17,794,579	6	0.65%	16,810,498	6	0.63%
Walmart/Sams	13,922,434	7	0.51%	-	-	-
Southwestern Bell Telephone Co	13,862,132	8	0.51%	32,186,864	2	1.22%
BF Owner LLC	11,826,296	9	0.43%	10,514,562	9	0.40%
Wesley Medical Center LLC	9,505,321	10	0.35%	32,852,959	1	1.24%
Raytheon Aircraft Company	-	-	-	14,609,855	8	0.55%
Hawker Beechcraft Corp.				15,561,891	7	0.59%
Total	<u>\$ 248,250,317</u>		<u>9.08%</u>	<u>\$ 215,346,537</u>		<u>8.14%</u>
Total Assessed Value	\$2,736,577,836			\$ 2,647,930,183		

Source: Sedgwick County Clerk

(1) Data for 2018 is not available until December.

(2) Formerly Raytheon Aircraft Company and Hawker Beechcraft Corp.

Statistical Section

WICHITA PUBLIC SCHOOLS UNIFIED SCHOOL DISTRICT NO. 259 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
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 (5)	\$ 86,953,849	\$ 83,065,435	95.53%
2015	2016	\$ 94,566,618	\$ 90,573,191	95.78%
2016	2017	\$ 89,101,483	\$ 85,572,427	96.04%
2017	2018	\$ 92,312,980	\$ 85,322,649 (4)	92.43% (4)

ASSESSMENT YEAR	COLLECTION YEAR	DELINQUENT TAX COLLECTIONS (2) (3)	TOTAL TAX COLLECTED	PERCENT OF TOTAL TAX COLLECTED TO LEVY
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 (5)	\$ 2,550,002	\$ 85,615,437	98.46%
2015	2016	\$ 2,494,503	\$ 93,067,694	98.41%
2016	2017	\$ 2,495,460	\$ 88,067,887	98.84%
2017	2018	N/A (6)	N/A (6)	N/A (6)

(1) Source: Sedgwick County Treasurer.

(2) Source: District Tax Year Report.

(3) For this schedule, all collections of delinquent taxes are applied to the preceding year.

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

(5) The 2014 Kansas Legislature provided that the mandatory school district general fund property tax levy (20 mills) be remitted to the State Treasurer to be deposited in the School District Finance Fund at the Department of Education to be distributed to school districts as part of the district's General State Aid, and is no longer counted as part of local effort.

(6) Information is not applicable, as no current year taxes are yet delinquent.

Statistical Section

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
For the Year Ended June 30, 2018**

GOVERNMENT UNITS	AMOUNT OF DEBT OUTSTANDING (2)	PERCENTAGE APPLICABLE TO TAXPAYERS OF USD 259	TOTAL DIRECT AND OVERLAPPING DEBT
Overlapping Debt:			
Sedgwick County	\$48,415,000	58.53% (1)	\$28,337,300
City of Wichita	555,775,000	68.63% (1)	381,428,383
City of Bel Aire	24,160,000	93.82% (1)	22,666,912
City of Eastborough	450,000	100.00% (1)	450,000
City of Kechi	6,490,000	79.25% (1)	5,143,325
City of Park City	27,509,000	74.79% (1)	20,573,981
City of Valley Center	16,840,000	0.26% (1)	43,784
Sub-total			<u>\$458,643,685</u>
Direct Debt:			
USD 259	497,329,031 (3)	100.00%	<u>497,329,031</u>
Total Direct and Overlapping Debt			<u><u>\$955,972,716</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

WICHITA PUBLIC SCHOOLS UNIFIED SCHOOL DISTRICT NO. 259 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
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
2016	16-17	389,927	50,561	\$ 17,178,629,174	\$ 418,557,849	4.03%	\$ 1,073
2017	17-18	390,599	50,660	\$ 17,629,942,306	\$ 497,329,031	4.73%	\$ 1,273

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
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
2016	16-17	\$ 34,005,690	\$ 384,552,159	2.24%	\$ 986	\$ 7,606
2017	17-18	\$ 35,812,445	\$ 461,516,586	2.62%	\$ 1,182	\$ 9,110

(1) Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates

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

(3) Includes premiums and discounts.

WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259
LEGAL DEBT MARGIN
Last Ten Fiscal Years Ended June 30,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Value (1)	\$2,647,930,183	\$2,626,823,265	\$2,630,077,764	\$2,627,697,250	\$2,588,387,766	\$2,585,856,212	\$2,596,344,151	\$2,624,142,662	\$2,675,199,114	\$2,736,577,836
Taxable Value of Motor Vehicles (1)	323,268,835	317,561,667	305,460,828	298,653,431	299,263,978	305,928,045	311,405,014	320,613,950	328,545,821	331,113,672
Total Assessed Valuation (2)	\$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	\$3,003,744,935	\$3,067,691,508
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	\$ 415,967,863	\$ 412,213,890	\$ 410,975,403	\$ 409,689,095	\$ 404,271,244	\$ 404,849,796	\$ 407,084,883	\$ 412,265,926	\$ 420,524,291	\$ 429,476,811
Plus: Additional Authority (4)	0	87,511,110	65,504,597	48,960,905	32,713,615	61,759,717	38,074,086	11,522,279	0	0
Legal Debt Limit	<u>\$ 415,967,863</u>	<u>\$ 499,725,000</u>	<u>\$ 476,480,000</u>	<u>\$ 458,650,000</u>	<u>\$ 436,984,859</u>	<u>\$ 466,609,513</u>	<u>\$ 445,158,969</u>	<u>\$ 423,788,205</u>	<u>\$ 420,524,291</u>	<u>\$ 429,476,811</u>
Amount of Outstanding Debt (5)	\$ 452,040,000	\$ 570,600,000	\$ 514,270,000	\$ 458,650,000	\$ 438,985,000	\$ 470,610,000	\$ 451,160,000	\$ 431,790,000	\$ 409,875,000	\$ 481,870,000
Less: Amount in Sinking Fund	0	0	0	0	2,000,141	4,000,487	6,001,031	8,001,795	10,015,793	12,117,098
Less: Debt Not Applicable To the Limit (Crossover Advance Refunding)	<u>70,875,000</u>	<u>70,875,000</u>	<u>37,790,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>95,080,000</u>
Total Debt Applicable to the Limit	<u>\$ 381,165,000</u>	<u>\$ 499,725,000</u>	<u>\$ 476,480,000</u>	<u>\$ 458,650,000</u>	<u>\$ 436,984,859</u>	<u>\$ 466,609,513</u>	<u>\$ 445,158,969</u>	<u>\$ 423,788,205</u>	<u>\$ 399,859,207</u>	<u>\$ 374,672,902</u>
Legal Debt Margin (6)	<u>\$ 34,802,863</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 20,665,084</u>	<u>\$ 54,803,909</u>
Total Debt Applicable To the Limit as a Percentage of Debt Limit	91.63%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	95.09%	87.24%

(1) Source: Sedgwick County Clerk

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

(3) K.S.A. 72-5457 - Legal bonded debt limit is 14% of the assessed valuation of the taxable tangible property value within the school district.

(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 authorized by K.S.A. 72-5461. 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 was adjusted annually (not to exceed \$246,682,112) to arrive at a Legal Debt Margin of zero. By the end of FY17, all bonds under the 2008 election have been issued and the additional authority is no longer needed, as the total debt applicable to the limit is within the 14% statutory authority under K.S.A. 72-5457.

(5) As of June 30, 2018.

(6) The legal debt margin is the District's available borrowing authority under K.S.A 72-5457 and is calculated by subtracting the total debt applicable to the legal debt limit from the legal debt limit.

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259
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
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% (2)
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%
16-17	\$ 21,915,000	\$ 20,486,373	\$ 42,401,373	\$ 551,150,364	7.69%
17-18	\$ 23,085,000	\$ 21,105,418	\$ 44,190,418	\$ 596,369,530	7.41%

(1) Fund included: Debt Service

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

Statistical Section

WICHITA PUBLIC SCHOOLS UNIFIED SCHOOL DISTRICT NO. 259 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)
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
2016	16-17	389,927	\$ 10,393,114,258	\$ 26,654	34.7	50,561
2017	17-18	390,599	\$ 10,507,113,100	\$ 26,900	35.9	50,660

CALENDAR YEAR	FISCAL YEAR	WICHITA TAXABLE RETAIL SALES (4)	WICHITA ELECTRICITY CONSUMED IN KILOWATT HOURS (4)	WICHITA DWIGHT D. EISENHOWER NATIONAL AIRPORT (5)		CITY OF WICHITA UNEMPLOYMENT RATE (2)
				AIR PASSENGERS INBOUND	AIR PASSENGERS OUTBOUND	
2008	08-09	\$ 8,287,942,146	5,898,842,000	813,789	805,286	10.1%
2009	09-10	\$ 8,055,177,921	5,884,120,000	759,324	746,283	9.6%
2010	10-11	\$ 8,193,427,230	6,173,909,000	776,787	772,608	8.9%
2011	11-12	\$ 8,685,224,619	6,120,423,000	771,732	764,622	7.8%
2012	12-13	\$ 8,965,184,409	5,839,845,000	757,098	752,108	7.0%
2013	13-14	\$ 9,427,875,142	5,862,989,000	752,859	752,655	6.0%
2014	14-15	\$ 9,526,700,614	5,701,334,000	770,072	763,597	5.0%
2015	15-16	\$ 9,773,059,070	5,573,792,867	788,623	782,725	5.0%
2016	16-17	\$ 9,742,597,197	5,660,981,526	803,507	798,804	4.4%
2017	17-18	\$ 9,768,328,638	5,807,467,669	809,994	810,246	4.3%

(1) Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimate

(2) Source: Kansas Department of Labor website based on the fiscal year ending June 30.

(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.

(5) Source: Wichita Airport Authority Aviation Activity Report

Statistical Section

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago
For the Year Ended December 31,**

Employer	2017			2008		
	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.	10,700	1	3.47%	10,900	2	3.41%
Textron Aviation	9,300	2	3.02%	-	-	-
McConnell Air Force Base	6,807	3	2.21%	-	-	-
Wichita Public Schools USD #259	5,489	4	1.78%	5,391	4	1.69%
Via Christi Health	4,654	5	1.51%	4,809	5	1.50%
State of Kansas	4,494	6	1.46%	4,094	6	1.28%
Koch Industries Inc.	3,240	7	1.05%	-	-	-
City of Wichita	2,831	8	0.92%	3,103	7	0.97%
U.S. Government	2,673	9	0.87%	2,524	10	0.79%
Sedgwick County	2,550	10	0.83%	2,762	9	0.86%
Cessna Aircraft Company	-	-	-	11,300	1	3.53%
Hawker Beechcraft	-	-	-	6,767	3	2.12%
Boeing IDS Wichita	-	-	-	3,005	8	0.94%
Totals	52,738		17.12%	54,655		17.09%

Source: City of Wichita 2017 Comprehensive Annual Financial Report

Note: MSA - Wichita Metropolitan Statistical Area

Data for 2018 is not available until December.

(1) Includes Butler, Harvey, Sedgwick, Kingman, and Sumner counties for 2017. Data for 2008 includes Sedgwick, Butler, Harvey, and Sumner counties.

Statistical Section

WICHITA PUBLIC SCHOOLS UNIFIED SCHOOL DISTRICT NO. 259 MISCELLANEOUS STATISTICS Ten-Year Comparison

Date Established as Unified School District 259
Geographical Area
Form of Organization
Accreditation

July 1, 1965
152 square miles
7-member board
Kansas State Department of Education

	<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>	<u>2016-17</u>	<u>2017-18</u>
STUDENT DATA										
Elementary school enrollment	24,926	25,290	25,355	25,476	25,915	26,243	26,359	26,459	26,343	25,705
Middle school enrollment	9,588	9,844	9,951	10,181	10,217	10,267	10,105	10,065	10,084	10,264
High school enrollment	12,771	12,627	12,493	12,330	12,339	12,408	12,637	12,706	12,646	12,603
Alternative and special school enrollment (5)	1,797	2,281	2,234	2,116	2,168	2,251	2,229	1,903	1,488	2,088
Average daily attendance	94.3%	93.9%	94.3%	94.5%	94.1%	94.0%	94.0%	94.0%	93.5%	92.9%
Composite ACT scores	20.4	19.8	19.8	19.7	19.8	19.7	19.6	19.7	19.3	19.0
STUDENT/TEACHER RATIOS										
Elementary school	21.0	20.8	20.6	20.4	19.8	19.7	19.0	18.6	18.7	18.5
Middle school	13.1	13.3	13.4	14.9	14.1	16.1	14.3	14.8	15.1	15.2
High school	21.7	21.5	15.2	17.4	17.4	18.8	18.6	18.5	19.4	19.4
RACIAL AND ETHNIC PERCENTAGES OF STUDENTS										
African-American	19.9%	19.5%	19.2%	18.6%	18.2%	18.3%	18.5%	18.8%	19.1%	19.3%
Asian	5.3%	4.9%	4.8%	4.7%	4.5%	4.5%	4.5%	4.4%	4.5%	4.4%
Hispanic	23.8%	28.1%	29.6%	31.1%	32.1%	33.1%	33.5%	33.7%	34.4%	35.0%
Native American-Indian	2.5%	1.7%	1.6%	1.4%	1.4%	1.2%	1.3%	1.1%	1.0%	1.0%
Native Hawaiian	-	0.2%	0.1%	0.2%	0.2%	0.5%	0.2%	0.2%	0.3%	0.3%
Multi Racial	10.2%	7.5%	8.0%	8.2%	8.6%	8.3%	8.0%	7.8%	7.6%	7.5%
White or other	38.3%	38.1%	36.7%	35.8%	35.1%	34.0%	34.1%	33.9%	33.3%	32.5%
MALE/FEMALE PERCENTAGES OF STUDENTS										
Male	51.0%	51.1%	51.2%	51.3%	51.4%	50.8%	51.0%	51.2%	51.1%	51.0%
Female	49.0%	48.9%	48.8%	48.7%	48.6%	49.2%	49.0%	48.8%	48.9%	49.0%
EMPLOYEES										
Instruction (3)	5,619	5,652	5,680	5,511	5,568	5,711	5,848	5,774	5,828	5,848
Instructional Support (3)	128	117	84	60	56	54	55	54	41	45
Operations (4)	924	910	899	891	975	973	939	956	946	939
Other Commitments/Capital Projects (4)	90	95	95	95	24	23	48	48	45	45
Leadership (6)	23	23	17	18	18	18	18	13	13	13
LATCHKEY CENTERS (1)	44	45	45	46	48	48	49	49	48	48
CHILD DEVELOPMENT CENTERS (2)	10	10	9	9	8	8	8	7	7	7

Source: Wichita Public Schools Student Records & Enrollment Services, Budgeting, Learning Services, and Career & Technical Education departments.

(1) Also known as School Age Program Centers. Latchkey centers are run by USD 259.

(2) Metro-Midtown Child Development Center closed at the end of 2009-10, Metro-Boulevard closed in 2012-13, AND 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. The Curriculum Department completed a reorganization between 2015-16 and 2016-17.

(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. Towne East Learning Center and Towne West Learning Center were also changed to a virtual format in 2016-17, again causing enrollment to decline. Additionally, enrollment declined at the Juvenile Detention Center in 2016-17.

(6) Due to budget reductions in 2015-16, 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.

WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

<u>Function/Program</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>	<u>2016-17</u>	<u>2017-18</u>
Instruction										
District-Wide Enrollment	49,146	50,042	50,033	50,103	50,639	51,169	51,330	51,133	50,561	50,660
Enrollment Percentage Change from Base Year (3)	105.5%	107.4%	107.4%	107.6%	108.7%	109.9%	110.2%	109.8%	108.5%	108.8%
Bilingual Enrollment	6,574	7,309	7,850	8,181	8,686	9,080	9,560	9,550	9,846	8,931
Special Education Enrollment	7,679	7,706	7,812	7,915	7,895	7,936	7,876	7,967	7,987	8,034
At-Risk Enrollment	27,464	30,416	31,668	32,721	33,303	34,402	33,165	33,171	32,481	33,113
Days School in Session (4)	173	171	167	173	169	169	173	169	158	158
Student Attendance Percentage (1)	94.3%	93.9%	94.2%	94.5%	94.1%	93.9%	93.9%	94.0%	93.5%	92.9%
Student and Instructional Support										
Percentage of Seniors Graduating (1) (2)	80.1%	63.1%	66.2%	74.1%	76.5%	75.1%	75.3%	73.0%	73.9%	N/A
Administration										
Number of Student Suspensions	13,697	13,220	12,773	11,391	10,934	10,300	11,035	10,639	10,945	10,854
Number of Student Expulsions	191	141	138	92	42	20	30	26	22	48
Operations and Maintenance										
Number of Work Orders Completed	31,068	29,655	30,878	29,353	29,976	33,066	33,059	32,111	33,108	35,494
Transportation										
Number of Students Transported (1) (5)	19,315	19,175	18,732	18,621	17,998	18,112	17,904	18,649	17,086	17,239
Nutrition Services										
Breakfasts Served	1,569,190	1,565,019	1,645,664	1,827,516	1,881,998	2,008,089	2,163,871	2,228,102	2,073,034	1,965,347
Lunches Served	5,264,881	5,339,748	5,336,254	5,575,561	5,336,982	5,493,014	5,566,753	5,481,155	5,043,529	4,859,686

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 25-year period.

(4) The school year calendar was shortened for 2016-17 and 2017-18 due to budget constraints.

(5) The decrease for 2016-17 in the number of students who live less than 2.5 miles from school is due to re-evaluation of hazardous routes.

WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

<u>Function/Program</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>	<u>2016-17</u>	<u>2017-18</u>
Instruction										
Elementary Schools (5)	56	56	56	56	54	54	54	54	54	54
K-8 Schools (7)	2	2	2	2	3	3	3	3	3	3
Middle Schools (2)	16	16	16	15	15	15	15	15	15	15
High Schools (3)	11	11	10	10	10	10	10	10	9	9
Alternative and Special Schools (6)	16	16	16	13	13	13	11	10	8	8
Student and Instructional Support										
Number of Computer Servers (9)	412	417	438	452	487	476	497	523	400	456
Number of Microwave Towers (10)	47	48	49	49	49	49	49	49	45	0
Number of Computers (8)	25,996	28,145	27,053	31,750	37,062	41,368	43,832	45,609	52,511	63,653
Administration										
Non-School Buildings (4)	12	12	12	11	10	11	13	15	15	16
Acres of Unimproved Land (1)	82	82	349	127	127	127	127	0	0	0
Operations and Maintenance										
Number of Operational Vehicles Maintained	230	245	249	258	251	253	241	256	254	260
Number of Heavy Equipment Maintained	106	106	114	114	115	115	101	94	84	95
Nutrition Services										
Number of Nutrition Services Vehicles Maintained	24	23	23	26	26	26	27	31	26	28

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

Source: Wichita Public Schools Facilities Division and Information Services & Technology Department.

- (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 eliminated the remaining unimproved land.
- (2) Blackbear Bosin Academy closed in 2011-12.
- (3) Metro Midtown closed at the end of 2009-10; Metro Meridian closed at the end of 2015-16.
- (4) Carter property was sold in 2011-12. Lincoln was sold in 2012-13. Opened 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. The Alvin E. Morris Administrative Center was moved to the old Southeast High School building during 2017-18.
- (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. Towne East Learning Center and Towne West Learning Center were closed at the end of 2015-16.
- (7) 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. Beginning in 2016-17, the Information Services & Technology Department continues to purchase more student computers to be used for the new computer-based curriculum.
- (9) There was a decrease in servers in 2016-17 due to switching to virtual servers, allowing multiple applications to use the same server.
- (10) Microwave towers have been sold.

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259
TEACHER SALARY SCHEDULE
2017-2018**

Initial Placement	Step	BA Degree	BA+ 10 Gr. Hours	BA+ 20 Gr. Hours	BA+ 30 Gr. Hours	MA+ 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	\$ 40,692	\$ 41,248	\$ 41,803	\$ 42,359	\$ 43,229	\$ 43,784	\$ 44,340	\$ 44,896	\$ 45,451	\$ 46,007	\$ 46,563	\$ 47,119
1	3	\$ 41,670	\$ 42,226	\$ 42,781	\$ 43,337	\$ 44,520	\$ 45,076	\$ 45,632	\$ 46,187	\$ 46,743	\$ 47,299	\$ 47,854	\$ 48,410
2	4	\$ 42,648	\$ 43,203	\$ 43,759	\$ 44,315	\$ 45,812	\$ 46,367	\$ 46,923	\$ 47,479	\$ 48,034	\$ 48,590	\$ 49,146	\$ 49,702
3	5	\$ 43,625	\$ 44,181	\$ 44,737	\$ 45,292	\$ 47,103	\$ 47,659	\$ 48,215	\$ 48,770	\$ 49,326	\$ 49,882	\$ 50,437	\$ 50,993
4	6	\$ 44,603	\$ 45,159	\$ 45,715	\$ 46,270	\$ 48,395	\$ 48,950	\$ 49,506	\$ 50,062	\$ 50,617	\$ 51,173	\$ 51,729	\$ 52,285
5	7	\$ 45,581	\$ 46,137	\$ 46,692	\$ 47,248	\$ 49,686	\$ 50,242	\$ 50,798	\$ 51,353	\$ 51,909	\$ 52,465	\$ 53,020	\$ 53,576
6	8	\$ 46,559	\$ 47,114	\$ 47,670	\$ 48,226	\$ 50,978	\$ 51,533	\$ 52,089	\$ 52,645	\$ 53,200	\$ 53,756	\$ 54,312	\$ 54,868
7	9	\$ 47,536	\$ 48,092	\$ 48,648	\$ 49,204	\$ 52,269	\$ 52,825	\$ 53,381	\$ 53,936	\$ 54,492	\$ 55,048	\$ 55,603	\$ 56,159
8	10		\$ 49,070	\$ 49,626	\$ 50,181	\$ 53,561	\$ 54,116	\$ 54,672	\$ 55,228	\$ 55,783	\$ 56,339	\$ 56,895	\$ 57,451
9	11			\$ 50,603	\$ 51,159	\$ 54,852	\$ 55,408	\$ 55,964	\$ 56,519	\$ 57,075	\$ 57,631	\$ 58,186	\$ 58,742
10	12				\$ 52,137	\$ 56,144	\$ 56,699	\$ 57,255	\$ 57,811	\$ 58,366	\$ 58,922	\$ 59,478	\$ 60,034
11	13					\$ 57,435	\$ 57,991	\$ 58,547	\$ 59,102	\$ 59,658	\$ 60,214	\$ 60,769	\$ 61,325
12	14							\$ 59,838	\$ 60,394	\$ 60,949	\$ 61,505	\$ 62,061	\$ 62,617
13+	15									\$ 62,241	\$ 62,797	\$ 63,352	\$ 63,908

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 is 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 is prorated for any teacher who teaches less than full time.

Statistical Section

WICHITA PUBLIC SCHOOLS UNIFIED SCHOOL DISTRICT NO. 259 SUPPLEMENTAL SALARY SCHEDULE 2017-2018

Supplemental	2017-18 Annual Amount	Supplemental	2017-18 Annual Amount	Supplemental	2017-18 Annual Amount
Level A		Level B		Level C	
Untitled Level A	\$ 1,424	Untitled Level B	\$ 2,238	Untitled Level - C	\$ 3,052
All City Music Leader	1,424	Acad Core Team Ldr 3-4 - Middle	2,238	Acad Core Tm Ldr 5 & above Mid	3,052
Area Music Leader - Elementary	1,424	Academy Leader	2,238	Academic Bowl Sponsor - High	3,052
Asst Band	1,424	Athletic Coordinator - Middle	2,238	AVID District Coordinator	3,052
Before School Supervisor	1,424	AVID Site Coordinator	2,238	Cheerleader Head Sponsor High	3,052
Class Head Sponsor - High	1,424	AYP LA/Math Contact	2,238	Detention Rm Monitor-Mid or Hi	3,052
Elementary Chair 4 or more	1,424	Bus Monitor	2,238	Forensic Coach - High	3,052
Exploratory Team Leader - Middle	1,424	Drama Production Middle	2,238	Intensive Support Team	3,052
Extended School Year Team	1,424	Hallway Supervision Lunch	2,238	Newspaper Head Sponsor - High	3,052
EC Event/Club Sponsor - A	1,424	Instrumental Music Leader Middle	2,238	Peer Consultant - Gov Bd Membr	3,052
Flag Team/Color Guard Supervisor	1,424	Intervention Tutor - B	2,238	Pom Pon Head Sponsor - High	3,052
Future Educators Club Sponsor	1,424	Intramural Activity - High	2,238	School to Work Academy Leader - High	3,052
Grade Level Lead	1,424	Leadership Sponsor - JROTC Middle	2,238	Social Worker Ldr 3 & above	3,052
Honor Society Sponsor	1,424	Yearbook Head Sponsor-Middle	2,238	Student Council Hd Spons High	3,052
Intervention Tutor - A	1,424	National Academic League Sponsor	2,238	Teacher In Charge	3,052
Lead Teachers - Secondary	1,424	Pep Club Sponsor - High	2,238	PEP Grant Physical Activity Secondary	3,052
Intramural Activity - Middle	1,424	Safety Patrol Sponsor - Elem	2,238		
School Improvement Team	1,424	School Improvement Leader	2,238		
Science Olympiad Coach	1,424	Student Council Sponsor - Middle	2,238		
Shared Inquiry Coach	1,424	Vocal Music Leader - Middle	2,238		
Spirit Club Sponsor - Middle	1,424	EC School Wide Publications/Website Editor - B	2,238		
EC School Wide Publications/Website Editor - A	1,424	EC Event/Club Sponsor - B	2,238		
Family Engagement Contact	1,424				
Circle of Friends Program	1,424				
Textbook Manager	1,424				
Vertical Team Leader	1,424				
Career/Technical Support Org	1,424				
Level D		Level E		Level F	
Untitled Level - D	\$ 3,866	Untitled Level - E	\$ 4,680	Untitled Level - F	\$ 5,493
Activity Bus Monitor	3,866	Department Chair 3-6 - High	4,680	After School Program Supervisor	5,493
Debate Coach - High	3,866	Head Counselor - High	4,680	Elementary Truancy Specialist	5,493
Drama Activities Leader - High	3,866	Head Library Media Spec - High	4,680	Instrumental Music Leader High	5,493
Site Technology Specialist - D	3,866	In-Service Presenter	4,680	Junior Reserve Officer - Commissioned - High	5,493
Yearbook Sponsor - High	3,866	Lunchroom Monitor	4,680		
		Site Technology Specialist - E	4,680		
		Ticket Specialist - High	4,680		
		Vocal Music Leader - High	4,680		
Level G		Level H		Level I	
Untitled Level - G	\$ 6,307	Untitled Level - H	\$ 7,121	Untitled Level - I	\$ 7,935
Department Chair 7-8 - High	6,307			Department Chair 9-17 - High	7,935
Junior Reserve Officer - Non-Commissioned - High	6,307			District Curriculum Designer	7,935
Strategic Intervention Trainer	6,307				
Level J		Level S cont.		Level S cont.	
Untitled Level - J	\$ 8,749	Head Volleyball - High	\$ 3,725	Asst Swimming - High	\$ 2,488
Dept Chair 18 & above - High	8,749	Head Wrestling - High	4,885	Asst Tennis - High	1,694
Peer Consultant - Teacher	8,749	Head Bowling - High	2,475	Asst Track - High	3,136
Level S		MS Head Basketball	3,368	Asst Volleyball - High	2,235
Head Baseball - High	\$ 3,960	MS Head Track	2,963	Asst Wrestling - High	2,931
Head Basketball - High	6,763	MS Head Volleyball	2,422	Asst Bowling - High	1,485
Head Cross Country - High	3,161	MS Head Cross Country	1,700	MS Asst Basketball	2,021
Head Football - High	6,763	Asst Baseball - High	2,376	MS Asst Track	1,778
Head Golf - High	2,729	Asst Basketball - High	4,058	MS Asst Volleyball	1,453
Head Gymnastics - High	4,396	Asst Cross Country - High	1,897	MS Asst Cross Country	1,020
Head Soccer - High	3,960	Asst Football - High	4,058	Athletic Coordinator	9,522
Head Softball - High	3,960	Asst Golf - High	1,637		
Head Swimming - High	4,146	Asst Gymnastics - High	2,638		
Head Tennis - High	2,823	Asst Soccer - High	2,376		
Head Track - High	5,226	Asst Softball - High	2,376		

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

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

Statistical Section

WICHITA PUBLIC SCHOOLS UNIFIED SCHOOL DISTRICT NO. 259 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: 7,204 Number of buildings in the feeder pattern: 10 Average school building age: 57 years <div>17-18 Enrollment 2,335</div> <div> East High School Jardine Middle School 534 Mead Middle School 558 Robinson Middle School 763 College Hill Elementary School 445 Colvin Elementary School 702 Griffith Elementary School 541 Hyde Elementary School 287 Linwood Elementary School 514 Washington Elementary School 525 </div>	<u>Heights High School Feeder Pattern</u> Number of students in the feeder pattern: 6,651 Number of buildings in the feeder pattern: 14 Average school building age: 30 years <div>17-18 Enrollment 1,111</div> <div> Heights High School Brooks Middle School 547 Gordon Parks Middle School 96 Stucky Middle School 555 Buckner Elementary School 407 Chisholm Trail Elementary School 486 Earhart Elementary School 386 Gammon Elementary School 469 Gordon Parks Elementary School 316 Isely Elementary School 528 Jackson Elementary School 438 L'Ouverture Elementary School 366 Mueller Elementary School 481 Spaght Elementary School 465 </div>	<u>North High School Feeder Pattern</u> Number of students in the feeder pattern: 8,333 Number of buildings in the feeder pattern: 16 Average school building age: 66 years <div>17-18 Enrollment 2,178</div> <div> North High School Hadley Middle School 548 Horace Mann Middle School 175 Marshall Middle School 507 Pleasant Valley Middle School 667 Black Elementary School 445 Cloud Elementary School 634 Horace Mann Elementary School 425 Irving Elementary School 455 McLean Elementary School 264 OK Elementary School 364 Ortiz Elementary School 375 Park Elementary School 334 Pleasant Valley Elementary School 376 Riverside Elementary School 258 Woodland Elementary School 328 </div>
<u>Northeast High School Feeder Pattern</u> Number of students in the feeder pattern: 2,370 Number of buildings in the feeder pattern: 5 Average school building age: 57 years <div>17-18 Enrollment 693</div> <div> Northeast Magnet High School Allison Middle School 523 Mayberry Middle School 616 Bostic Elementary School 271 Cleaveland Elementary School 267 </div>	<u>Northwest High School Feeder Pattern</u> Number of students in the feeder pattern: 3,969 Number of buildings in the feeder pattern: 6 Average school building age: 60 years <div>17-18 Enrollment 1,314</div> <div> Northwest High School Wilbur Middle School 834 Benton Elementary School 321 Kensler Elementary School 573 McCollom Elementary School 450 Peterson Elementary School 477 </div>	<u>South High School Feeder Pattern</u> Number of students in the feeder pattern: 6,482 Number of buildings in the feeder pattern: 9 Average school building age: 49 years <div>17-18 Enrollment 1,731</div> <div> South High School Truesdell Middle School 1,042 Enders Elementary School 456 Cessna Elementary School 487 Enterprise Elementary School 470 Kelly Elementary School 461 White Elementary School 526 Woodman Elementary School 672 Anderson Elementary School 637 </div>
<u>Southeast High School Feeder Pattern</u> Number of students in the feeder pattern: 8,483 Number of buildings in the feeder pattern: 14 Average school building age: 44 years <div>17-18 Enrollment 1,855</div> <div> Southeast High School Christa McAuliffe Middle School 413 Coleman Middle School 492 Curtis Middle School 761 Adams Elementary School 494 Allen Elementary School 539 Beech Elementary School 572 Caldwell Elementary School 529 Christa McAuliffe Elementary School 423 Clark Elementary School 354 Jefferson Elementary School 470 Minneha Elementary School 583 Price-Harris Elementary School 415 Seltzer Elementary School 583 </div>	<u>West High School Feeder Pattern</u> Number of students in the feeder pattern: 4,976 Number of buildings in the feeder pattern: 9 Average school building age: 73 years <div>17-18 Enrollment 1,282</div> <div> West High School Hamilton Middle School 633 Dodge Elementary School 557 Franklin Elementary School 375 Gardiner Elementary School 580 Harry Street Elementary School 408 Lawrence Elementary School 407 Payne Elementary School 296 Stanley Elementary School 438 </div>	<u>Alternative and Special Schools</u> Number of students in the feeder pattern: 1,476 Number of buildings in the feeder pattern: 1* Average school building age: 67 years <div>17-18 Enrollment 104</div> <div> Wichita Alternative High School Learning Centers/Other Sites 1,372 * Excludes Learning Centers / Other Sites </div>
<u>Special Education Schools</u> Number of students in the feeder pattern: 318 Number of buildings in the feeder pattern: 5 Average school building age: 50 years <div>17-18 Enrollment 98</div> <div> Chisholm Life Skills Center 98 Greiffenstein Special Education Center 39 Levy Special Education Center 78 Sowers Special Education Center 64 Wells Special Education Center 39 </div>	<u>Early Childhood Education Schools</u> Number of students in the feeder pattern: 398 Number of buildings in the feeder pattern: 1 Average school building age: 64 years <div>17-18 Enrollment 398</div> <div> Little Early Childhood Center </div>	<u>Other District Buildings</u> Number of buildings: 4 Average building age: 51 years <div> Alvin E. Morris Admin Center Joyce Focht Instructional Support Center Management Information Systems Center School Service Center </div>

17-18 Student Enrollment Total: 50,660

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, 903 S. Edgemoor St., Wichita, KS 67218.

