

# Comprehensive Annual Financial Report

For the fiscal year  
ended June 30, 2005



Hutchinson Public Schools  
P.O. Box. 1908  
1520 North Plum  
Hutchinson, KS 67504-1908

*Approved by the Board of Education Dec. 12, 2005*



# Comprehensive Annual Financial Report

of the

Hutchinson Public Schools

Unified School District 308

Hutchinson, Reno County, Kansas

For the Fiscal Year Ended June 30, 2005

Prepared by:

Business Office

## Our Vision

Hutchinson Public Schools are committed to providing a stimulating learning community for our students, faculty and staff. We challenge our students to reach their full personal and academic potential. Excellence will be accomplished in a trusting, caring and cooperative environment.

## Our Mission

*Today and tomorrow: Committed to excellence for all.*

## Our Beliefs

In Hutchinson USD 308 we believe . . .

- All students are capable of learning.
- All students will learn, and the school district will be accountable for their learning.
- All adults in the schools shall be positive role models.
- The school district, the community and society are partners and share both the responsibility and accountability for quality education.
- Students and staff shall be lifelong learners.
- Everyone has the right to be treated with respect.
- Students learn best when taught by highly motivated, professional educators in a student-centered environment.
- The future success of all our students depends on the quality of education today.

## Our Goals

**Key Goal No. 1:** USD 308 will recruit, deploy and maintain high performing faculty and staff that will best meet the needs of the students and the school district.

**Key Goal No. 2:** USD 308 students will acquire skills needed for the 21<sup>st</sup> century.

**Key Goal No. 3:** USD 308 will demonstrate continuous improvement on world-class indicators.

**Key Goal No. 4:** USD 308 will maintain a caring, safe, welcoming school environment conducive to teaching and learning.

**Key Goal No. 5:** USD 308 will maintain an educational support system that focuses resources and effort on improving student achievement and on wise stewardship of school district resources.

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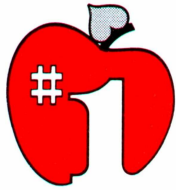
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# Introductory Section







*Today and tomorrow: committed  
to excellence for all.*

# Hutchinson Public Schools

2005-06 SCHOOL YEAR

USD 308 Administration Center  
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Hutchinson, KS 67504-1908

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November 15, 2005

To the Board of Education and the Citizens of Unified School District No. 308:

The Comprehensive Annual Financial Report (CAFR) for the Hutchinson Public Schools Unified School District No. 308 (the District) for the fiscal year ending June 30, 2005, is submitted herewith. Generally accepted accounting principles require that these financial statements present the District (the primary government) and any component units. A component unit is a separate entity for which the District is financially accountable, or the nature and significance of the relationship between the District and entity are such that exclusion would cause the District's financial statements to be misleading or incomplete.

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

This report conforms to the Governmental Accounting Standards Board financial reporting principles, including the District's discretely presented component unit, the Hutchinson Recreation Commission. 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 the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's Circular A-133, "Audit of States, Local Governments, and Non-Profit Organizations." 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 – This contains a Letter of Transmittal, a list of Principal Officers along with the District's organization chart.

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2. Financial Section – This section begins with the Independent Auditor’s Report and Management’s Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the School District’s financial position and operating results, the Combining Statements for non-major funds, and other schedules that provide detailed information relative to the Basic Financial Statements.
3. Statistical Section – This section presents social and economic data, financial trends, and demographic data about the district for the last ten years.

### **School District General Description**

The District is located in Reno County in south central Kansas. With a population of over 40,000, Hutchinson is the only city in the school district. Approximately 94% of students attend Hutchinson Public Schools reside within its boundaries. The school district covers 14 square miles, serves more than 4,937 students and employees over 700 staff members. The District consists of more than 20 schools and other centers. The average age of district schools is 50 years. Student enrollment based on a three-year average has decreased, but is expected to level off with the addition of the four year old at-risk and the International Baccalaureate programs.

The District is the 16<sup>th</sup> largest school district in the State of Kansas (State). The District provides a full range of school programs and services authorized by State statutes. For the 2005 fiscal year, these services include educational programs for grades PreK-12, special education, Title One, Head Start programs, vocational education and other educational programs, transportation, food 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 was established on July 1, 1966. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. 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 hold primary responsibility for fiscal matters.

### **Reporting Entity**

The Hutchinson Public Schools, Unified School District No. 308, (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 State of American (GAAP) require these financial statements present the District (the primary government) and its component units.

### **Economic Outlook and Conditions**

The Cost of Doing Business Index (developed by Economy.com) is a relative measure of the overall cost of doing business in a state. The Index compares business costs for each state based upon unit labor costs, effective state and local tax burdens, and energy costs. These costs are compared to national averages and weighted to prepare an overall index. Labor costs account for 75% of the index, with energy (15%) and taxes (10%) accounting for the rest.

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Kansas index is 94.1 with a national ranking of 16. Doing business in Kansas offers a 6% costs savings compared to the national average.

Hutchinson/Reno County serves as a primary trade center for central and western Kansas. Hutchinson's central location and easy access makes it an attractive destination for residents from throughout the region for retail/wholesale goods, services and dining.

Hutchinson/Reno County is known for the strong work ethic of its workers and the quality of their work. The area's productive workforce and moderate labor costs translate into a solid return on investment for any business deciding to locate or expand in the Hutchinson/Reno County area. The District is the third leading employer in the county.

### **Major Initiatives**

Important educational initiatives continued or implemented were:

*Districts' Facility Master Plan* – currently the facility steering committee is studying the needs identified in the master facility plan. The committee will share this information with the community and receive input. A recommendation will come from this committee to the Board of Education that reflects the community's desires with the facility master plan.

*District's Strategic Plan* – during the fiscal year 2004-2005 the Board of Education approved a strategic plan to guide the District's actions through the year 2010. The four goals contained in the strategic plan were developed based on the input of over 3,000 internal and external stakeholders.

*Quest for the State Quality Award* – in the 1999-2000-school term; the school district began the initial formal steps toward a system of continuous improvement based on well-defined quality processes. Each subsequent school term, these quality processes have had greater deployment throughout the school district. The school district will apply for the State of Kansas Quality Award in the spring of the 2005-06 school term. The application for this award is based on the results realized from implementation and deployment of quality processes.

*Quest for the National Baldrige Award for Performance Excellence* – the Board of Education adopted a resolution during the 2004-2005-school term outlining the intent of the school district to follow a path of continuous quality improvement based on the seven categories of the Baldrige Process of Performance Excellence. All school improvement initiatives reflect the Baldrige Process. It is the intent of the school district to submit the district's case study for the National Baldrige Award for Performance Excellence in Education during the 2006-2007-school term.

*Systemic Quality Management* – as part of the school district's quality journey, all functions within the school district are viewed as part of a larger system. Change and improvement efforts are brought about through a systems approach to quality management.

*Demonstration Site for the North Central Accreditation Process* – each school in the Hutchinson Public Schools is accredited by both the State of Kansas and the North Central Association (NCA) – which is a regional accrediting agency. In 2004-05, North Central began to move its accrediting process from a school-based process to a district-based systemic approach. The Hutchinson Public School District was invited by NCA to be one of three Demonstration Sites for this new process. The new NCA process is a district-process that

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focuses on systemic improvement, and it is aligned with the Baldrige Process of Performance Excellence.

The District gives parents online access to student information, such as attendance, semester and quarter grades through Power School. Another online function that became available in 2005 was the ability for eligible staff members to complete their 125 enrollment online. The District uses Asset Track to electronically track the fixed assets.

### **Financial Information, Management, and Control**

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

Management responsibility – The management of the District is 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 during fiscal year 2004-2005:

1. The spending level of the General fund is set by the State. The formula used by the State to determine individual school district’s General Fund budgets is \$3,863 per full-time equivalent student plus additional weighting factors. Additional weighting is allowed for the following: vocation students—50%, bilingual students—20%, students transported over 2 ½ miles—14.08%, students qualifying for free lunches—10%, and large district (correlation)—6.3%. Additional weighting is allowed for school districts with enrollments less than 1,725, which varies with the size of the district.
2. School districts do not have control over the level of ad valorem taxes levied for the General Fund. In 1999, the State lowered the school district ad valorem taxes for the General fund to 20 mills from 27 mills.
3. School districts are authorized to create a Supplemental General Fund which enables

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school districts to spend above the level dictated by the State for the General Fund. The school finance statute generally limits the Supplemental General Fund to 25 percent of the General fund. The District's 2004-2005 Supplemental General Fund budget was authorized to spend 25% of the General Fund and levied mills for 24%.

4. The major revenue source for the Supplemental General Fund is local ad valorem property taxes. However, districts with assessed valuations per pupil below the 75<sup>th</sup> percentile of the State's median qualify for state funding as well. For 2004-2005 the Supplemental General fund for the District was funded 62.5 percent by ad valorem taxes and 37.5 percent by State aid.
5. Unencumbered cash balances in the General, Vocational, and Bilingual Funds become deductions from the following year's State aid.
6. Because school districts cannot carry cash balances in these funds, the State authorized the establishment of a Contingency Reserve Fund, which was limited by statute for the 2004-2005 school years to four percent of the General Fund budget. As of June 30, 2005, the fund balance of the contingency reserve fund was 4 percent of the General Fund budget.

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 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 generally accepted accounting principles (GAAP).

The budget is prepared by location and function. 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 appropriations are made. In accordance with the Kansas Accounting Handbook, all expenditures are accounted for by fund, function and object. Budgets are accounted further by assigning responsibility codes to buildings and departments. This system allows effective monitoring of the expenditure of budget appropriations at the departmental level. Daily budget reports showing orders outstanding and funds are available to each manager of a specific location, function, or program.

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**Financial Condition** – This is the first year the School District has prepared financial statements following GASB Statement 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.” GASB 34 creates new basic financial statements for reporting on the School District’s financial activities. As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion follows the Report of Independent Auditors, providing an assessment of the School District finances for 2005.

**Cash Management** – State statutes permit investments of idle cash only in certain specified securities, including time deposits, repurchase agreements, United States Government Obligations, money market funds, and the Kansas Municipal Investment Pool (MIP). The District attempts to maximize investment earnings on cash temporarily not required for operations. Idle cash from all funds is pooled and invested.

**Risk Management** – During fiscal year 2005, the District was insured for general property damage and liability coverage through various policies as follows:

	<b><u>Limit or Exposure</u></b>
<b>Property</b>	
Building & contents	\$64,114,742
Property Off Premises	25,000
Property in Transit	25,000
Blanket Extra Expense	185,000
Property Deductible	5,000
<b>Crime</b>	
Employee Dishonesty	50,000
ERISA Bond-Scheduled Employees (4)	100,000
Money & Securities/In & Out (20 locations)	4,000
<b>InLand Marine</b>	
Audio/Visual/Music equipment (other limits vary by line Coverage)	842,449
Builders Risk Deductible	2,500
<b>General Liability</b>	
Each occurrence	1,000,000
General Aggregate Limit	2,000,000
<b>Garage</b>	
Liability	500,000
<b>Umbrella</b>	
Terrorism	1,000,000
<b>Boiler &amp; Machinery</b>	5,000,000
<b>Errors &amp; Omissions</b>	1,000,000
Deductible	10,000/25,000
<b>Underground Storage Tank</b>	1 Tank

The District has adopted a partially self-funded health plan. The partially self-funded

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plan is an internal service fund of the District. The program is funded by a monthly contribution made by the District for eligible employees and by eligible employees who participate in the health plan.

### **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' reports related specifically to the single audit of Federal Financial Assistance programs are available by separate cover.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting for Comprehensive Annual Financial Reports (CAFR). The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The Association of School Business Officials (ASBO) also awards school districts a Certificate of Excellence Award. Both certificates are awarded only to a governmental unit, which publishes an easily readable and efficiently organized comprehensive annual financial report. Such CAFR's must satisfy both generally accepted accounting principles and applicable legal requirements. The District will be submitting the District's CAFR for both of these awards for the fiscal year ended June 30, 2005.

### **Acknowledgments**

The timely preparation of this Comprehensive Annual Financial Report could not have been completed with out the dedicated efforts of the Districts' Business Office. We would like to express our gratitude to everyone who assisted in its preparation. We also extend our appreciation to our independent auditors, Bartlett, Settle & Edgerle, 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,

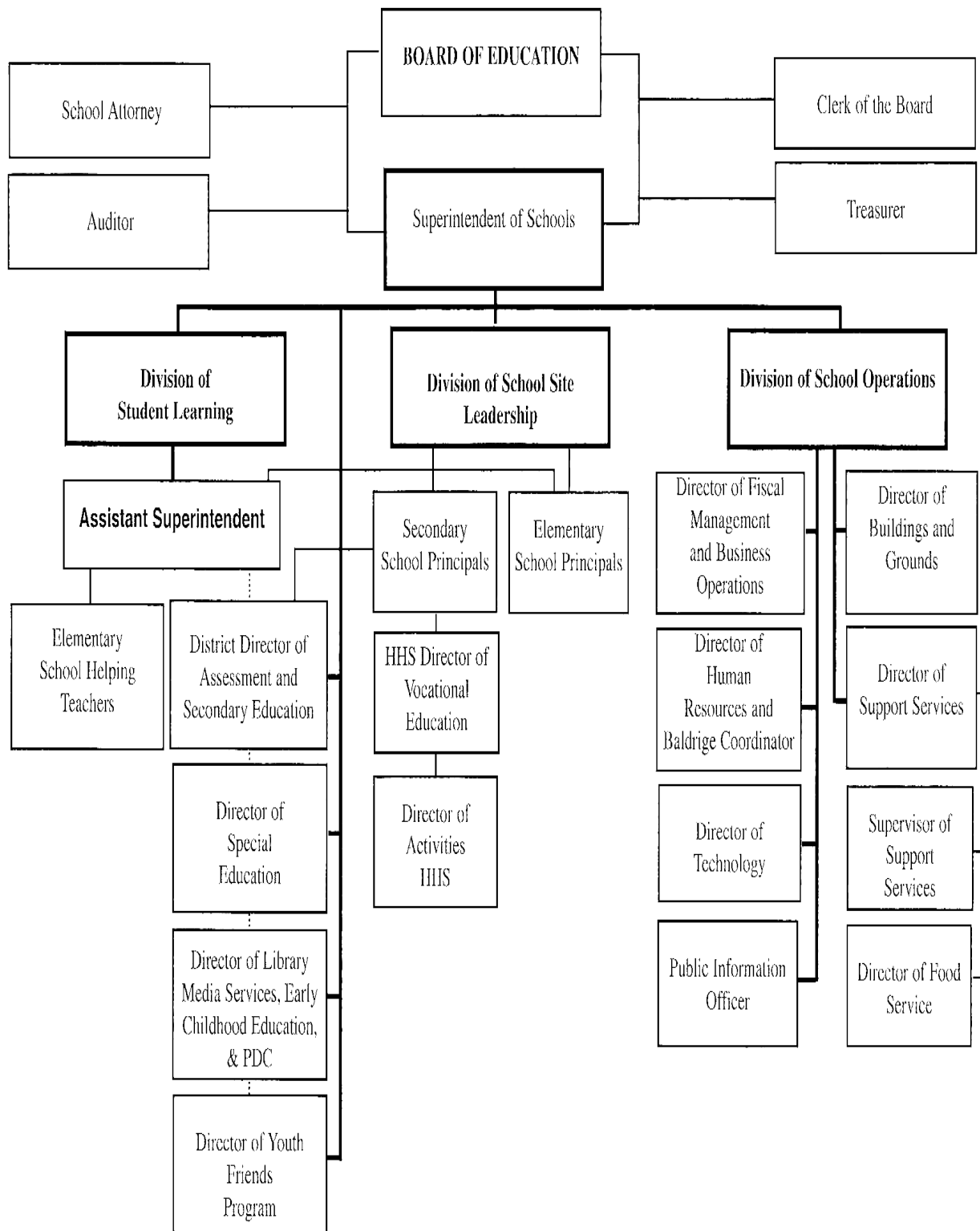


Dr. Wynona Winn  
Superintendent of Schools



Lori Blakesley  
Director of Fiscal Management and Business Operations

# Administrative Organizational Chart





## List of Principal Officers

**USD 308 Board of Education 2005-06**

**Hutchinson, Kansas**



*Board Members, right to left: Vice President Jeff Nichols, Betty Garcia, Darla Neal, David Hindman, President Jeff Allen, Peggy Childs, Bill Drews*

<b>Board Member</b>	<b>Present Term</b>		<b>Began as Member</b>
	<b>Began</b>	<b>Ends</b>	
2005-06 President Jeff Allen At Large	2003	2007	1995
2005-06 Vice President Jeff Nichols At Large	2005	2009	2001
Darla Neal At Large	2005	2009	1997
Peggy Childs At Large	2003	2007	1987
Bill Drews At Large	2003	2007	1997
Betty Garcia At Large	2003	2007	6-14-99 Appointed by Board
David Hindman At Large	2005	2009	2001

<b>Key Administrator</b>	<b>Title</b>	<b>Experience</b>	<b>Began with USD 308</b>
Dr. Wynona Winn	Superintendent	43 years	July 1, 2000
Jan Strecker	Assistant Superintendent	29 years	July 28, 1997

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# Financial Section





## BARTLETT SETTLE & EDGERLE

A PROFESSIONAL ASSOCIATION  
CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

Board of Education  
Unified School District No. 308  
Hutchinson, Kansas

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Unified School District No. 308, Hutchinson, Kansas (District), as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Hutchinson Recreation Commission, which represents 100% of the assets, net assets, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hutchinson Recreation Commission, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit 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 of material misstatement. The financial statements of the Hutchinson Recreation Commission were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the District as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles accepted in the United States of America.

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As described in Note III (G), the District implemented a new financial reporting model as of July 1, 2004. The District followed the provisions of GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2005, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on the major special revenue funds as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables 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 nonmajor fund financial statements have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Bartlett, Settle & Edgerle*  
A Professional Association

September 7, 2005

## **Management's Discussion and Analysis**

**For the Year Ended June 30, 2005**

It is a privilege to present to you the financial picture of the Hutchinson Public Schools, Unified School District No. 308 (District). This discussion and analysis of the District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2005. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance. Readers desiring additional information on the Hutchinson Recreation Commission should contact the District and request the separately issued report.

The Management Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model. The District has elected to exclude the information in this report. Subsequent reports, however, will include the comparative information.

### **Financial Highlights**

The trends of prior years indicated that during the fiscal year 2004-2005, the Hutchinson Public Schools would experience another year of significant increases in the costs for special education instruction, health benefits, and union expectations for salary increases. In the 2004-2005 budgeting process, the Board of Education was able to balance the budget by keeping the Supplemental General Fund mill levy flat. The overall levy was down due to a drop in outstanding debt. The Base State Aid Per Pupil (BSAPP) has remained the same for the last three years at \$3,863 while general operating costs paid from the General and Supplemental General fund have increased.

### **Overview of the Financial Statements**

This annual report consists of the three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-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 operation in *more detail* than the district-wide statements.

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- 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 the future spending.
- *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.

### **District-wide Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets 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 district-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – are one way to measure the district's financial health or *position*.

- Over time, increases or decreases in the District's net assets are 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 the school buildings and other facilities.

In the district-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**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.

(Continued on page 14)



(Continued from page 13)

- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has three kinds of funds:

**Governmental funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, reconciliations have been provided with the governmental funds statements to explain the relationship (or differences) between them.

**Proprietary funds:** The District's proprietary fund is an internal service fund that reports the District's risk financing activities. The District's internal service fund includes the Health Care Fund.

**Fiduciary funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as the student activities funds. 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 excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

## Financial Analysis of the District as a Whole

**Table 1**  
**June 30, 2005**  
**Net Assets**

<b>Governmental Activities</b>	
Current and other assets	\$ 18,736,833
Capital assets	8,233,506
	<u>26,970,339</u>
Current and other liabilities	2,570,778
Long term liabilities	
Due within one year	2,216,994
Due in more than one year	6,711,143
	<u>11,498,915</u>
Invested in capital assets, net of debt	42,117
Debt service	3,417,720
Self-insurance medical claims	2,009,341
Special assessment purposes	82,153
	9,920,093
Total Net Assets	<u>\$ 15,471,424</u>

(Continued on page 15)

(Continued from page 14)

The District's total net assets were \$15,471,424 at June 30, 2005.

Less than one percent of the District's net assets are invested in capital assets (buildings, land, and equipment). The remaining net assets consist of restricted and unrestricted amounts. Restricted balances are amounts set-aside to fund medical claims, debt service, and capital projects funded by special assessments.

The results of this year's operations as a whole are reported in the statement of activities as listed in the table of contents. All expenses are reported first. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues are the state aid provided by the State of Kansas, and the local taxes assessed to community taxpayers.

Table 2 takes the information from the Statement of Activities and rearranges it slightly, to show our total revenues for the year.

**Table 2**  
**Fiscal Year As of**  
**June 30, 2005**  
**Changes in Net Assets**  
**Governmental Activities**

Program revenues:	
Charges for services	\$ 1,793,007
Operating grants and contributions	7,313,849
General revenues:	
Property taxes	8,647,590
State aid	23,460,194
Investment earnings	245,845
	41,460,485
 <b>Program Expenses</b>	
Instruction	21,244,540
Student support services	2,309,244
Instructional support services	2,356,487
General administration	773,026
School administration	1,905,387
Operations and maintenance	4,313,341
Student transportation services	947,339
Other support services	1,912,445
Food service operations	1,857,031
Community service operations	146,849
Interest on long-term debt	414,264
	38,179,953
Increase in net assets	\$ 3,280,532

District expenditures are primarily driven by employee benefits and salary increases.

(Continued on page 16)

*(Continued from page 15)*

### **The School District's Funds**

At June 30, 2005, the District governmental funds reported a combined fund balance of \$14,558,005. The General, Supplemental General and Special Education funds are the primary source of operating revenues for the District. These funds account for 29.5 million or 71% of the total revenues. The debt service fund represents 6% of the total with the remaining 23% in other governmental funds.

### **General Fund Budgeting Highlights**

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

Kansas Statutes permit transferring budgeted amounts from one object or purpose to another within the same fund; however, such statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Management may amend the amount of a specific object or purpose appropriation without obtaining authorization from the Board of Education providing the amendments or transfers do not create a total budgeted expenditure amount for a specific fund in excess of the amount originally adopted by the Board of Education.

For the General fund, the final approved expenditure budget was \$22,498,112 representing a \$6,567 decrease from the original adopted budget of \$22,504,679. This difference was due to reductions in estimated special education state aid, weighting adjustments and reduction in general state aid due to declining enrollment.

The School District's ending unobligated cash balance in the General Fund was zero at June 30, 2005.

### **Supplemental General Fund**

The Supplemental General fund for fiscal year 2004-2005 was limited by state statute to 25 percent of the General fund. The District used 24 percent of this authority. The Supplemental General fund is used to cover utility costs, indigent textbooks and periodical costs, technology and activities. Utilities were formally funded by the General fund.

### **Special Education Fund**

Special education expenditures increased by \$391,031 in fiscal year ending June 30, 2005, primarily due to rising costs of salaries and employee benefits. The number of special education students served in the 2004 - 2005 fiscal year increased by 1.4 percent over the previous year and by 14 percent over the previous four years.

### **Bond Capital Projects**

The District currently does not have any bond capital projects in progress. The Board of Education is working on a district master plan. This master plan is currently being reviewed by a community steering committee.

*(Continued on page 17)*

(Continued from page 16)

## Capital Assets and Debt Administration

### Capital Assets

At the end of the fiscal 2005 year, the District had a net investment of 8.2 million in a broad range of capital assets, including school buildings, computer equipment and vehicles. Total depreciation expense for the year was \$514,059.

**Table 3**  
**June 30, 2005**  
**Capital Assets - Net of Depreciation**  
**Governmental Activities**

Land	\$ 674,572
Land Improvements	982,857
Buildings	18,698,951
Equipment	3,124,087
Vehicles	1,126,526
Accumulated depreciation	(16,373,487)
Total Assets	<u>8,233,506</u>

### Debt

At June 30, 2005 the District had \$7,955,000 in general obligation bonds outstanding, \$1,825,000 due within one year. Table 4 summarizes bonds and notes outstanding.

**Table 4**  
**June 30, 2005**  
**Bonds Outstanding**

1995 Issue	\$ 845,000
2001 Issue	2,005,000
2002 Issue	5,105,000
Total Assets	<u>7,955,000</u>

At June 30, 2005, the overall legal debt margin was \$30,680,068. The District maintains an "A" Moody's bond rating.

For more information on the District's capital assets and debt administration, please refer to the footnotes to the financial statements.

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### **State of Kansas Education Funding**

The General fund budget per pupil is determined by the legislature and was set at \$3,863 for 2003-2004 and 2004-2005. This amount was \$7 lower than the \$3,870 provided by the legislature for 2001-2002. For FY 2005-2006 the legislature has set the budget per pupil at \$4,257, which will be the most significant increase in aid for schools in years. This increase was brought about because in 1999, a lawsuit was filed on behalf of students, parents and administrators in the Dodge City and Salina school districts alleging that the state's school finance system was constitutionally flawed. The plaintiffs alleged that the state was not putting enough money into the system and that the money that was going into the system was not distributed fairly. Specifically, the plaintiffs argued that the districts that had the highest number of hard-to-educate students – those with disabilities, limited English proficiency or living in poverty – were not receiving enough funds to adequately address the challenges presented by those students. On May 19, 2004 the Kansas Supreme Court indicated that the appeal would be placed on the “fast track” for resolution. With its January 2005 ruling, the Kansas Supreme Court found the legislature had failed to meet its burden imposed under Article 6 of the Kansas Constitution to “make suitable provision for finance” of public schools and gave legislators until April 12 to “improve education” by spending more money and distributing that money more fairly.

The Kansas Legislative Research Department is projecting fiscal year (FY) 2006 revenue for the State General Fund (SGF) to 4.2 percent higher than FY 2005 receipts. This increase is due to a slight growth in taxes and expected interest revenue. SGF revenues for FY 2007 are projected to be higher by 2.7%.

### **For the Future**

The Hutchinson Public Schools remains a financially strong component of Reno County. The District is the third largest employer in the County which helps to stimulate the local economy. The Hutchinson Public Schools has committed itself to financial excellence.

### **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about the report or need additional financial information contact the Director of Fiscal Management and Business Operations at Hutchinson Public School District, 1520 N. Plum, Hutchinson, Kansas, 67501.

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# Basic Financial Statements





**Hutchinson Public Schools  
Unified School District No. 308**

**Statement of Net Assets  
Governmental Funds  
June 30, 2005**

	Governmental Activities	Component Unit
<b>Assets:</b>		
Cash and cash equivalents	\$ 16,180,204	\$ 538,981
Receivables:		
Interest	40,616	-
Federal aid	117,138	-
State aid	2,032,876	-
Accounts	-	20,367
Taxes	-	989,800
Inventories	365,999	15,415
Capital assets:		
Nondepreciable	674,572	-
Depreciable, net of accumulated depreciation	7,558,934	159,198
<b>Total assets</b>	26,970,339	1,723,761
<b>Liabilities:</b>		
Accounts payable	175,424	15,904
Accrued payroll	1,715,049	19,788
Insurance payable	177,523	-
Outstanding medical claims	101,491	-
Compensated absences payable	261,920	55,831
Accrued interest payable	139,371	-
Deferred revenue	-	989,800
Long-term liabilities:		
Due within one year	2,216,994	-
Due in more than one year	6,711,143	-
<b>Total liabilities</b>	11,498,915	1,081,323
<b>Net assets:</b>		
Invested in capital assets, net of related debt	42,117	159,198
Restricted for:		
Debt service	3,417,720	-
Self-insurance medical claims	2,009,341	-
Special assessment purposes	82,153	-
Unrestricted	9,920,093	483,240
<b>Total net assets</b>	\$ 15,471,424	\$ 642,438

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

**Hutchinson Public Schools  
Unified School District No. 308  
Statement of Activities  
Governmental Funds  
June 30, 2005**

				<u>Net (Expense) Revenue and Changes in Net Assets</u>		
				Primary		
				Government		
				Total		
				Governmental	Component	
				Activities	Unit	
		<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Component Unit</u>
Government Activities:						
Primary Government:						
Instruction	\$	21,244,540	\$ 1,059,230	\$ 4,291,329	\$ (15,893,981)	\$ -
Student support services		2,309,244	50,589	640,871	(1,617,784)	-
Instructional support services		2,356,487	-	627,948	(1,728,539)	-
General administration		773,026	-	208,200	(564,826)	-
School administration		1,905,387	-	-	(1,905,387)	-
Operations and maintenance		4,313,341	-	61,054	(4,252,287)	-
Student transportation services		947,339	-	180,948	(766,391)	-
Other support services		1,912,445	113,485	15,501	(1,783,459)	-
Food service operations		1,857,031	568,318	1,223,020	(65,693)	-
Community service operations		146,849	1,385	64,978	(80,486)	-
Interest on long-term debt		414,264	-	-	(414,264)	-
Total Primary Government		<u>\$ 38,179,953</u>	<u>\$ 1,793,007</u>	<u>\$ 7,313,849</u>	<u>(29,073,097)</u>	<u>-</u>
Component Unit:						
Hutchinson Recreation Commission	\$	<u>1,852,134</u>	<u>\$ 673,118</u>	<u>\$ -</u>	<u>-</u>	<u>(1,179,016)</u>
General Revenues:						
Property taxes levied for:						
General purposes					6,069,679	1,024,835
Debt service					1,745,921	-
Capital outlay					831,990	-
State aid					23,460,194	10,770
Investment earnings					245,845	6,029
Other revenues					<u>-</u>	<u>180,978</u>
Total general revenues					<u>32,353,629</u>	<u>1,222,612</u>
Change in net assets					3,280,532	43,596
Net assets, beginning of year (statutory basis of accounting)					14,023,670	1,510,185
Restatement due to accounting change (Note III (G))					<u>(1,832,778)</u>	<u>(911,343)</u>
Net assets, end of year					<u>\$ 15,471,424</u>	<u>\$ 642,438</u>

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

**Hutchinson Public Schools  
Unified School District No. 308**

**Balance Sheet  
Governmental Funds  
June 30, 2005**

	General	Supplemental General	Special Education	Capital Outlay	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>							
Cash and cash equivalents	\$ (171,798)	\$ 143,402	\$ 2,567,345	\$ 3,353,412	\$3,557,091	\$ 4,619,920	\$14,069,372
Receivables:							
Interest	-	-	-	40,616	-	-	40,616
Federal aid	-	-	-	-	-	117,138	117,138
State aid	1,703,997	321,371	7,508	-	-	-	2,032,876
Inventories	142,892	-	-	-	-	223,107	365,999
	<u>1,675,091</u>	<u>464,773</u>	<u>2,574,853</u>	<u>3,394,028</u>	<u>\$3,557,091</u>	<u>\$ 4,960,165</u>	<u>\$16,626,001</u>
Total assets	<u>\$ 1,675,091</u>	<u>\$ 464,773</u>	<u>\$ 2,574,853</u>	<u>\$ 3,394,028</u>	<u>\$3,557,091</u>	<u>\$ 4,960,165</u>	<u>\$16,626,001</u>
<b>Liabilities and Fund Balances:</b>							
Liabilities:							
Accounts payable	\$ 30,262	\$ 45,025	\$ 848	\$ 42,587	\$ -	\$ 56,702	\$ 175,424
Accrued payroll	1,167,921	28,574	241,650	-	-	276,904	1,715,049
Insurance payable	177,523	-	-	-	-	-	177,523
	<u>1,375,706</u>	<u>73,599</u>	<u>242,498</u>	<u>42,587</u>	<u>-</u>	<u>333,606</u>	<u>2,067,996</u>
Total liabilities	<u>1,375,706</u>	<u>73,599</u>	<u>242,498</u>	<u>42,587</u>	<u>-</u>	<u>333,606</u>	<u>2,067,996</u>
Fund balances:							
Reserved for encumbrances	156,493	88,479	1,134	386,101	-	348,239	980,446
Reserved for inventories	142,892	-	-	-	-	223,107	365,999
Reserved for debt service	-	-	-	-	3,557,091	-	3,557,091
Reserved for special assessment purposes	-	-	-	-	-	82,153	82,153
Unreserved, reported in special revenue funds	-	302,695	2,331,221	2,965,340	-	3,973,060	9,572,316
	<u>299,385</u>	<u>391,174</u>	<u>2,332,355</u>	<u>3,351,441</u>	<u>3,557,091</u>	<u>4,626,559</u>	<u>14,558,005</u>
Total fund balances	<u>299,385</u>	<u>391,174</u>	<u>2,332,355</u>	<u>3,351,441</u>	<u>3,557,091</u>	<u>4,626,559</u>	<u>14,558,005</u>
Total liabilities and fund balances	<u>\$ 1,675,091</u>	<u>\$ 464,773</u>	<u>\$ 2,574,853</u>	<u>\$ 3,394,028</u>	<u>\$3,557,091</u>	<u>\$ 4,960,165</u>	<u>\$16,626,001</u>

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

**Hutchinson Public Schools  
Unified School District No. 308**

**Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets  
June 30, 2005**

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

Total governmental fund balances		\$ 14,558,005
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost of capital assets	\$ 24,606,993	
Accumulated depreciation	<u>(16,373,487)</u>	
		8,233,506
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable	(139,371)	
Compensated absences payable	(261,920)	
Early retirement payable	(736,748)	
General obligation bonds payable	(7,955,000)	
Capital lease obligations payable	<u>(236,389)</u>	
		(9,329,428)
Internal service funds are used by management to charge the costs of the self-insured health insurance fund. The assets and liabilities of the internal service fund are included in the governmental activities in the statement net assets.		
		<u>2,009,341</u>
Net assets of governmental activities		<u><u>\$ 15,471,424</u></u>

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

**Hutchinson Public Schools**  
**Unified School District No. 308**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2005**

	General	Supplemental General	Special Education	Capital Outlay	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Taxes	\$ 3,118,622	\$ 2,950,884	\$ -	\$ 831,990	\$ 1,745,921	\$ 173	\$ 8,647,590
State aid	19,459,800	2,027,582	7,508	-	651,927	1,313,377	23,460,194
Federal aid	-	-	1,156,384	-	-	5,219,306	6,375,690
Medicaid aid	-	-	788,332	-	-	-	788,332
Charges for services	-	-	-	-	-	1,387,018	1,387,018
Earnings on investments	-	-	-	241,741	-	4,104	245,845
Other revenue	10,248	-	-	113,485	-	371,987	495,720
Contributions	-	-	-	-	-	60,096	60,096
Total revenues	<u>22,588,670</u>	<u>4,978,466</u>	<u>1,952,224</u>	<u>1,187,216</u>	<u>2,397,848</u>	<u>8,356,061</u>	<u>41,460,485</u>
<b>Expenditures:</b>							
<b>Current:</b>							
Instruction	10,955,092	1,499,732	3,484,738	101,207	-	5,701,805	21,742,574
Student support services	833,982	-	922,232	5	-	555,936	2,312,155
Instructional support services	881,891	631,657	39,460	80	-	900,385	2,453,473
General administration	385,435	-	239,098	-	-	146,912	771,445
School administration	1,663,577	-	-	-	-	202,600	1,866,177
Operations and maintenance	2,753,445	1,013,381	-	15,297	-	280,256	4,062,379
Student transportation services	478,705	-	411,827	-	-	25,248	915,780
Other support services	1,204,514	617,536	-	109,154	-	54,946	1,986,150
Food service operations	-	-	-	-	-	1,769,980	1,769,980
Community service operations	23,907	-	-	-	-	122,829	146,736
Architect fees	3,833	11,388	-	-	-	-	15,221
<b>Capital outlay:</b>							
Facilities acquisition and construction	-	-	-	656,403	-	142,643	799,046
<b>Debt service:</b>							
Principal	-	-	-	-	1,735,000	-	1,735,000
Interest	-	-	-	-	438,087	-	438,087
Commission and postage	-	-	-	-	19	-	19
Total expenditures	<u>19,184,381</u>	<u>3,773,694</u>	<u>5,097,355</u>	<u>882,146</u>	<u>2,173,106</u>	<u>9,903,540</u>	<u>41,014,222</u>
Excess (deficiency) of revenues over expenditures	3,404,289	1,204,772	(3,145,131)	305,070	224,742	(1,547,479)	446,263
<b>Other financing sources (uses):</b>							
Transfers in	-	-	3,160,816	-	-	2,270,259	5,431,075
Transfers out	(3,420,194)	(2,010,881)	-	-	-	-	(5,431,075)
Total other financing sources (uses)	<u>(3,420,194)</u>	<u>(2,010,881)</u>	<u>3,160,816</u>	<u>-</u>	<u>-</u>	<u>2,270,259</u>	<u>-</u>
Net change in fund balance	(15,905)	(806,109)	15,685	305,070	224,742	722,780	446,263
Fund balance, beginning of year	315,290	1,197,283	2,316,670	3,046,371	3,332,349	3,903,779	14,111,742
Fund balance, end of year	<u>\$ 299,385</u>	<u>\$ 391,174</u>	<u>\$ 2,332,355</u>	<u>\$ 3,351,441</u>	<u>\$ 3,557,091</u>	<u>\$ 4,626,559</u>	<u>\$ 14,558,005</u>

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

**Hutchinson Public Schools  
Unified School District No. 308**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
June 30, 2005**

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

Net change in fund balances - total governmental funds		\$ 446,263
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. In the current period, these amounts are:		
Capital outlay expense	\$ 677,164	
Depreciation expense	<u>(514,059)</u>	
Difference between capital outlay expense and depreciation expense		163,105
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.		
		29,832
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
General obligation bond payment	1,735,000	
Capital lease payment	<u>70,120</u>	
Total payments on long-term liabilities		1,805,120
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Early retirement payable	177,072	
Compensated absences payable	<u>(23,681)</u>	
Total expenses		153,391
Internal service funds are used by management to charge the costs of the self-insured health insurance fund. The net revenue(expense) of the internal service fund is reported with governmental activities.		
		<u>682,821</u>
Change in net assets of governmental activities		<u><u>\$ 3,280,532</u></u>

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

**Hutchinson Public Schools  
Unified School District No. 308**

**Statement of Fund Net Assets  
Proprietary Funds  
June 30, 2005**

	<u>Internal Service Funds</u>
<b>Assets:</b>	
Current assets:	
Cash and cash equivalents	\$ 2,110,832
<b>Liabilities:</b>	
Current liabilities:	
Outstanding claims liabilities	<u>101,491</u>
Total liabilities	
<b>Net Assets:</b>	
Total net assets restricted for self-insurance claims	<u><u>\$ 2,009,341</u></u>

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

**Hutchinson Public Schools  
Unified School District No. 308**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2005**

	<u>Internal Service Funds</u>
<b>Operating revenues:</b>	
Charges for services	\$ 1,609,179
<b>Operating expenses:</b>	
Contractual services	<u>1,299,551</u>
Operating income (loss)	<u>309,628</u>
<b>Nonoperating revenues:</b>	
Interest	23,193
Support from General Fund	<u>350,000</u>
Total nonoperating revenues	<u>373,193</u>
Change in net assets	682,821
<b>Total net assets - beginning of year</b>	<u>1,326,520</u>
<b>Total net assets - end of year</b>	<u><u>\$ 2,009,341</u></u>

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



**Hutchinson Public Schools  
Unified School District No. 308**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2005**

	<u>Internal Service Funds</u>
<b>Cash flows from operating activities:</b>	
Cash received for medical coverage	\$ 1,609,179
Cash payments for medical claims	<u>(1,298,891)</u>
Net cash provided by operating activities	310,288
<b>Cash flows from non-capital financing activities:</b>	
Cash received from General Fund	350,000
<b>Cash flows from investing activities:</b>	
Interest on investments	<u>23,193</u>
Net increase in cash and cash equivalents	683,481
Cash and cash equivalents - beginning of year	<u>1,427,351</u>
Cash and cash equivalents - end of year	<u><u>\$ 2,110,832</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 309,628
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in outstanding claims liabilities	<u>660</u>
Net cash provided by operating activities	<u><u>\$ 310,288</u></u>

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

**Hutchinson Public Schools  
Unified School District No. 308**

**Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2005**

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ <u>573,779</u>
Total assets	\$ <u><u>573,779</u></u>
<b>Liabilities:</b>	
Accounts payable	\$ <u>573,779</u>
Total liabilities	\$ <u><u>573,779</u></u>

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

**Hutchinson Public Schools  
Unified School District No. 308**

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**Hutchinson Public Schools  
Unified School District No. 308**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2005**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Hutchinson Public Schools (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting financial reporting principles. The District's significant accounting policies are described below.

**A. Reporting Entity**

The Hutchinson Public Schools, Unified School District No. 308 (District) is organized under the laws of the State of Kansas (Kansas) and is governed by an elected seven-member board. As required by accounting principles generally accepted in the United States of America, these financial statements present the District (the primary government) and a component unit, for which the District is considered to be financially accountable.

The Hutchinson Recreation Commission is a component unit of the District because the Commission's taxes are levied under the taxing authority of the District and the District appoints the majority of the Commission's governing board. The component unit is presented in a separate column in the district-wide financial statements to emphasize that it is a legally separate organization. Complete financial statements for the Hutchinson Recreation Commission may be obtained from their office at 17 East First Street, Hutchinson, Kansas 67501.

**B. District-wide and Fund Financial Statements**

District-wide financial statements – The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the primary government and its component unit. The effects of interfund activity has been eliminated from the district-wide financial statements.

The statement of net assets 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. 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 contribution 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.

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(Continued from page 30)

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. District-wide and Fund Financial Statements (Continued)**

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

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. All assets and liabilities associated with the operation of the District are included on the statement of net assets. 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.

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.

Entitlements and state aid are considered to be susceptible to accrual and have been recognized as revenue of the current fiscal year. 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. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Supplemental General Fund – This fund is used to account for revenue received and expenditures incurred related to the District’s Local Option Budget (LOB) The LOB allows school districts to spend above the amount provided by the state in the general fund weighting formula.

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*(Continued from page 31)*

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

Special Education Fund – This fund is used to account for programs that deliver educational services to special needs students.

Debt Service Fund – This fund accounts for the payment of principal and interest on the District’s general obligation bonds.

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

Additionally, the District reports the following fund types:

Internal Service Fund – This fund accounts for the District’s self-insured medical program.

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 the student organizations and for the District’s component unit.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 services funds are charges for medical insurance services. Operating expenses for internal service funds include the payment of medical claims and the related administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As permitted by generally accepted accounting principles, the District has elected to apply only applicable Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989, that do not contradict GASB pronouncements in its accounting and reporting practices for its business-type (enterprise) activities.

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

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

Instruction – Activities that deal directly with the interaction between teachers and students.

*(Continued on page 33)*

(Continued from page 32)

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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

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

General administration – Activities concerned with establishing and administering policy for operating the school district.

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

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

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

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

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

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

Architect fees – The activities of architects and engineers related to acquiring and improving sites and buildings for those preliminary activities that may or may not result in additions to the school district's property.

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

Debt Service – Activities relating to servicing the debt of the school district, including payments of both principal and interest.

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(Continued from page 33)

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **D. Use of Estimates**

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

### **E. Assets, Liabilities, and Equity**

#### *1. Deposits and Investments*

Kansas Statute 12-1675 authorizes the District to invest moneys in time deposits, certificates of deposits, repurchase agreements consisting of obligations insured by the U.S. government or any agency thereof, U.S. Treasury bills or notes with maturities not exceeding two years, and the Kansas Municipal Investment Pool. Investments are reported at fair value based on quoted market prices.

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 guidelines.

Unspent proceeds from certificates of participation or from general obligation bond issues are classified as restricted cash.

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.

#### *2. Receivables*

Taxes receivable - Property 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 following year. Tax installments paid to the County Treasurer in May are budgeted to finance the current year's operations and are distributed to the District prior to July 1.

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, and Equity (Continued)**

2. *Receivables (Continued)*

State aid receivable – State statutes provide that in the month of June of each school year, the final payment (from the State to District) shall be made of the full amount of the state aid for the year. The State did not make the final general fund state aid payment of \$1,703,997 or the supplemental general state aid payment of \$321,371 for the fiscal year ended June 30, 2005 until July 2005. The District was instructed by the State to record the final payment as though it had been received on June 30, 2005. The District also received an additional special education state aid of \$7,508 for the fiscal year ended June 30, 2005 in July 2005. The District was instructed by the State to record that final payment as though it had been received on June 30, 2005 and record it directly into the special education fund. These receipts were recorded for the budgetary basis; however recorded as a receivable by the general, supplemental general and special education funds on the district-wide and fund financial statements.

3. *Inventories*

All inventories are valued at cost using the average cost method. Inventories in the general fund consist of educational and maintenance supplies. Inventories in the special revenue funds are food supplies. Inventories are recorded as expenditures when consumed rather than when purchased. Reported inventories in the funds are equally offset by a fund balance reserve, which indicates they are unavailable for appropriation even through they are a component of reported assets.

4. *Capital Assets*

Capital assets, which include property, plant, and equipment, are reported in the district-wide financial statements. Capital assets of the District are defined as assets with an initial individual cost of more than \$500. However, the District records only capital assets in excess of \$5,000 on the district-wide financial statements. Capital assets are recorded at historical cost, or estimated historical cost if actual is not available. Donated capital assets are recorded at their estimated fair value as of the date received. 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. The District does not possess any significant infrastructure, such as roads or bridges.

All reported capital assets except land are depreciated. Depreciated is computed using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land improvements	20 years
Buildings	20-50 years
Equipment	5-20 years
Vehicles	8 years

The District owns various works of art that are not capitalized on these financial statements. Any revenue generated by the artwork would be available to be spent for educational purposes.

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, and Equity (Continued)**

5. *Compensated Absences*

District personnel are eligible for vacation and/or sick leave benefits in varying amounts depending upon the classification of the employee. Unused vacation may not be carried forward and must be used by June 30<sup>th</sup> of each fiscal year. Unused sick leave may be accumulated up to a specified maximum number of days. Upon separation from the District, unused vacation leave and unused sick leave is eligible for payment to employees according to District policy as stated in District handbooks and the negotiated agreement.

The compensated absences liability is accrued when incurred in the district-wide financial statements. The liability for these amounts is reported in the governmental fund financial statements only when the liability has matured, for example, as a result of employee resignations and retirements.

6. *Long-Term Obligations*

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums, discounts, and issuance costs 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. *Fund Balances*

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

The reservations of fund balances are as follows:

- Reserved for encumbrances – used to segregate a portion of fund balance legally restricted for the future payment of outstanding encumbrances.
- Reserved for inventory – segregates a portion of fund balance to indicate that inventories do not represent available or spendable resources.

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## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **E. Assets, Liabilities, and Equity (Continued)**

#### *7. Fund Balances (Continued)*

- Reserved for debt service – segregates the fund balance that has accumulated the money received to retire general obligation bonded debt.
- Reserved for special assessment purposes – segregates the fund balance that has accumulated from the tax levied for special projects.

#### *8. Net Assets*

Net assets represent the difference between assets and liabilities on the district-wide financial statements. Net assets are classified in the following categories:

- Invested in capital assets, net of related debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.
- Restricted net assets – This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.
- Unrestricted net assets – This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net assets”.

## **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 for the legal budget.

1. Preparation of the budget for fiscal year on or before August 1.
2. Publication in local newspapers 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.

The above timeline was extended for fiscal year 2005-2006 due to the special legislative session. Adoption of the final 2005-2006 budget occurred September 7, 2005.

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## **II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)**

### **A. Budgetary Information (Continued)**

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 ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

Kansas statutes permit transferring budgeted amounts from one object or purpose to another within the same fund; however such statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds.

All 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 payment 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 schedules differ from the data presented in the financial statements prepared in accordance with GAAP. The reconciliations are presented on the face of the budgetary comparison schedules.

A legal operating budget is not required for the internal service fund, agency funds, capital project funds, and the following special revenue funds:

Athletic activities	Textbook rental
Contingency reserve	HHS Daycare
Employee wellness	Scholarship funds
School projects	

### **B. Compliance with the Kansas Cash Basis Law**

Kansas municipalities are subject to the Cash-Basis Law as stated in Kansas Statute 10-1113. In accordance with the statutory basis of accounting, the Federal Grant Fund has a negative unencumbered cash balance at June 30, 2005. This fund will be reimbursed in the following fiscal year from federal grant programs. This receivable has been recognized for GAAP purposes on the fund financial statements.

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### III. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

As of June 30, 2005, the District had cash and cash equivalents as listed below:

Deposits in financial banking institutions	\$ 2,978,203
Certificates of deposits	8,800,000
State investment pool	<u>4,975,780</u>
Total cash and cash equivalents	<u>\$16,753,983</u>

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

Cash and cash equivalents per the Statement of Net Assets	\$16,180,204
Cash and cash equivalents per the Statement of Fiduciary Net Assets	<u>573,779</u>
Total shown on basic financial statements	<u>\$16,753,983</u>

The District did not have any activity in investment-type assets.

The District's policies relating to deposits and investments are governed by various Kansas Statutes (KSA). Those statutes specify the type of deposits and investments as well as the securing of those deposits and investments.

Interest rate risk – In accordance with Kansas Statute 12-1675, the District manages its exposure to interest rate fluctuations by limiting all time investments to maturities of less than two years.

Credit risk – State law limits the amount of credit risk by restricting governments to specific investment types as listed in KSA 12-1675. The District's practice is to place idle funds in certificates of deposits, United States obligations, and the Kansas Municipal Investment Pool (KMIP). The KMIP was rated AAAf/S1+ by Standard & Poor's as of March 15, 2004. The KMIP is permitted to invest in fully collateralized certificates of deposit, certain obligations of the United States, certain repurchase/reverse repurchase agreements, and other types of investments. Maturity information released by the KMIP at September 30, 2005 showed that the investment pool consisted of investment with a maturity date of 365 days or less.

Custodial credit risk – The custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Kansas Statutes 9-1402 and 9-1405 requires that governments obtain security for all deposits. The District manages its custodial credit risk by requiring the financial institutions to grant a security interest in securities held by third-party custodial banks. Monies in the Kansas Municipal Investment Pool are not required to have pledged securities.

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

Concentration of credit risk – This is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The District manages this risk by placing funds with financial institutions only after contacting all eligible institutions in the taxing area and monies in the Kansas Municipal Investment Pool are diverse according to the policies of the investment pool.

The Hutchinson Recreation Commission is governed by the same Kansas Statutes as the District. The Commission’s cash at December 31, 2004 consisted of:

Cash on hand	\$ 433
Deposits in financial banking institutions	115,112
State investment pool	<u>423,436</u>
Total component unit cash	<u>\$538,981</u>

**B. Capital Assets**

Capital asset activity of the governmental activities for the year ended June 30, 2005 was as follows:

	<u>Beginning</u>			<u>Ending</u>
	<u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
Capital assets, not depreciable				
Land	\$674,572	\$0	\$0	\$674,572
Capital assets, depreciable				
Land improvements	982,857			982,857
Buildings	18,698,951			18,698,951
Equipment	2,446,924	759,361	82,198	3,124,087
Vehicles	<u>1,126,526</u>			<u>1,126,526</u>
Total depreciable capital assets	<u>23,255,258</u>	<u>759,361</u>	<u>82,198</u>	<u>23,932,421</u>
Accumulated depreciation:				
Land improvements	928,276	6,421		934,697
Buildings	12,526,403	289,340		12,815,743
Equipment	1,495,353	166,891		1,662,244
Vehicles	<u>909,396</u>	<u>51,407</u>		<u>960,803</u>
Total accumulated depreciation	<u>15,859,428</u>	<u>514,059</u>	<u>0</u>	<u>16,373,487</u>
Total depreciable capital assets (net)	<u>7,395,830</u>	<u>245,302</u>	<u>82,198</u>	<u>7,558,934</u>
Governmental activities capital assets (net)	<u>\$8,070,402</u>	<u>\$245,302</u>	<u>\$82,198</u>	<u>\$8,233,506</u>

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Capital Assets (Continued)**

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

Instruction	\$334,590
Student support services	2,529
Instructional support	10,046
General administration	1,100
School administration	23,718
Operations and maintenance	55,342
Student transportation	31,570
Other support services	19,760
Food service operations	<u>35,404</u>
 Total governmental activities depreciation expense	 <u>\$514,059</u>

**C. Long-Term Liabilities**

Long-term liabilities, relating to the District's governmental activities, are as follows:

	<u>Balance at</u> <u>Beginning</u> <u>of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>End of</u> <u>Year</u>	<u>Due Within</u> <u>One Year</u>
General obligation bonds	\$9,690,000	\$	\$1,735,000	\$7,955,000	\$1,825,000
Capital lease obligations	306,509		70,120	236,389	71,939
Early retirement program	<u>913,819</u>	<u>196,144</u>	<u>373,215</u>	<u>736,748</u>	<u>320,055</u>
	<u>\$10,910,328</u>	<u>\$196,144</u>	<u>\$2,178,335</u>	<u>\$8,928,137</u>	<u>\$2,216,994</u>

Series 1995 General Obligation Bonds, original issue amount \$7,481,000, final payment due on September 1, 2005, interest rate is 5.5% \$845,000

Series 2001 General Obligation Bonds, original issue amount \$4,695,000, future payments due in annual installments of \$980,000 to \$1,025,000 through August 2006, interest rate is 3.75% 2,005,000

Series 2002 General Obligation Refunding Bond, original issue amount \$5,105,000, future payments due in annual installments of \$935,000 to \$1,115,000 through September 2010, interest rate is 3.5% to 4.0% 5,105,000

**Total** **\$7,955,000**

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General obligation bonds

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Long-Term Liabilities (Continued)**

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

<u>Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$1,825,000	\$315,182	\$2,140,182
2007	1,960,000	197,250	2,157,250
2008	975,000	144,863	1,119,863
2009	1,015,000	107,500	1,122,500
2010	1,065,000	65,900	1,130,900
2011	<u>1,115,000</u>	<u>22,300</u>	<u>1,137,300</u>
	<u>\$7,955,000</u>	<u>\$852,995</u>	<u>\$8,807,995</u>

Capital lease obligations

The District has entered into various lease agreements for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been reported at the present value of their future minimum lease payments as of the inception date. The equipment totaled \$370,906 and is included in the capital assets of the District. The amortization of this equipment has been included in the District's depreciation expense. Obligations of the District's governmental activities under capital leases at June 30, 2005 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 71,939	\$ 4,171	\$ 76,110
2007	66,961	2,093	69,054
2008	67,767	1,287	69,054
2009	<u>29,722</u>	<u>458</u>	<u>30,180</u>
Total lease payments	<u>\$236,389</u>	<u>\$ 8,009</u>	<u>\$244,398</u>

Operating lease obligations

The District leases certain equipment under the terms of operating lease agreements. The amount of the operating lease payments for the year ended June 30, 2005 were \$338,167. The future minimum lease payments for the operating lease are as follows:

<u>Year ending June 30,</u>	<u>Total</u>
2006	\$338,167
2007	<u>338,167</u>
Total lease payments	<u>\$676,334</u>

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*(Continued from page 42)*

### **III. DETAILED NOTES ON ALL FUNDS (Continued)**

#### **C. Long-Term Liabilities (Continued)**

##### Early retirement benefits program

The District offers a voluntary early retirement program to eligible staff members. The staff member can select either ten percent (10%) of the member's "average annual income" plus two hundred dollars/month (\$200) to be used toward payment of a health insurance policy as part of the district health insurance plan or fifteen percent (15%) of the member's "average annual income". Staff members must meet the following eligibility requirements:

1. The staff member shall be eligible by age and experience for full retirement benefits under the Kansas Public Employees Retirement System (KPERs) or the employee shall be a minimum of sixty (60) years of age at some time during the calendar year in which early retirement is requested.
2. The staff member shall be receiving retirement benefits from KPERs or from Social Security Administration.
3. The staff member shall not be older than sixty-four (64) years on the date of retirement.
4. The staff member shall have a minimum of fifteen (15) years of credited full-time service with the district of which the last ten (10) are consecutive.
5. The staff member shall have a minimum of twenty (20) years of credited service as recognized by KPERs.
6. The staff member shall be a full-time employee of the District.
7. Participation in the district's Early Retirement Program by a member shall not create a hardship for the district or its students.
8. The participation in the district's Early Retirement Program by a member must be approved by the superintendent.

This benefit program is unfunded and current costs are paid by the fund where each employee's salary is charged (the General Fund and various special revenue funds). For the year ended June 30, 2005, the District paid \$354,964 in benefits. The liability for the early retirement program includes the expected cash outflows discounted at 3.24%. At year-end, there were 46 retirees receiving benefits.

#### **D. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in insurance coverage from the previous fiscal year. Settled claims have not exceeded commercial insurance coverage in any of the last three years.

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**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Risk Management (Continued)**

The District has established a self-insured health care program for eligible District employees and covered dependents. The activity is reported in an internal service fund on these financial statements. The District limits its exposure through specific and aggregate stop-loss coverage. All claims handling procedures are performed by a third-party claims administrator. Reported unpaid claims, as well as incurred but not reported claims, have been accrued as a liability based upon the claims administrator's estimate.

Changed in claims liabilities during the past two years are summarized below:

Unpaid claims, June 30, 2003	\$ N/A
Claims incurred (including incurred but not reported)	789,907
Claim payments	<u>(689,076)</u>
Unpaid claims, June 30, 2004	100,831
Claims incurred (including incurred but not reported)	964,906
Claim payments	<u>(964,246)</u>
Unpaid claims, June 30, 2005	\$ <u>101,491</u>

**E. Interfund Transfers**

Interfund transfers occurred during the year and were made between the funds identified in the following table to provide sufficient resources to pay the expenditures in the funds receiving the transfers.

	Transfer to:		
	<u>Special</u> <u>Education</u>	<u>Nonmajor</u> <u>Governmental</u>	<u>Total</u>
Transfer from:			
General Fund	\$2,660,816	\$ 759,378	\$3,420,194
Supplemental General Fund	<u>500,000</u>	<u>1,510,881</u>	<u>2,010,881</u>
Total	<u>\$3,160,816</u>	<u>\$2,270,259</u>	<u>\$5,431,075</u>

**F. Defined Benefit Pension Plan**

*Plan Description.* The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901 et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

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(Continued from page 44)

### III. DETAILED NOTES ON ALL FUNDS (Continued)

#### F. Defined Benefit Pension Plan (Continued)

*Funding Policy.* K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of sections 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes an average of 5.07% of covered payroll. These contribution requirements are established by KPERS and periodically revised. Kansas' contributions to KPERS for District employees for the years ending June 30, 2005, 2004, and 2003 were \$1,258,100, \$991,808, and \$994,620, respectively, equal to the required contributions for each year. The revenue and the related expenses are reported in a special revenue fund of the District and are included in these financial statements.

#### B. G. Change in Accounting Principles/Restatement

The District changed its accounting methods for reporting purposes from the statutory basis of accounting to generally accepted accounting principles (GAAP) effective July 1, 2004. This resulted in a restatement of the beginning balances as well as significant changes in the presentation of the financial statements. The change in the beginning fund balance is as follows:

	<u>Change</u>	<u>Total</u>
Unencumbered cash balance, June 30, 2004		\$14,023,670
Reclassify agency funds and internal service funds	\$ (1,808,076)	
Remove encumbrances that are not expenses for GAAP purposes	1,385,381	
Record receivables and inventories	<u>510,767</u>	<u>88,072</u>
Restated fund balance for GAAP purposes at June 30, 2004		14,111,742
Record employee benefit type liabilities	(1,152,059)	
Record general obligation debt and lease obligations	(10,165,713)	
Record capital assets and related accumulated depreciation	8,070,402	
Record the internal service funds	<u>1,326,520</u>	<u>(1,920,850)</u>
Total changes in balances	\$ <u>(1,832,778)</u>	
Net assets per the district-wide statement of activities		<u>\$12,190,892</u>

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*(Continued from page 45)*

#### **IV. OTHER INFORMATION**

##### **A. Contingent Liabilities**

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or any applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2005.

The District is a defendant in various pending litigation and administrative proceedings. Management anticipates that any potential claims, if any, against the District would be covered by insurance and would not materially affect the District's financial position.

##### **B. Related Organizations**

The Educational Facilities Authority of Reno County (Authority) is a separate legal entity which is governed by a seven member board. The purpose of the Authority is to provide for the acquisition, lease, development, improvement, renovation, repair, and operation of educational and athletic facilities for the benefit of the members of the Authority and the general public. The District appoints three of the members of the governing board.

## Required Supplementary Information



**Hutchinson Public Schools**  
**Unified School District No. 308**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Budgetary Basis**  
**General Fund**  
**Year ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary	Variance With Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Basis</u>	<u>(Under)</u>
Revenue:				
Taxes	\$ 2,964,572	\$ 2,964,572	\$ 3,118,622	\$ 154,050
State aid	19,521,274	19,514,707	19,459,800	(54,907)
Reimbursed expenses	-	109,391	10,248	(99,143)
Total revenue	<u>22,485,846</u>	<u>22,588,670</u>	<u>22,588,670</u>	<u>-</u>
Expenditures and encumbrances:				
Instruction	11,236,406	11,236,406	10,958,020	(278,386)
Student support services	853,856	853,856	833,982	(19,874)
Instructional support services	1,028,762	1,028,762	881,891	(146,871)
General administration	455,920	455,920	385,435	(70,485)
School administration	1,758,238	1,758,238	1,663,577	(94,661)
Operations and maintenance	3,145,859	3,145,859	2,753,445	(392,414)
Student transportation services	509,928	509,928	478,705	(31,223)
Other support services	1,275,259	1,275,259	1,204,514	(70,745)
Community service operations	24,151	24,151	23,907	(244)
Architect fees	10,000	10,000	3,833	(6,167)
Transfers out	2,206,300	2,206,300	3,420,194	1,213,894
Total expenditures and encumbrances	<u>22,504,679</u>	<u>22,504,679</u>	<u>22,607,503</u>	<u>102,824</u>
Adjustment to legal maximum budget	-	(6,567)	-	6,567
Adjustment for State Juvenile Aid	-	100,438	-	(100,438)
Adjustment for medicaid administrative claiming	-	6,513	-	(6,513)
Adjustment for other reimbursed expenses	-	2,440	-	(2,440)
Total expenditures and transfers subject to budget	<u>22,504,679</u>	<u>22,607,503</u>	<u>22,607,503</u>	<u>-</u>
Revenue over (under) expenditures and encumbrances	(18,833)	(18,833)	(18,833)	-
Unencumbered cash, beginning of year	<u>18,833</u>	<u>18,833</u>	<u>18,833</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			156,493	
Inventory			<u>142,892</u>	
GAAP fund balance, end of year			<u>\$ 299,385</u>	

**Hutchinson Public Schools  
Unified School District No. 308**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Supplemental General Fund  
Year ended June 30, 2005**

	<u>Budgeted</u>	<u>Amounts</u>	<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>With Final</u>
			<u>Basis</u>	<u>Budget</u>
				<u>Over</u>
				<u>(Under)</u>
Revenue:				
Taxes	\$ 2,648,779	\$ 2,648,779	\$ 2,950,884	\$ 302,105
State aid	<u>2,027,582</u>	<u>2,027,582</u>	<u>2,027,582</u>	<u>-</u>
Total revenue	<u>4,676,361</u>	<u>4,676,361</u>	<u>4,978,466</u>	<u>302,105</u>
Expenditures and encumbrances:				
Instruction	1,080,073	1,080,073	1,116,280	36,207
Instructional support services	619,405	619,405	631,657	12,252
Operations and maintenance	979,195	979,195	1,013,381	34,186
Other support services	823,450	823,450	617,536	(205,914)
Architect fees	-	-	11,388	11,388
Transfers out	<u>1,899,000</u>	<u>1,899,000</u>	<u>2,010,881</u>	<u>111,881</u>
Total expenditures and encumbrances	<u>5,401,123</u>	<u>5,401,123</u>	<u>5,401,123</u>	<u>-</u>
Revenue over (under) expenditures and encumbrances	(724,762)	(724,762)	(422,657)	302,105
Unencumbered cash, beginning of year	724,762	724,762	724,762	-
Prior year canceled encumbrances	<u>-</u>	<u>-</u>	<u>590</u>	<u>590</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 302,695</u>	<u>\$ 302,695</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 302,695	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>88,479</u>	
GAAP fund balance, end of year			<u>\$ 391,174</u>	



**Hutchinson Public Schools  
Unified School District No. 308**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Special Education Fund  
Year ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
Revenue:				
State aid	\$ -	\$ -	\$ 7,508	\$ 7,508
Federal aid	1,020,000	1,020,000	1,156,384	136,384
Medicaid aid	775,000	775,000	788,332	13,332
Transfers from other funds	<u>2,706,300</u>	<u>2,706,300</u>	<u>3,160,816</u>	<u>454,516</u>
Total revenue	<u>4,501,300</u>	<u>4,501,300</u>	<u>5,113,040</u>	<u>611,740</u>
Expenditures and encumbrances:				
Instruction	3,870,627	3,870,627	3,465,375	(405,252)
Student support services	1,041,002	1,041,002	922,232	(118,770)
Instructional support services	76,066	76,066	39,460	(36,606)
General administration	189,895	189,895	239,098	49,203
Operations and maintenance	1,000	1,000	-	(1,000)
Student transportation services	<u>505,000</u>	<u>505,000</u>	<u>411,827</u>	<u>(93,173)</u>
Total expenditures and encumbrances	<u>5,683,590</u>	<u>5,683,590</u>	<u>5,077,992</u>	<u>(605,598)</u>
Revenue over (under) expenditures and encumbrances	(1,182,290)	(1,182,290)	35,048	1,217,338
Unencumbered cash, beginning of year	2,294,513	2,294,513	2,294,513	-
Prior year canceled encumbrances	<u>-</u>	<u>-</u>	<u>1,660</u>	<u>1,660</u>
Unencumbered cash, end of year	<u>\$ 1,112,223</u>	<u>\$ 1,112,223</u>	<u>\$ 2,331,221</u>	<u>\$ 1,218,998</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 2,331,221	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>1,134</u>	
GAAP fund balance, end or year			<u>\$ 2,332,355</u>	

**Hutchinson Public Schools  
Unified School District No. 308**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Capital Outlay Fund  
Year ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary	Variance With Final Budget Over (Under)
	Original	Final	Basis	(Under)
Revenue:				
Taxes	\$ 805,066	\$ 805,066	\$ 831,990	\$ 26,924
Interest on idle funds	90,000	90,000	207,952	117,952
Other revenue	150,000	150,000	113,485	(36,515)
Total revenue	1,045,066	1,045,066	1,153,427	108,361
Expenditures and encumbrances:				
Instruction	229,049	229,049	101,207	(127,842)
Student support services	2,000	2,000	5	(1,995)
Instructional support services	18,000	18,000	80	(17,920)
Operations and maintenance	60,000	60,000	15,297	(44,703)
Other support services	170,000	170,000	109,154	(60,846)
Facilities acquisition and construction	2,546,951	2,546,951	919,747	(1,627,204)
Total expenditures and encumbrances	3,026,000	3,026,000	1,145,490	(1,880,510)
Revenue over (under) expenditures and encumbrances	(1,980,934)	(1,980,934)	7,937	1,988,871
Unencumbered cash, beginning of year	2,915,333	2,915,333	2,915,333	-
Prior year canceled encumbrances	-	-	1,454	1,454
Unencumbered cash, end of year	\$ 934,399	\$ 934,399	\$ 2,924,724	\$ 1,990,325
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 2,924,724	
Interest receivable			40,616	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			386,101	
GAAP fund balance, end of year			\$ 3,351,441	

## Supplementary Information



**Hutchinson Public Schools  
Unified School District No. 308**

**Combining Statements – Nonmajor Funds**

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

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

**Driver Training** – used to account for the costs of providing driver education programs.

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

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

**Parent Education** – 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.

**KPERS Retirement** – used to record the state aid received to pay for the employer’s share of the KPERS contributions.

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

**Textbook Rental** – used to account for fees collected and expenditures related to textbooks, workbooks, music instruments, supplies, and other items.

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

**HHS Daycare** – used to account for revenue and expenses relating to the childcare center maintained at the District.

**Employee Wellness** – used to promote wellness of District employees.

**Federal Grant Fund** – used to account for revenue and expenses of programs administered in accordance with federal grants awarded to the district.

**Gifts and Grant Fund** – used to account for revenue and expenses for programs administered with state and local gifts and grants awarded to the district.

**Scholarship Fund** – used to account for revenue and expenses relating to gifts that are restricted to scholarship purposes.

**School Projects** – used to account for revenue and expenses relating to co-curricular activities which have student participation in the activity, but are administered by the district.

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

**Capital Project Funds** – used to account for the acquisition and construction of major capital facilities financed through long-term debt financing or contributions.

**Hutchinson Public Schools  
Unified School District No. 308**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2005**

	Special Revenue Funds									
	Bilingual Education	Driver Training	Food Service	Professional Development	Parent Education	Summer School	Vocational Education	KPERS Retirement	Contingency Reserve	Textbook Rental
<b>Assets:</b>										
Cash and cash equivalents	\$ 3,015	\$ 133,011	\$ 454,866	\$ 583,632	\$ 161,296	\$ 194,352	\$ 157,506	\$ -	\$ 900,000	\$ 1,236,980
Federal receivable	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	33,741	-	-	-	189,366	-	-	-
Total assets	<u>\$ 3,015</u>	<u>\$ 133,011</u>	<u>\$ 488,607</u>	<u>\$ 583,632</u>	<u>\$ 161,296</u>	<u>\$ 194,352</u>	<u>\$ 346,872</u>	<u>\$ -</u>	<u>\$ 900,000</u>	<u>\$ 1,236,980</u>
<b>Liabilities:</b>										
Accounts payable	\$ -	\$ -	\$ 3,924	\$ 3,506	\$ 729	\$ -	\$ 15,180	\$ -	\$ -	\$ -
Accrued payroll	<u>3,015</u>	<u>-</u>	<u>6,017</u>	<u>-</u>	<u>226</u>	<u>375</u>	<u>84,063</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>3,015</u>	<u>-</u>	<u>9,941</u>	<u>3,506</u>	<u>955</u>	<u>375</u>	<u>99,243</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>										
Reserved for:										
Encumbrances	-	-	40,700	2,659	1,184	-	58,263	-	-	-
Inventory	-	-	33,741	-	-	-	189,366	-	-	-
Special assessment purposes	-	-	-	-	-	-	-	-	-	-
Unreserved	<u>-</u>	<u>133,011</u>	<u>404,225</u>	<u>577,467</u>	<u>159,157</u>	<u>193,977</u>	<u>-</u>	<u>-</u>	<u>900,000</u>	<u>1,236,980</u>
Total fund balances	<u>-</u>	<u>133,011</u>	<u>478,666</u>	<u>580,126</u>	<u>160,341</u>	<u>193,977</u>	<u>247,629</u>	<u>-</u>	<u>900,000</u>	<u>1,236,980</u>
Total liabilities and fund balances	<u>\$ 3,015</u>	<u>\$ 133,011</u>	<u>\$ 488,607</u>	<u>\$ 583,632</u>	<u>\$ 161,296</u>	<u>\$ 194,352</u>	<u>\$ 346,872</u>	<u>\$ -</u>	<u>\$ 900,000</u>	<u>\$ 1,236,980</u>

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**Hutchinson Public Schools  
Unified School District No. 308**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2005**

Continued from page 52

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	Special Revenue Funds								Capital	Total	
	Special Assessment	HHS Daycare	Employee Wellness	Federal Grant Funds	Gift and Grant Funds	Scholarship Funds	School Projects	Athletic Activity	Total	Project Fund Technology Improvement	Nonmajor Governmental Funds
<b>Assets:</b>											
Cash and cash equivalents	\$ 82,153	\$ 59,188	\$ -	\$ 333,312	\$ 54,944	\$ 1,812	\$116,544	\$147,309	\$4,619,920	\$ -	\$4,619,920
Federal receivable	-	-	-	117,138	-	-	-	-	117,138	-	117,138
Inventory	-	-	-	-	-	-	-	-	223,107	-	223,107
Total assets	<u>\$ 82,153</u>	<u>\$ 59,188</u>	<u>\$ -</u>	<u>\$ 450,450</u>	<u>\$ 54,944</u>	<u>\$ 1,812</u>	<u>\$116,544</u>	<u>\$147,309</u>	<u>\$4,960,165</u>	<u>\$ -</u>	<u>\$4,960,165</u>
<b>Liabilities:</b>											
Accounts payable	\$ -	\$ -	\$ -	\$ 33,233	\$ 130	\$ -	\$ -	\$ -	\$ 56,702	\$ -	\$ 56,702
Accrued payroll	-	4,373	-	174,852	3,983	-	-	-	276,904	-	276,904
Total liabilities	<u>-</u>	<u>4,373</u>	<u>-</u>	<u>208,085</u>	<u>4,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>333,606</u>	<u>-</u>	<u>333,606</u>
<b>Fund Balances:</b>											
Reserved for:											
Encumbrances	-	-	-	242,365	3,068	-	-	-	348,239	-	348,239
Inventory	-	-	-	-	-	-	-	-	223,107	-	223,107
Special assessment purpose	82,153	-	-	-	-	-	-	-	82,153	-	82,153
Unreserved	-	54,815	-	-	47,763	1,812	116,544	147,309	3,973,060	-	3,973,060
Total fund balances	<u>82,153</u>	<u>54,815</u>	<u>-</u>	<u>242,365</u>	<u>50,831</u>	<u>1,812</u>	<u>116,544</u>	<u>147,309</u>	<u>4,626,559</u>	<u>-</u>	<u>4,626,559</u>
Total liabilities and fund balances	<u>\$ 82,153</u>	<u>\$ 59,188</u>	<u>\$ -</u>	<u>\$ 450,450</u>	<u>\$ 54,944</u>	<u>\$ 1,812</u>	<u>\$116,544</u>	<u>\$147,309</u>	<u>\$4,960,165</u>	<u>\$ -</u>	<u>\$4,960,165</u>

**Hutchinson Public Schools**  
**Unified School District No. 308**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2005**

	Special Revenue Funds									
	Bilingual Education	Driver Training	Food Service	Professional Development	Parent Education	Summer School	Vocational Education	KPERS Retirement	Contingency Reserve	Textbook Rental
<b>Revenues:</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State aid	-	324	24,605	-	99,157	-	-	1,189,291	-	-
Federal aid	-	-	1,086,574	-	-	-	-	-	-	-
Charges for services	-	-	509,115	-	-	6,280	308,490	-	-	101,765
Interest on idle funds	-	-	2,703	-	-	-	-	-	-	-
Other	-	90	59,203	-	50,589	-	170,989	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>414</u>	<u>1,682,200</u>	<u>-</u>	<u>149,746</u>	<u>6,280</u>	<u>479,479</u>	<u>1,189,291</u>	<u>-</u>	<u>101,765</u>
<b>Expenditures:</b>										
Current:										
Instruction	94,498	10,480	-	-	-	22,054	1,215,320	784,934	-	2,908
Student support	-	-	-	-	164,214	2,248	-	83,250	-	-
Instructional support	-	-	-	167,678	-	-	313,117	47,571	-	4,516
General administration	-	-	-	-	-	-	-	23,786	-	-
School administration	-	91	-	-	-	-	119,259	83,250	-	-
Operations and maintenance	-	-	27,667	-	-	-	92,759	95,143	-	-
Student transportation service	-	-	-	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	1,126	35,679	-	-
Food service operations	-	-	1,584,420	-	-	-	-	35,678	-	-
Community service operations	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>94,498</u>	<u>10,571</u>	<u>1,612,087</u>	<u>167,678</u>	<u>164,214</u>	<u>24,302</u>	<u>1,459,781</u>	<u>1,189,291</u>	<u>-</u>	<u>7,424</u>
Excess of revenues over (under) expenditures	(94,498)	(10,157)	70,113	(167,678)	(14,468)	(18,022)	(980,302)	-	-	94,341
<b>Other financing sources (uses):</b>										
Transfers in	94,498	-	-	403,494	54,000	-	1,058,889	-	-	659,378
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>94,498</u>	<u>-</u>	<u>-</u>	<u>403,494</u>	<u>54,000</u>	<u>-</u>	<u>1,058,889</u>	<u>-</u>	<u>-</u>	<u>659,378</u>
Net change in fund balances	-	(10,157)	70,113	235,816	39,532	(18,022)	78,587	-	-	753,719
Fund balances at beginning of year	-	143,168	408,553	344,310	120,809	2,119,999	169,042	-	900,000	483,261
Change in reserve for inventory	-	-	-	-	-	-	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ 133,011</u>	<u>\$ 478,666</u>	<u>\$ 580,126</u>	<u>\$ 160,341</u>	<u>\$ 193,977</u>	<u>\$ 247,629</u>	<u>\$ -</u>	<u>\$ 900,000</u>	<u>\$ 1,236,980</u>

- Continued -



**Hutchinson Public Schools**  
**Unified School District No. 308**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**No major Governmental Funds**  
**For the Year Ended June 30, 2005**  
**- Continued -**

Continued from page 54

	Special Revenue Funds								Capital	Total	
	Special Assessment	HHS Daycare	Employee Wellness	Federal Grant Funds	Gift and Grant Funds	Scholarship Funds	School Projects	Athletic Activity	Totals	Project Fund Technology Improvement	Nonmajor Governmental Funds
<b>Revenues:</b>											
Taxes	\$ 173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173	\$ -	\$ 173
State aid	-	-	-	-	-	-	-	-	1,313,377	-	1,313,377
Federal aid	-	4,381	-	4,128,351	-	-	-	-	5,219,306	-	5,219,306
Charges for services	-	60,594	-	-	-	-	234,137	166,637	1,387,018	-	1,387,018
Earnings on investments	-	-	-	-	-	163	-	1,238	4,104	-	4,104
Other	-	27,000	1,385	-	62,731	-	-	-	371,987	-	371,987
Contributions	-	33,597	-	-	26,499	-	-	-	60,096	-	60,096
<b>Total revenues</b>	<b>173</b>	<b>125,572</b>	<b>1,385</b>	<b>4,128,351</b>	<b>89,230</b>	<b>163</b>	<b>234,137</b>	<b>167,875</b>	<b>8,356,061</b>	<b>-</b>	<b>8,356,061</b>
<b>Expenditures:</b>											
Current:											
Instruction	-	-	-	3,131,885	6,133	-	248,962	158,085	5,675,259	26,546	5,701,805
Student support	-	-	-	306,224	-	-	-	-	555,936	-	555,936
Instructional support	-	-	-	644,369	4,934	-	-	-	900,385	-	900,385
General administration	-	-	-	54,931	68,195	-	-	-	146,912	-	146,912
School administration	-	-	-	-	-	-	-	-	202,600	-	202,600
Operations and maintenance	-	-	-	64,687	-	-	-	-	280,256	-	280,256
Student transportation service	-	-	-	25,248	-	-	-	-	25,248	-	25,248
Other support services	-	-	-	2,095	14,160	1,886	-	-	54,946	-	54,946
Food service operations	-	5,317	-	144,565	-	-	-	-	1,769,980	-	1,769,980
Community service operations	-	121,444	1,385	-	-	-	-	-	122,829	-	122,829
Facilities acquisition and construction	142,643	-	-	-	-	-	-	-	142,643	-	142,643
<b>Total expenditures</b>	<b>142,643</b>	<b>126,761</b>	<b>1,385</b>	<b>4,374,004</b>	<b>93,422</b>	<b>1,886</b>	<b>248,962</b>	<b>158,085</b>	<b>9,876,994</b>	<b>26,546</b>	<b>9,903,540</b>
Excess of revenues over (under) expenditures	(142,470)	(1,189)	-	(245,653)	(4,192)	(1,723)	(14,825)	9,790	(1,520,933)	(26,546)	(1,547,479)
<b>Other financing sources (uses):</b>											
Transfers in	-	-	-	-	-	-	-	-	2,270,259	-	2,270,259
Transfers out	-	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,270,259</b>	<b>-</b>	<b>2,270,259</b>
Net change in fund balances	(142,470)	(1,189)	-	(245,653)	(4,192)	(1,723)	(14,825)	9,790	749,326	(26,546)	722,780
Fund balances at beginning of year	224,623	56,004	-	488,018	55,023	3,535	131,369	137,519	3,877,233	26,546	3,903,779
Change in reserve for inventory	-	-	-	-	-	-	-	-	-	-	-
Fund balances at end of year	\$ 82,153	\$ 54,815	\$ -	\$ 242,365	\$ 50,831	\$ 1,812	\$ 116,544	\$ 147,309	\$ 4,626,559	\$ -	\$ 4,626,559

**Hutchinson Public Schools  
Unified School District No. 308**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Bilingual Education Fund  
Year ended June 30, 2005**

	<u>Budgeted</u>	<u>Amounts</u>	<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
			<u>Budgetary</u>	<u>Budget</u>
			<u>Basis</u>	<u>Over</u>
				<u>(Under)</u>
Revenue:				
Transfers from other funds	\$ 100,000	\$ 100,000	\$ 94,498	\$ (5,502)
Expenditures and encumbrances:				
Instruction	<u>100,000</u>	<u>100,000</u>	<u>94,498</u>	<u>(5,502)</u>
Revenue over (under) expenditures and encumbrances	-	-	-	-
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered cash, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>-</u>	
GAAP fund balance, end of year			<u><u>\$ -</u></u>	

**Hutchinson Public Schools  
Unified School District No. 308**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Driver Training Fund  
Year ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
State aid	\$ -	\$ -	\$ 324	\$ 324
Other	-	-	90	90
Total revenue	-	-	414	414
Expenditures and encumbrances:				
Instruction	100,000	100,000	10,480	(89,520)
School administration	-	-	91	91
Total expenditures and encumbrances	100,000	100,000	10,571	(89,429)
Revenue over (under) expenditures and encumbrances	(100,000)	(100,000)	(10,157)	89,843
Unencumbered cash, beginning of year	143,168	143,168	143,168	-
Unencumbered cash, end of year	\$ 43,168	\$ 43,168	\$ 133,011	\$ 89,843
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 133,011	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			-	
GAAP fund balance, end of year			\$ 133,011	

**Hutchinson Public Schools  
Unified School District No. 308**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Food Service Fund  
Year ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary	Variance With Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Basis</u>	<u>(Under)</u>
Revenue:				
State aid	\$ 22,680	\$ 22,680	\$ 24,605	\$ 1,925
Federal aid	917,312	917,312	1,086,574	169,262
Food service sales	415,335	415,335	509,115	93,780
Interest on idle funds	3,000	3,000	2,703	(297)
Other	<u>-</u>	<u>-</u>	<u>59,203</u>	<u>59,203</u>
Total revenue	<u>1,358,327</u>	<u>1,358,327</u>	<u>1,682,200</u>	<u>323,873</u>
Expenditures and encumbrances:				
Operations and maintenance	27,400	27,400	27,667	267
Food service operations	<u>1,717,899</u>	<u>1,717,899</u>	<u>1,637,280</u>	<u>(80,619)</u>
Total expenditures and encumbrances	<u>1,745,299</u>	<u>1,745,299</u>	<u>1,664,947</u>	<u>(80,352)</u>
Revenue over (under) expenditures and encumbrances	(386,972)	(386,972)	17,253	404,225
Unencumbered cash, beginning of year	<u>386,972</u>	<u>386,972</u>	<u>386,972</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 404,225</u>	<u>\$ 404,225</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 404,225	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			40,700	
Inventory			<u>33,741</u>	
GAAP fund balance, end of year			<u>\$ 478,666</u>	

**Hutchinson Public Schools  
Unified School District No. 308**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Professional Development Fund  
Year ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
Transfers from other funds	\$ 85,000	\$ 85,000	\$ 403,494	\$ 318,494
Expenditures and encumbrances:				
Instructional support	<u>275,082</u>	<u>275,082</u>	<u>127,375</u>	<u>(147,707)</u>
Revenue over (under) expenditures and encumbrances	(190,082)	(190,082)	276,119	466,201
Unencumbered cash, beginning of year	300,949	300,949	300,949	-
Prior year canceled encumbrances	<u>-</u>	<u>-</u>	<u>399</u>	<u>399</u>
Unencumbered cash, end of year	<u>\$ 110,867</u>	<u>\$ 110,867</u>	<u>\$ 577,467</u>	<u>\$ 466,600</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 577,467	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>2,659</u>	
GAAP fund balance, end of year			<u>\$ 580,126</u>	

**Hutchinson Public Schools  
Unified School District No. 308**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Parent Education Fund  
Year ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
State aid	\$ 90,000	\$ 90,000	\$ 99,157	\$ 9,157
Other	50,000	50,000	50,589	589
Transfers from other funds	54,000	54,000	54,000	-
Total revenue	194,000	194,000	203,746	9,746
Expenditures and encumbrances:				
Student support	209,990	209,990	164,224	(45,766)
Revenue over (under) expenditures and encumbrances	(15,990)	(15,990)	39,522	55,512
Unencumbered cash, beginning of year	119,464	119,464	119,464	-
Prior year canceled encumbrances	-	-	171	171
Unencumbered cash, end of year	\$ 103,474	\$ 103,474	\$ 159,157	\$ 55,683
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 159,157	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			1,184	
GAAP fund balance, end of year			\$ 160,341	

**Hutchinson Public Schools  
Unified School District No. 308**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Summer School Fund  
Year ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
Tuition	\$ 10,000	\$ 10,000	\$ 6,280	\$ (3,720)
Expenditures and encumbrances:				
Instruction	112,414	112,414	22,054	(90,360)
Student support	4,591	4,591	2,248	(2,343)
School administration	100	100	-	(100)
Total expenditures and encumbrances	117,105	117,105	24,302	(92,803)
Revenue over (under) expenditures and encumbrances	(107,105)	(107,105)	(18,022)	89,083
Unencumbered cash, beginning of year	211,999	211,999	211,999	-
Unencumbered cash, end of year	\$ 104,894	\$ 104,894	\$ 193,977	\$ 89,083
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 193,977	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			-	
GAAP fund balance, end of year			\$ 193,977	

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Budgetary Basis**  
**Vocational Education Fund**  
**Year ended June 30, 2005**

	Budgeted Amounts	Budgeted Amounts	Actual Amounts	Variance
	Original	Final	Budgetary Basis	With Final Budget Over (Under)
Revenue:				
Tuition	\$ 300,000	\$ 300,000	\$ 308,490	\$ 8,490
Other	175,000	175,000	170,989	(4,011)
Transfers from other funds	<u>1,160,000</u>	<u>1,160,000</u>	<u>1,058,889</u>	<u>(101,111)</u>
Total revenue	<u>1,635,000</u>	<u>1,635,000</u>	<u>1,538,368</u>	<u>(96,632)</u>
Expenditures and encumbrances:				
Instruction	1,365,374	1,365,374	1,293,971	(71,403)
Instructional support	9,000	9,000	31,317	22,317
School administration	129,706	129,706	119,259	(10,447)
Operations and maintenance	129,863	129,863	92,759	(37,104)
Other support services	<u>1,057</u>	<u>1,057</u>	<u>1,126</u>	<u>69</u>
Total expenditures and encumbrances	<u>1,635,000</u>	<u>1,635,000</u>	<u>1,538,432</u>	<u>(96,568)</u>
Revenue over (under) expenditures and encumbrances	-	-	(64)	(64)
Unencumbered cash, beginning of year	-	-	-	-
Prior year canceled encumbrances	<u>-</u>	<u>-</u>	<u>64</u>	<u>64</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			58,263	
Inventory			<u>189,366</u>	
GAAP fund balance, end of year			<u>\$ 247,629</u>	



**Hutchinson Public Schools  
Unified School District No. 308**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
KPERS Special Retirement Contribution Fund  
Year ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
State aid	\$ 1,258,100	\$ 1,258,100	\$ 1,189,291	\$ (68,809)
Expenditures and encumbrances:				
Instruction	830,346	830,346	784,934	(45,412)
Student support	88,067	88,067	83,250	(4,817)
Instructional support	50,324	50,324	47,571	(2,753)
General administration	25,162	25,162	23,786	(1,376)
School administration	88,067	88,067	83,250	(4,817)
Operations and maintenance	100,648	100,648	95,143	(5,505)
Other support services	37,743	37,743	35,679	(2,064)
Food service operations	37,743	37,743	35,678	(2,065)
Total expenditures and encumbrances	1,258,100	1,258,100	1,189,291	(68,809)
Revenue over (under) expenditures and encumbrances	-	-	-	-
Unencumbered cash, beginning of year	-	-	-	-
Prior year canceled encumbrances	-	-	-	-
Unencumbered cash, end of year	\$ -	\$ -	\$ -	\$ -
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ -	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			-	
GAAP fund balance, end of year			\$ -	

**Hutchinson Public Schools  
Unified School District No. 308**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Special Assessment Fund  
Year ended June 30, 2005**

	Budgeted Amounts Original	Final	Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
Revenue:				
Taxes	\$ -	\$ -	\$ 173	\$ 173
Expenditures and encumbrances:				
Facilities acquisition and construction	224,624	224,624	142,643	(81,981)
Revenue over (under) expenditures and encumbrances	(224,624)	(224,624)	(142,470)	82,154
Unencumbered cash, beginning of year	224,624	224,624	224,623	(1)
Unencumbered cash, end of year	\$ -	\$ -	\$ 82,153	\$ 82,153
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 82,153	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			-	
GAAP fund balance, end of year			\$ 82,153	

**Hutchinson Public Schools  
Unified School District No. 308**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Federal Grant Funds  
Year ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary	Variance With Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Basis</u>	
Revenue:				
Federal aid	\$ 4,469,000	\$ 4,469,000	\$ 4,227,023	\$ (241,977)
Expenditures and encumbrances:				
Instruction	3,312,500	3,312,500	2,886,232	(426,268)
Student support	235,300	235,300	306,224	70,924
Instructional support	376,300	376,300	644,369	268,069
General administration	14,310	14,310	54,931	40,621
Operations and maintenance	45,400	45,400	64,687	19,287
Student transportation service	5,525	5,525	25,248	19,723
Other support services	17,000	17,000	2,095	(14,905)
Food service operations	<u>149,800</u>	<u>149,800</u>	<u>144,565</u>	<u>(5,235)</u>
Total expenditures and encumbrances	<u>4,156,135</u>	<u>4,156,135</u>	<u>4,128,351</u>	<u>(27,784)</u>
Revenue over (under) expenditures and encumbrances	312,865	312,865	98,672	(214,193)
Unencumbered cash, beginning of year	<u>(215,810)</u>	<u>(215,810)</u>	<u>(215,810)</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ 97,055</u>	<u>\$ 97,055</u>	<u>\$ (117,138)</u>	<u>\$ (214,193)</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ (117,138)	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			242,365	
Federal receivable			<u>117,138</u>	
GAAP fund balance, end of year			<u>\$ 242,365</u>	

**Hutchinson Public Schools  
Unified School District No. 308**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Gifts and Grants Fund  
Year ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
Other	\$ 70,000	\$ 70,000	\$ 62,731	\$ (7,269)
Contributions	<u>40,000</u>	<u>40,000</u>	<u>26,499</u>	<u>(13,501)</u>
Total revenue	<u>110,000</u>	<u>110,000</u>	<u>89,230</u>	<u>(20,770)</u>
Expenditures and encumbrances:				
Instruction	32,600	32,600	6,156	(26,444)
Instructional support	15,000	15,000	4,934	(10,066)
General administration	75,400	75,400	67,131	(8,269)
Other support services	<u>15,000</u>	<u>15,000</u>	<u>14,160</u>	<u>(840)</u>
Total expenditures and encumbrances	<u>138,000</u>	<u>138,000</u>	<u>92,381</u>	<u>(45,619)</u>
Revenue over (under) expenditures and encumbrances	(28,000)	(28,000)	(3,151)	24,849
Unencumbered cash, beginning of year	49,621	49,621	49,621	-
Prior year canceled encumbrances	<u>-</u>	<u>-</u>	<u>1,293</u>	<u>1,293</u>
Unencumbered cash, end of year	<u>\$ 21,621</u>	<u>\$ 21,621</u>	<u>\$ 47,763</u>	<u>\$ 26,142</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 47,763	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>3,068</u>	
GAAP fund balance, end of year			<u>\$ 50,831</u>	

**Hutchinson Public Schools  
Unified School District No. 308**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Debt Service Fund  
Year ended June 30, 2005**

	Budgeted Amounts Original	Final	Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
Revenue:				
Taxes	\$ 1,656,813	\$ 1,656,813	\$ 1,745,921	\$ 89,108
State aid	651,927	651,927	651,927	-
Total revenue	2,308,740	2,308,740	2,397,848	89,108
Expenditures and encumbrances:				
Principal	1,735,000	1,735,000	1,735,000	-
Interest	438,087	438,087	438,087	-
Commission and postage	100	100	19	(81)
Total expenditures and encumbrances	2,173,187	2,173,187	2,173,106	(81)
Revenue over (under) expenditures and encumbrances	135,553	135,553	224,742	89,189
Unencumbered cash, beginning of year	3,332,349	3,332,349	3,332,349	-
Unencumbered cash, end of year	\$ 3,467,902	\$ 3,467,902	\$ 3,557,091	\$ 89,189
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 3,557,091	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			-	
GAAP fund balance, end of year			\$ 3,557,091	

**Hutchinson Public Schools  
Unified School District No. 308**

**Combining Statements – Agency Funds**

**Agency Funds** – used to account for situations where the government’s role is custodial. All assets are offset by a liability to the party on whose behalf they are held.

**Student Organization Funds** – used to account for money relating to student activities. The student organizations approve how these monies are to be spent.

**Hutchinson Recreation Commission** – The District receives the Commission’s tax revenue from the county treasurer. This money is then remitted to the Commission.

**Hutchinson Public Schools  
Unified School District No. 308**

**Combining Statement of Assets and Liabilities  
Agency Funds  
June 30, 2005**

	Student Organization Funds	Hutchinson Recreation Commission	Totals
<b>Assets</b>			
Cash and cash equivalents	\$ 183,851	\$ 389,928	\$ 573,779
Total assets	\$ 183,851	\$ 389,928	\$ 573,779
<b>Liabilities</b>			
Accounts payable	\$ 183,851	\$ 389,928	\$ 573,779
Total liabilities	\$ 183,851	\$ 389,928	\$ 573,779

**Hutchinson Public Schools  
Unified School District No. 308**

**Combining Statement of Changes in Assets and Liabilities**

**Agency Funds**

**June 30, 2005**

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds:				
Hutchinson High School	\$ 122,281	\$ 498,013	\$ 492,001	\$ 128,293
Hutchinson Middle School 8	10,169	95,149	96,818	8,500
Hutchinson Middle School 7	6,247	15,302	13,143	8,406
Avenue A Elementary School	-	-	-	-
Faris Elementary School	3,785	2,473	3,261	2,997
Graber Elementary School	1,853	6,820	5,802	2,871
Lincoln Elementary School	-	-	-	-
McCandless Elementary School	804	1,175	1,201	778
Morgan Elementary School	859	812	493	1,178
Wiley Elementary School	-	-	-	-
Vocational Technical School	30,100	36,719	35,991	30,828
	<u>176,098</u>	<u>656,463</u>	<u>648,710</u>	<u>183,851</u>
Total Student Organization Funds				
Hutchinson Recreation Commission:				
General Fund	309,449	815,679	816,155	308,973
Employee Benefits and Special Liability Fund	85,048	213,826	217,919	80,955
	<u>394,497</u>	<u>1,029,505</u>	<u>1,034,074</u>	<u>389,928</u>
Total Hutchinson Recreation Commission				
Assets - Cash and cash equivalents	<u>\$ 570,595</u>	<u>\$ 1,685,968</u>	<u>\$ 1,682,784</u>	<u>\$ 573,779</u>
Liabilities - Accounts payable	<u>\$ 570,595</u>	<u>\$ 1,685,968</u>	<u>\$ 1,682,784</u>	<u>\$ 573,779</u>



**Hutchinson Public Schools  
Unified School District No. 308**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Hutchinson Recreation Commission Fund  
Year ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
Taxes	\$ 769,698	\$ 769,698	\$ 815,679	\$ 45,981
Expenditures and encumbrances:				
Community service operations	850,000	850,000	816,155	(33,845)
Revenue over (under) expenditures and encumbrances	(80,302)	(80,302)	(476)	79,826
Unencumbered cash, beginning of year	309,449	309,449	309,449	-
Unencumbered cash, end of year	\$ 229,147	\$ 229,147	\$ 308,973	\$ 79,826
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 308,973	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			-	
GAAP fund balance, end of year			\$ 308,973	

**Hutchinson Public Schools  
Unified School District No. 308**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary Basis  
Hutchinson Recreation Commission Employee Benefits and Special Liability Fund  
Year ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Revenue:				
Taxes	\$ 201,943	\$ 201,943	\$ 213,826	\$ 11,883
Expenditures and encumbrances:				
Community service operations	<u>250,000</u>	<u>250,000</u>	<u>217,919</u>	<u>(32,081)</u>
Revenue over (under) expenditures and encumbrances	(48,057)	(48,057)	(4,093)	43,964
Unencumbered cash, beginning of year	<u>85,048</u>	<u>85,048</u>	<u>85,048</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ 36,991</u>	<u>\$ 36,991</u>	<u>\$ 80,955</u>	<u>\$ 43,964</u>
Differences between budgetary and GAAP fund balance:				
Unencumbered cash, end of year			\$ 80,955	
Encumbrances for expenses ordered but not received are not reported for GAAP purposes until received			<u>-</u>	
GAAP fund balance, end of year			<u>\$ 80,955</u>	

# Statistical Section



GENERAL GOVERNMENTAL EXPENDITURE BY FUNCTION (1)

Last Ten Fiscal Years

FISCAL YEAR	STUDENT INSTRUCTION	STUDENT INSTRUCTIONA SERVICES	GENERAL ADMINIS- TRATION	SCHOOL ADMINIS- TRATION	OPERATION MAINTEN- ANCE PLANT	OTHER SUPPORT SERVICES	STUDENT RANSPORTATION
95 - 96	\$ 14,954,064	\$ 2,709,394	\$ 386,277	\$ 1,572,090	\$ 3,651,309	\$ 1,705,587	\$ 571,485
96 - 97	15,070,313	2,854,936	448,713	1,623,125	3,806,389	2,103,857	590,331
97 - 98	15,713,172	3,042,691	389,409	1,689,108	3,691,322	2,918,427	606,185
98 - 99	17,061,645	3,519,382	437,098	1,769,065	4,073,939	3,200,759	702,846
99 - 00	18,100,925	3,730,234	488,041	1,793,655	4,070,904	2,920,706	801,894
00 - 01	17,774,127	4,042,083	576,093	1,768,296	4,741,963	3,032,448	868,642
01 - 02	18,344,010	3,892,485	606,042	1,813,659	4,263,206	3,503,095	902,915
02 - 03	18,385,251	3,741,492	588,568	1,670,828	3,933,039	2,116,504	810,309
03 - 04	19,511,763	4,705,189	629,519	1,801,013	3,989,052	2,975,982	830,180
04 - 05 (2)	21,742,574	4,765,628	771,445	1,866,177	4,062,379	2,132,886	915,780

FISCAL YEAR	STUDENT ACTIVITES	FOOD SERVICE	SPECIAL ASSES RECREATION	ACQUISITION & CONSTRUCTION CAP. PROJECTS	DEBT SERVICE	KPERS PAID BY STATE OF KANSAS	TOTAL EXPENDITURES
95 - 96	\$ 1,070,305	\$ 1,409,110	\$ 640,606	\$ 4,880,520	\$ 1,253,996	\$ 204,711	\$ 35,009,455
96 - 97	1,085,089	1,512,535	686,674	2,825,888	1,268,946	-	33,876,796
97 - 98	1,157,085	1,528,179	735,761	1,975,260	1,388,839	-	34,835,439
98 - 99	1,246,890	1,655,484	836,544	2,019,692	1,935,242	-	38,458,586
99 - 00	1,251,277	2,001,531	821,386	453,173	1,951,649	-	38,385,375
00 - 01	1,298,650	1,639,822	859,553	2,664,501	1,954,570	-	41,220,747
01 - 02	1,322,131	1,603,436	899,226	2,963,387	2,137,190	-	42,250,782
02 - 03	840,652	1,617,872	914,943	605,795	2,978,789	-	38,204,041
03 - 04	1,105,887	1,692,040	948,119	900,462	2,371,319	-	41,460,526
04 - 05		1,769,980		814,267	2,173,106	-	41,014,222

Source: USD 308 Audited Financial Statements

(1) Includes General, Supplemental General, Special Revenue and Debt Service Funds.

(2) The information for this year was obtained from the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds.

GENERAL GOVERNMENTAL REVENUE BY SOURCE (1)

Last Ten Fiscal Years

FISCAL YEAR	TAXES	INTER-GOVERNMENTAL STATE	INTER-GOVERNMENTAL FEDERAL	EARNINGS ON INVESTMENTS	CHARGES FOR SERVICES
95 - 96	\$ 8,718,248	\$ 16,714,715	\$ 2,555,009	\$ 605,710	\$ 804,802
96 - 97	9,542,030	16,767,836	3,117,943	503,297	772,224
97 - 98	8,789,622	18,405,987	3,011,541	521,180	809,717
98 - 99	9,105,528	20,391,368	3,769,833	379,283	793,371
99 - 00	7,986,080	21,916,541	3,755,428	332,127	927,060
00 - 01	8,644,171	22,053,220	4,097,269	438,091	918,500
01 - 02	9,521,563	21,148,746	4,941,388	241,215	1,001,682
02 - 03	9,768,872	23,501,596	5,983,004	125,579	955,294
03 - 04	14,188,279	20,898,603	6,385,877	93,518	981,853
04 - 05	(2) 8,647,590	23,460,194	7,164,022	245,845	1,387,018

FISCAL YEAR	OTHER	CONTRIBUTIONS	TOTAL
95 - 96	\$ 2,478,726	\$ -	\$ 31,877,211
96 - 97	2,978,040	-	33,681,341
97 - 98	5,561,078	-	37,099,125
98 - 99	2,557,238	-	36,996,620
99 - 00	2,788,298	-	37,705,535
00 - 01	7,754,827	-	43,906,078
01 - 02	1,534,738	-	38,389,331
02 - 03	1,485,057	-	41,819,403
03 - 04	3,377,401	-	45,925,531
04 - 05	(2) 495,720	60,096	41,460,485

Source: USD 308 Audited Financial Statements

(1) Includes General, Supplemental General, Special Revenue and Debt Service. The district currently has no Capital Projects funds.

(2) The information for this year was obtained from the Statement of Revenues, Expenditures, and Changes in Fund Balance -

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
1995	1996	\$ 10,874,095	\$ 8,433,041	77.55%
1996	1997	\$ 8,582,274	\$ 9,308,661	108.46%
1997	1998	\$ 7,773,637	\$ 8,574,881	110.31%
1998	1999	\$ 7,839,788	\$ 8,587,506	109.54%
1999	2000	\$ 7,525,294	\$ 7,789,899	103.52%
2000	2001	\$ 8,348,325	\$ 8,369,063	100.25%
2001	2002	\$ 9,467,242	\$ 9,307,506	98.31%
2002	2003	\$ 9,181,444	\$ 9,457,862	103.01%
2003	2004	\$ 9,920,692	\$ 13,761,745	138.72%
2004	2005	\$ 9,095,255	\$ 8,241,458	90.61%

ASSESSMENT YEAR	COLLECTION YEAR	DELINQUENT TAX COLLECTIONS (3)	TOTAL TAX COLLECTED	PERCENT OF TOTAL TAX COLLECTED TO LEVY
1995	1996	\$ 285,207	\$ 8,718,248	80.17%
1996	1997	\$ 233,370	\$ 9,542,030	111.18%
1997	1998	\$ 214,742	\$ 8,789,622	113.07%
1998	1999	\$ 518,023	\$ 9,105,528	116.15%
1999	2000	\$ 196,182	\$ 7,986,080	106.12%
2000	2001	\$ 275,108	\$ 8,644,171	103.54%
2001	2002	\$ 214,057	\$ 9,521,563	100.57%
2002	2003	\$ 311,010	\$ 9,768,872	106.40%
2003	2004	\$ 426,534	\$ 14,188,279	143.02%
2004	2005	\$ 406,132	\$ 8,647,590	95.08%

(1) Source: Reno County Treasurer

(2) District Report of Revenues

(3) Delinquent tax collections may include taxes from prior year assessments. A breakdown by assessment year is not available.

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)  
Last Ten Fiscal Years

ASSESSMENT YEAR	FISCAL YEAR	REAL ESTATE		PERSONAL PROPERTY	
		ASSESSED VALUE	ESTIMATED ACTUAL	ASSESSED VALUE	ESTIMATED ACTUAL
1995	95-96	\$ 100,017,192	(2)	\$ 22,375,443	(2)
1996	96-97	\$ 111,034,659	\$ 111,940,161	\$ 25,395,551	\$ 23,855,876
1997	97-98	\$ 119,457,330	\$ 119,670,465	\$ 27,314,332	\$ 26,760,571
1998	98-99	\$ 122,655,069	\$ 122,647,035	\$ 28,605,095	\$ 26,717,408
1999	99-00	\$ 125,731,581	\$ 125,759,619	\$ 30,697,223	\$ 30,171,059
2000	00-01	\$ 133,180,057	\$ 133,282,242	\$ 27,791,036	\$ 28,528,811
2001	01-02	\$ 139,184,433	\$ 139,229,002	\$ 26,627,504	\$ 26,396,758
2002	02-03	\$ 143,339,631	\$ 143,417,806	\$ 24,370,575	\$ 24,276,872
2003	03-04	\$ 147,138,231	\$ 147,735,199	\$ 24,895,061	\$ 24,729,096
2004	04-05	\$ 149,924,882	\$ 153,573,137	\$ 24,714,981	\$ 24,532,597

ASSESSMENT YEAR	FISCAL YEAR	UTILITIES		TOTAL ASSESSED VALUE	TOTAL ESTIMATED ACTUAL	RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL
		ASSESSED VALUE	ESTIMATED ACTUAL			
1995	95-96	\$ 11,519,008	(2)	\$ 133,911,643	(2)	
1996	96-97	\$ 11,617,288	\$ 11,598,874	\$ 148,047,498	\$ 147,394,911	100.44%
1997	97-98	\$ 12,531,074	\$ 12,531,055	\$ 159,302,736	\$ 158,962,091	100.21%
1998	98-99	\$ 12,219,845	\$ 12,201,936	\$ 163,480,009	\$ 161,566,379	101.18%
1999	99-00	\$ 12,418,760	\$ 12,406,498	\$ 168,847,564	\$ 168,337,176	100.30%
2000	00-01	\$ 12,436,258	\$ 12,359,691	\$ 173,407,351	\$ 174,170,744	99.56%
2001	01-02	\$ 13,388,405	\$ 13,282,002	\$ 179,200,342	\$ 178,907,762	100.16%
2002	02-03	\$ 13,706,863	\$ 13,604,236	\$ 181,417,069	\$ 181,298,914	100.07%
2003	03-04	\$ 14,310,146	\$ 14,294,542	\$ 186,343,438	\$ 186,758,837	99.78%
2004	04-05	\$ 15,454,792	\$ 15,389,165	\$ 190,094,655	\$ 193,494,899	98.24%

(1) Source: Reno County Clerk

(2) Information Unavailable



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

ASSESSMENT YEAR	FISCAL YEAR	GENERAL	SUPP GENERAL	CAPITAL OUTLAY	BOND & INTEREST	DISTRICT LEVY	RECREATION GEN/BENEFITS	TOTAL USD 308 LEVY
1995	95-96	35.000	8.860	3.940	7.870	55.670	4.150	59.820
1996	96-97	35.000	8.310	3.980	7.630	54.920	4.180	59.100
1997	97-98	27.000	11.540	1.020	9.970	49.530	4.530	54.060
1998	98-99	20.000	15.270	1.060	10.810	47.140	3.510	50.650
1999	99-00	20.000	13.280	1.180	9.640	44.100	4.510	48.610
2000	00-01	20.000	18.190	1.240	8.190	47.620	4.530	52.150
2001	01-02	20.000	18.720	1.290	11.430	51.440	4.590	56.030
2002	02-03	20.000	13.505	3.997	11.680	49.182	4.681	53.863
2003	03-04	20.000	14.760	4.000	12.420	51.180	4.920	56.100
2004	04-05	20.000	14.070	4.000	7.640	45.710	4.950	50.660

ASSESSMENT YEAR	FISCAL YEAR	HCC	CITY	COUNTY	STATE	HUTCH PUBLIC LIBRARY	TOTAL PROPERTY TAXES
1995	95-96	20.091	40.461	23.411	1.500	5.437	150.720
1996	96-97	19.365	35.622	22.163	1.500	5.474	143.224
1997	97-98	19.311	38.582	22.020	1.500	5.456	140.929
1998	98-99	21.597	31.758	24.835	1.500	5.195	135.535
1999	99-00	23.390	31.653	24.617	1.500	4.844	134.614
2000	00-01	21.488	31.831	25.160	1.500	5.088	137.217
2001	01-02	21.021	31.826	25.943	1.500	5.086	141.406
2002	02-03	21.367	40.008	28.969	1.500	5.184	150.891
2003	03-04	23.592	40.521	30.966	1.500	5.019	157.698
2004	04-05	22.774	41.626	31.862	1.500	5.401	153.823

(1) Source: Reno County Treasurer

**COMPUTATION OF LEGAL DEBT MARGIN (1)**  
**As of June 30, 2005**

**Debt Limit Calculation:**

Assessed Valuation of Taxable Tangible Property at June 30, 2005	\$190,094,655
Taxable Value of Motor Vehicles at December 31, 2004	\$29,048,694
Equalized Assessed Tangible Valuation for Debt Limit Computation	\$219,143,349
2005 Bonded Debt Limit Percentage	14%
2005 Bonded Debt Margin	\$30,680,068
Amount of Outstanding Debt at June 30, 2005	\$7,955,000

Source: Bond Counsel and includes the Debt Service Fund

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

FISCAL YEAR	PRINCIPAL	INTEREST & FISCAL CHARGES	TOTAL DEBT SERVICE (1)	TOTAL EXPENDITURES (2)	RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES
95-96	\$ 485,000	\$ 766,131	\$ 1,251,131	\$ 35,009,455	3.57%
96-97	\$ 530,000	\$ 736,551	\$ 1,266,551	\$ 33,876,796	3.74%
97-98	\$ 591,000	\$ 797,839	\$ 1,388,839	\$ 34,835,439	3.99%
98-99	\$ 1,180,000	\$ 755,242	\$ 1,935,242	\$ 38,458,586	5.03%
99-00	\$ 1,310,000	\$ 641,649	\$ 1,951,649	\$ 38,385,375	5.08%
00-01	\$ 1,375,000	\$ 579,570	\$ 1,954,570	\$ 41,220,747	4.74%
01-02	\$ 1,450,000	\$ 687,190	\$ 2,137,190	\$ 42,250,782	5.06%
02-03	\$ 2,375,000	\$ 603,789	\$ 2,978,789	\$ 38,204,041	7.80%
03-04	\$ 1,855,000	\$ 516,319	\$ 2,371,319	\$ 41,460,526	5.72%
04-05	\$ 1,735,000	\$ 438,106	\$ 2,173,106	\$ 41,014,222	5.30%

Source: USD 308 Audited Financial Statements

(1) Fund Included: Debt Service

(2) Fund Included: all governmental funds.

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE  
AND NET BONDED DEBT PER CAPITA (1)**

Last Ten Fiscal Years

ASSESSMENT YEAR	FISCAL YEAR	APPROXIMATE POPULATION	TOTAL DISTRICT ENROLLMENT	TOTAL ASSESSED VALUE	GENERAL OBLIGATION DEBT <sup>(3)</sup>	DEBT SERVICE FUNDS AVAILABLE
1995	1995-1996	40,000	5,351	\$162,474,885	\$12,876,000	\$709,842
1996	1996-1997	40,000	5,283	176,719,497	15,046,000	710,361
1997	1997-1998	40,000	5,228	188,518,266	13,880,000	863,481
1998	1998-1999	40,000	5,127	193,110,564	13,310,000	1,484,326
1999	1999-2000	40,000	5,052	197,657,493	12,000,000	1,656,862
2000	2000-2001	40,000	4,975	202,217,280	15,190,000	1,700,481
2001	2001-2002	40,000	4,823	207,122,169	13,870,000	1,902,359
2002	2002-2003	40,000	4,908	209,447,492	11,545,000	1,802,075
2003	2003-2004	40,000	4,890	215,147,110	9,690,000	3,332,349
2004	2004-2005	40,000	4,874	219,143,349	7,955,000	3,557,091

ASSESSMENT YEAR	FISCAL YEAR	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA	NET BONDED DEBT PER PUPIL
1995	1995-1996	\$12,876,000	7.92%	\$322	\$2,406
1996	1996-1997	15,046,000	8.51%	376	2,848
1997	1997-1998	13,880,000	7.36%	347	2,654
1998	1998-1999	13,310,000	6.89%	332	2,596
1999	1999-2000	12,000,000	6.07%	300	2,375
2000	2000-2001	15,190,000	7.51%	380	3,053
2001	2001-2002	13,870,000	6.69%	347	2,875
2002	2002-2003	11,545,000	5.51%	289	2,352
2003	2003-2004	9,690,000	4.50%	242	1,981
2004	2004-2005	7,955,000	3.63%	198	1,632

(1) Source: Bond Counsel

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)**  
**For the Fiscal Year Ended June 30, 2005**

Government Units	PRINCIPAL AMOUNT OF DEBT <u>OUTSTANDING</u>	PERCENTAGE APPLICABLE TO <u>TAXPAYERS</u> <u>OF USD 308</u>	<u>TOTAL DIRECT AND OVERLAPPING DEBT</u>
Reno County	\$3,753,000	42.9%	\$1,610,037
City of Hutchinson	37,823,000	84.4%	31,922,612
Hutchinson Community College	<u>570,000</u>	42.9%	<u>244,530</u>
Total Overlapping Debt:	<u>\$42,146,000</u>		<u>\$33,777,179</u>
Unified School District No. 308	<u>7,955,000</u>	100%	<u>7,955,000</u>
Total Direct and Overlapping Debt:	<u>\$50,101,000</u>		<u>\$41,732,179</u>

Source: District Bond Counsel

PRINCIPAL TAXPAYERS  
For the Year Ended June 30, 2004

TAXPAYER (1)	TYPE OF BUSINESS	TAXABLE ASSESSSED VALUATION (1)	PERCENT OF TOTAL ASSESSED VALUATION (2)
Westar Energy	Utility	\$ 7,108,660	3.73%
Southwestern Bell	Communication	\$ 4,496,002	2.37%
Rubloff Hutchinson	Retail	\$ 3,563,906	1.87%
Eaton MDH	Manufacturing	\$ 2,758,797	1.45%
Kansas Gas Service	Utility	\$ 2,291,417	1.21%
Dillon Real Estate	Retailer	\$ 2,220,751	1.17%
Wal-Mart Stores	Retailer	\$ 2,051,673	1.08%
Cargill Salt	Manufacturing	\$ 1,642,173	0.86%
Sonoco Hutchinson	Manufacturing	\$ 1,457,316	0.77%
Home Depot	Retailer	\$ 1,329,655	0.70%
Total		\$ 28,920,350	15.21%

(1) Reno County Clerk

(2) Total Assessment per Reno County Clerk: \$190,094,655

UNIFIED SCHOOL DISTRICT NO. 308, HUTCHINSON, KANSAS  
 DEMOGRAPHIC STATISTICS (1)  
 LAST TEN FISCAL YEARS

FISCAL YEAR	Magnet School at Allen	Ave A	Faris	Graber	(4) Grand-view	Lincoln	McCandless	Morgan	(4) Roosevelt
(2) - 1995	260	151	232	382	180	223	371	438	281
(2) - 1996	261	191	240	369	-	233	503	444	276
1997	289	195	228	351	-	228	490	405	260
1998	272	192	230	333	-	212	527	400	253
1999	247	194	214	300	-	227	485	372	247
2000	252	214	206	300	-	210	476	378	256
2001	263	200	226	296	-	213	521	366	224
2002	323	258	253	355	-	232	474	382	-
2003	293	248	230	368	-	228	450	427	-
2004	294	249	251	366	-	192	430	459	-

FISCAL YEAR	Wiley	(4) Winans	Sherman HMS 7 Middle	Liberty HMS 8 Middle	Hutch High	Total FTE District Enrollment	Total FTE Certified Staff	Avg. Pupil-Teacher Ratio	Free & Reduced Lunch %	Per Pupil Expenditure (5)
1995	279	185	363	435	1386	5017.8	421.07	(3)	43.62%	\$ 4,140
1996	287	182	357	452	1468	5048.8	406.7	(3)	42.97%	\$ 4,232
1997	232	156	327	448	1456	5014.9	429.7	15.8	44.62%	\$ 4,374
1998	226	146	336	444	1397	4904.5	429.5	15.2	44.59%	\$ 4,833
1999	217	122	337	451	1440	4838.6	450	14.9	44.32%	\$ 5,034
2000	226	-	384	373	1490	4739.7	452.3	14.6	42.53%	\$ 4,734
2001	234	-	330	350	1600	4557.6	433.7	15.3	46.15%	\$ 4,975
2002	287	-	357	342	1645	4680	400	16.8	47.17%	\$ 4,451
2003	329	-	365	340	1612	4635.5	401.8	16.7	49.00%	\$ 4,683
2004	333	-	345	355	1600	4607	403.6	16.7	52.00%	\$ 4,721

Source: The above information from 1997-2004 was obtained from KSDE web page statistical data.

- (1) Based on September 20th head count at district attendance centers.
- (2) Information from District Building Report Data & Superintendent SO66 Report Data
- (3) Information unavailable
- (4) School buildings closed
- (5) Includes General and Supplemental General funds

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS  
Last Ten Fiscal Years

		RESIDENTIAL NEW CONSTRUCTION (1)		
ASSESSMENT YEAR	FISCAL YEAR	NO. OF PERMITS	NO. OF UNITS	VALUATION
1995	95-96	54	80	7,879,787
1996	96-97	83	95	9,444,640
1997	97-98	72	83	8,064,639
1998	98-99	78	83	10,195,016
1999	99-00	73	121	12,281,100
2000	00-01	60	69	7,624,481
2001	01-02	69	106	13,202,204
2002	02-03	65	85	11,131,290
2003	03-04	69	72	10,488,350
2004	04-05	60	61	9,336,450

		COMMERCIAL NEW CONSTRUCTION (1)			
ASSESSMENT YEAR	FISCAL YEAR	NO. OF PERMITS	NO. OF UNITS	VALUATION	BANK DEPOSITS (2)
1995	95-96	13		6,226,660	657,000,000
1996	96-97	13		7,460,000	676,000,000
1997	97-98	22		8,484,574	676,000,000
1998	98-99	12		4,590,500	701,000,000
1999	99-00	24		15,494,224	725,000,000
2000	00-01	17		4,374,114	718,000,000
2001	01-02	22		18,398,647	756,000,000
2002	02-03	23		11,478,224	790,000,000
2003	03-04	6		1,602,000	829,000,000
2004	04-05	20		7,478,875	861,000,000

- (1) City of Hutchinson Inspection Department  
(2) [www.fdic.gov](http://www.fdic.gov) (under Bankers info tab)



UNIFIED SCHOOL DISTRICT NO. 308, Hutchinson, KS  
 MISCELLANEOUS STATISTICS (1)  
 June 30, 2005

Date of organization	July 1, 1966
Form of government	Seven Member Board, Elected At-Large
Area	14 square miles

**Education**

Pre-kindergarten through 12th	186 days
Special Education	186 days
Vocational Education	186 days
Bilingual Education	186 days
Summer School	Summer School
Parents as Teachers	186 days
Head Start/Early Head Start	186 days
Bob Johnson Youth Center	186 days

**Support Centers**

Food Service	1
Special Services (maintenance/custodial)	1
Education Service Center	1
Administration Center	1
Technology Support Center	1

**Attendance Centers**

Elementary Schools	8
Middle Schools	2
High School	1
Number of Students (FTE 9/20/2004)	4,607

**Athletic Facilities**

Stadiums	1
Tennis Courts	3
Baseball Diamonds	3
Gymnasiums	5
Track	1
Soccer	2

**Transportation**

Vans	49
Trucks	18
Automobiles	6

**Full time Equivalent Employees (2)**

Administration	33
Certified	371
Classified	286.2

(1) Source: USD 308 Business Office  
 (2) Source: Superintendent SO 66 Report

INSTRUCTIONAL SITES AND CAPACITIES (1)

School	Date Constructed	Grades Taught	Building Sq. Ft.	Site Acreage	Student Capacity	Head Count 9/20/04 Enrollment
<b>Elementary Schools</b>						
Magnet School at Allen	1938	K-6	40,087	2.62	332	289
Ave A	1939	K-6	30,527	2.62	284	249
Faris	1961	K-6	26,310	3.75	260	239
Graber	1953	K-6	44,591	7.69	356	360
Lincoln	1972	K-6	29,740	3.89	258	192
McCandless	1950	K-6	45,130	3.75	508	423
Morgan	1950	K-6	45,130	8.18	426	460
Wiley	1953	K-6	29,040	5.68	308	332
<b>Middle Schools</b>						
HMS 7	1983	7	91,336	2.69	475	344
HMS 8	1983	8	94,730	3.3	341	355
<b>High School</b>						
High School/Voc. Ed.	1930-1998	9 - 12	179,100	14.73	1600	1435
<b>Other Instructional Sites</b>						
Educational Service Center (Naval Reserve)	1950	N/A	20,300	2.69	356	N/A
B.J. Youth Center	N/A					
Early Head Start/PAT	N/A					
Hutcherson Center	1952	Pre	23,357	2.6		
<b>Non-Instructional Sites</b>						
Administration Center	1967		10,205	4		
Service Support Center	2004		25,000	2.9		
Food Service Warehouse	1953		15,650			
Technology Support Center	1954		6,600			

(1) DLR Group



