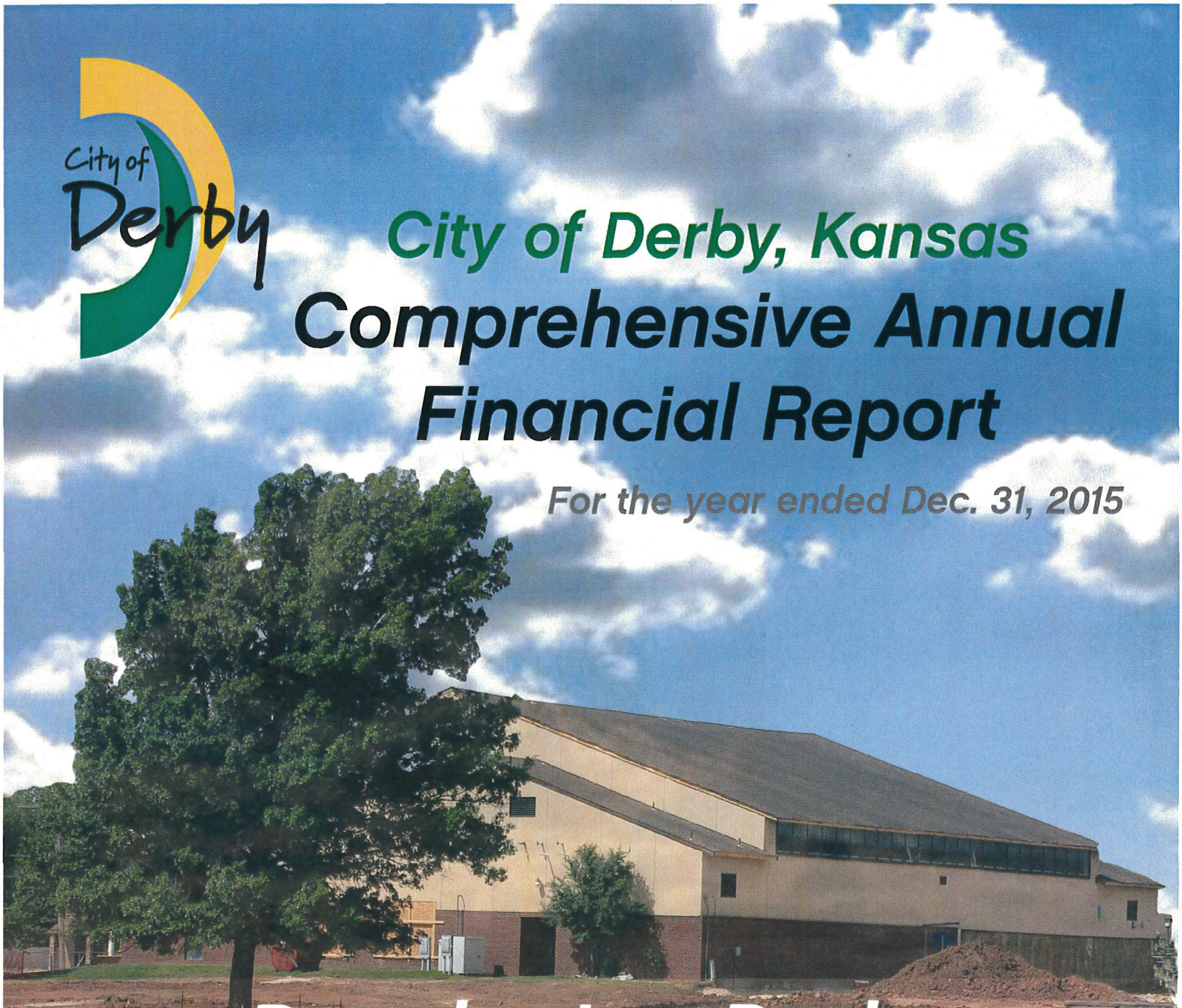
City of Derby

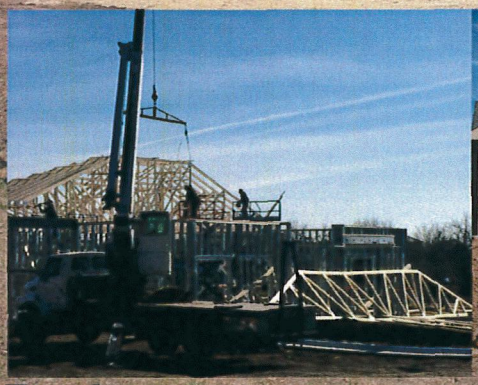
City of Derby, Kansas
Comprehensive Annual Financial Report

For the year ended Dec. 31, 2015

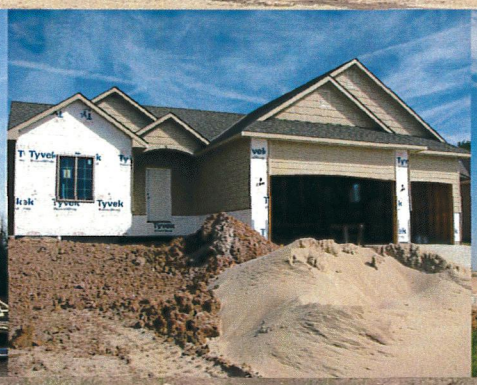


Developing Derby

Madison Avenue Central Park: Opening Spring 2016



Businesses



Housing

Schools

CITY OF DERBY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

Prepared by:

Finance Department
City of Derby, Kansas

CITY OF DERBY, KANSAS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Year Ended December 31, 2015

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CITY OF DERBY, KANSAS

COMPREHENSIVE ANNUAL
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CITY OF DERBY, KANSAS

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May 12, 2016

TO THE CITIZENS OF THE CITY OF DERBY, KANSAS
HONORABLE MAYOR AND CITY COUNCIL

The Comprehensive Annual Financial Report of the City of Derby, Kansas for the fiscal year ended December 31, 2015 is hereby submitted for your review. Responsibility for the accuracy of the data presented, the completeness and fairness of the presentation, including all disclosures, rests with the City. A comprehensive framework of internal control has been established but because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

State statutes require an annual audit of the books of accounts, financial records, and transactions of all administrative departments of the City by independent certified public accountants. The firm of Berberich Trahan & Co., P.A. has performed the audit this year. Its report for the December 31, 2015 financial statements is located at the front of the Financial Section and in the compliance section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

The Reporting Entity and Its Services

The City of Derby, Kansas is in Sedgwick County, located approximately three and one-half miles south of Wichita in south central Kansas. The City encompassed approximately 9.2 square miles and had an estimated population in 2015 of 23,234.

The City was incorporated in 1869 and operates under the Mayor-Council-Manager form of government. The eight council members are elected by ward and serve four-year terms. The Mayor is elected at large for a four-year term, has veto power over certain Council actions, presides over Council meetings and appoints certain City officials, subject to Council approval. The City Manager is appointed by the governing body and is charged with the efficient and effective administration of the City.

All funds and entities related to the City of Derby are included in the annual financial report. The City provides a full range of services, which include public safety (police and fire); public utilities (water distribution, stormwater system maintenance and wastewater collection and treatment); public works (streets, parks, and vehicle maintenance) and a variety of supportive administrative services.

The Derby Public Library, although a separate legal entity, is reported as a discrete component unit. A Board of Trustees, the appointees of which are approved by the City Council, governs the Library. The Library is not a separate taxing entity under state statutes, and the City levies taxes for the Library operation, which represents a significant portion of its total revenues.

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless exempted by a specific statute), debt service funds, and enterprise funds. Statutes require the budget to be *balanced*, meaning that estimated expenditures equal estimated revenues. A five-year Capital Improvement Plan is also adopted by the City Council, and the first year of that plan is included in the operating budget.

All budgets are prepared using the modified accrual basis further modified by the encumbrance method of accounting – that is, commitments evidenced by documents such as purchase orders and contracts in addition to disbursements and accounts payable are all recorded as expenditures although the actual funds have yet to be released to the billing source. Furthermore, the statutes provide for a public hearing on or before August 15th of each year and adoption of a final budget on or before August 25th of each year.

Supplemental appropriations and transfers among budget categories occasionally modify original appropriations, but in order to exceed the total appropriation of a fund, an amendment must be approved by the City Council. To amend the budget, the proposed amendment must appear in the official City newspaper at least 10 days prior to a public hearing. Citizens also may address the City Council prior to the hearing. After the hearing, the Council may then vote to amend the budget. Approved amendments are then submitted to the State Division of Accounts & Reports for recording.

Economic Condition and Outlook

Derby, the 18th largest city in Kansas, is part of the Wichita Metropolitan Statistical Area (MSA) that includes Sedgwick, Butler, Harvey, Kingman and Sumner counties. Together this region's population totals nearly 644,000 residents.

Derby supports more than 560 businesses, ranging from modest home-based businesses to companies like BRG Precision Products, manufacturer of electronics and custom digital clocks, and Mid Continent Controls, manufacturer of cabin management and in-flight entertainment systems for business jets. The City's economy is strongest in the construction industry, followed closely by retail, finance/insurance/real estate, and health-care related activities. Aircraft manufacturers Spirit AeroSystems, Learjet and Textron Aviation (Cessna and Beechcraft) provide jobs for a significant portion of the community's residents, as does Derby Public Schools.

In 2014, Clearwater Engineering, a supplier of parts in the aerospace industry, moved to Derby to expand its CNC machining and assembly operations. While the company is small, employing 25 FTE employees, it has pledged to double its employment over ten years and now occupies a previously vacant building.

Derby's strong pattern of residential growth continues to attract restaurants, retailers, and educational institutions. In fall 2015, Hobby Lobby opened and retailers TJ Maxx and Ross Dress for Less constructed buildings for openings in 2016. Derby Marketplace continues to be anchored by major retailers Target and Dillon's Marketplace, along with Petco, Hibbett Sports, Maurices, Chik-Fil-A, Discount Tire, Hallmark and other retailers and service providers. With nearly 600,000 square feet of retail space, the Derby Marketplace will continue to expand as leases are signed with restaurants and retailers. This growth will contribute to increased city-wide sales tax revenue in 2016 and stable property tax revenue in 2017 which helps fund most other City services, as well as programs of the Derby Recreation Commission. Additional commercial development is expected in the future along Rock Road, Patriot, and K-15 Highway, as well as in the West End Business Park and Derby Corporate Park.

Derby is seeing a turnaround from the Great Recession. The 2014 assessed valuation, along with the 2015 assessed valuation which funds the 2016 operating budget, both grew by 2.3% after several years of very little growth. Residential building permits are expected to continue with moderate growth and with the growth in commercial businesses mentioned above, the assessed valuation should continue to moderately increase.

We are seeing growth in our share of the countywide retail sales tax which is the second largest source of revenue for the General Fund. Countywide sales tax collections for 2015 grew 3.0% and are projected to grow 2.0% in 2016. The city-wide retail sales tax grew 6.4% in 2015 and is projected to grow 7.0% in 2016 due to continued expansion of Derby's retail offerings.

In October 2013, Derby voters once again approved a ½-cent city-wide sales tax initiative, the Derby Difference Sales Tax. At that time, the ½ cent city-wide sales tax had been dedicated to operation of a public library constructed in 2009 and retirement of the associated debt. The Derby Difference sales tax became effective January 1, 2015, upon sunset of the library sales tax on December 31, 2014. The Derby Difference sales tax is now used for development of parks and operations of the public library and fire & rescue department.

Derby's economic outlook remains bright as McConnell Air Force Base will be the main operations base for KC-46A tankers in 2016. Facilities construction began in 2014 to prepare for arrival of the new planes. The base is in a position to be a key factor in the Air Force's plans for decades to come, which has a stabilizing effect on a major segment of the regional economy. MAFB contributes more than $600 million in annual economic activity to the Wichita MSA. Overall, employment in the Wichita MSA appears to have stabilized, and retail sales tax projections are positive in 2016 and beyond.

In 2014, Boeing completed its drawdown and closure of its Wichita operations. Its employees have relocated or found other work in the Wichita area. Textron Aviation, parent company of Cessna Aircraft, purchased Beechcraft in 2014, which is considered positive for the long-term viability of the general aviation sector overall, even though job reductions occurred. Hiring remains strong at Koch Industries, Spirit Aerosystems and other employers in the metro area.

Major Initiatives

Construction of an event center at the new Madison Avenue Central Park, along with development of the park, began in 2015 and will be complete in fall 2016. In 2011, the City acquired 9.6 acres of park land in the central corridor and is developing the entire area with walking paths, a splash park, amphitheater and meeting space for the community. Development of this park is funded by half of a ½ cent city-wide retail sales tax, the Derby Difference, as mentioned in the previous section. Proceeds of this sales tax will fund $8.0 million for Madison Avenue Central Park and $2.53 million for a new ballfield complex and dog park at Decarsky Park in 2018. In 2016, Warren Riverview Park, a new park in the West End will begin construction at an estimated cost of $2.75 million. The source of funding for Warren Riverview Park will be general obligation bond proceeds and donations from members of the Derby community.

Two major street improvement projects are planned for 2016 - 2017. Reconstruction of the intersection of Nelson Drive and Meadowlark will occur with an $800,000 grant from KDOT. The east end of Madison Avenue, a major arterial, will be reconstructed from Derby High School to the east city limit with a $2,000,000 grant and $1,700,000 bond proceeds. Both projects are being built to improve traffic flow and safety.

Also included in the CIP is reconstruction of the intersection at Nelson Drive and Patriot to improve traffic flow and safety, with more information in the following section.

Long-term Financial Planning

Because Derby is growing at a moderate yet steady pace, infrastructure to new growth areas is required on a continual basis. At the same time, reinvestment needs to be made into existing infrastructure to ensure systems operate at optimal levels.

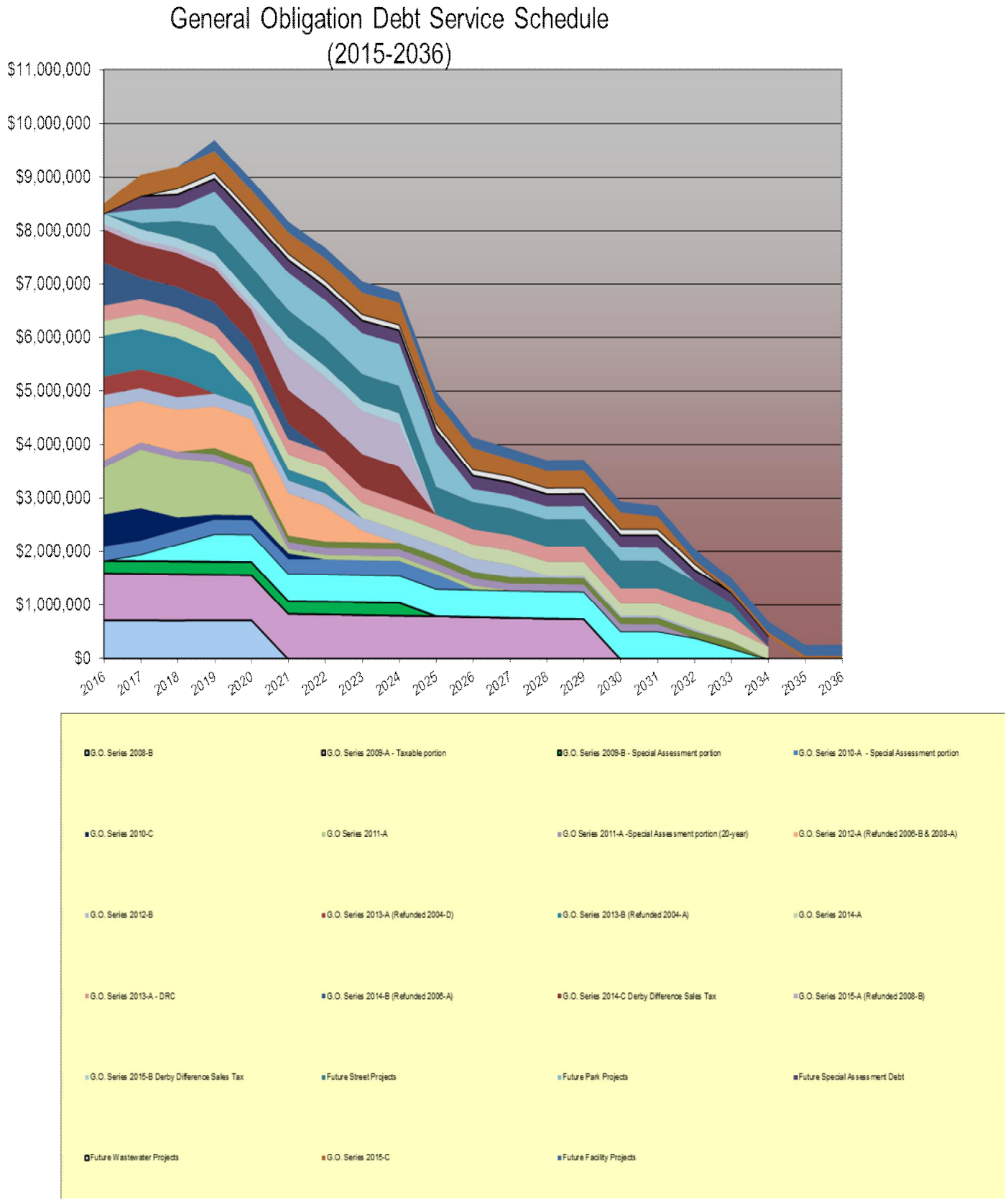
With annual budget constraints, there are few opportunities to use the operating budget to finance the required investment in infrastructure construction. The primary method of financing infrastructure upgrades and new construction is issuance of long-term bonds. These bonds come in the form of General Obligation, Revenue, and Special Assessment bonds.

According to state law, cities of the Second Class, such as Derby, may issue longer-term debt not to exceed 30 percent of total assessed valuation; however, such projects as sanitary sewer and water lines and certain intersection improvements do not count against the total "debt lid." As of December 31, 2015, Derby had outstanding debt of $64,260,000. When exempt projects are taken into consideration, Derby has additional debt capacity of approximately $24.4 million.

The City Council had for many years an unofficial policy that direct debt, as a percentage of Assessed Valuation should not exceed 20%. In 2009, that practice was ratified with adoption of the City's Debt Management Policy. The City Council temporarily exceeded the 20% limit to issue financing for projects authorized by the voters, such as construction of an aquatic park in 2003, a new public library in 2009 and most recently, construction of Madison Avenue Central Park. Derby's ratio of direct debt as a percentage of assessed valuation as of December 2015 was 18.76% and is now in compliance with city policy.

The following chart incorporates debt to be issued to finance CIP projects in 2016 and beyond with existing outstanding bond issues. This chart illustrates a slight increase in total debt followed by a gradual reduction after 2019. Design of Warren Riverview Park is underway with construction of $2.75 million planned for 2016. Decarsky Park will be a ballfield complex on the city's south side for which $2.53 million bonds are planned to be issued in 2018. In 2017, an interchange is planned to be constructed at Nelson Drive and Patriot Avenue, which will enable more commercial development along Patriot and enhance traffic safety; however, this $2.2 million project is dependent upon establishment of a Tax Increment Financing (TIF) District to finance the project. Relocation of a fire station on the west side of Derby to a more centralized location for improved response times is planned for 2018 ($4.0 million). While there are several smaller infrastructure projects included in the chart below, payment of debt is expected to outpace issuance of new debt, which will allow the city's debt load to diminish.

Much of Derby's outstanding debt has offsetting revenues paid through special assessments, Derby Recreation Commission rent payments and dividend transfers from El Paso Water Company. Dividends received from El Paso Water Company are a reimbursement for principal and interest paid out of the City's Bond and Interest Fund. The chart on the following page shows a snapshot of the level of adjusted debt service which is the balance of the debt service once offsetting revenues are deducted.


General Obligation Debt Service Schedule
(2015-2036)
$11,000,000
$10,000,000
$9,000,000
$8,000,000
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
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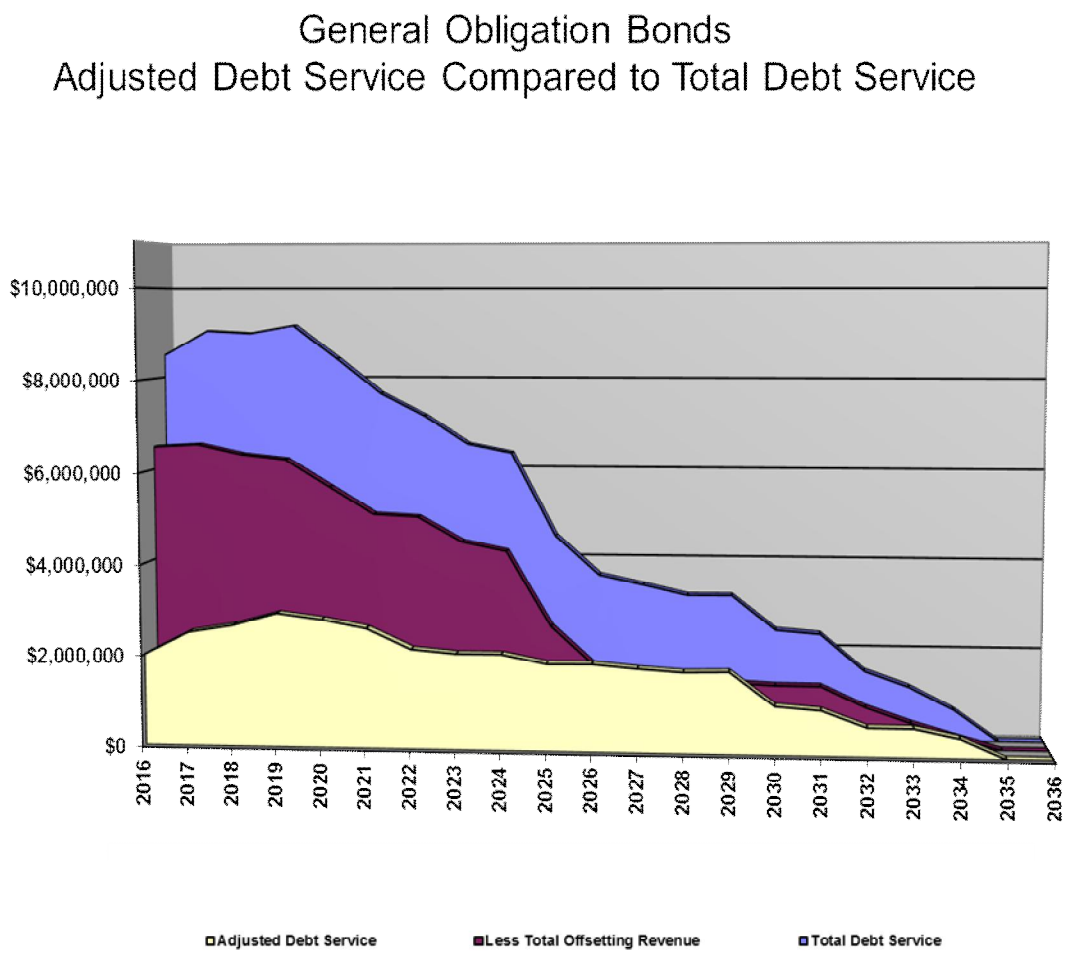
G.O. Series 2008-B
G.O. Series 2009-A - Taxable portion
G.O. Series 2009-B - Special Assessment portion
G.O. Series 2010-A - Special Assessment portion
G.O. Series 2010-C
G.O Series 2011-A
G.O Series 2011-A -Special Assessment portion (20-year)
G.O. Series 2012-A (Refunded 2006-B & 2008-A)
G.O. Series 2012-B
G.O. Series 2013-A (Refunded 2004-D)
G.O. Series 2013-B (Refunded 2004-A)
G.O. Series 2014-A
G.O. Series 2013-A - DRC
G.O. Series 2014-B (Refunded 2006-A)
G.O. Series 2014-C Derby Difference Sales Tax
G.O. Series 2015-A (Refunded 2008-B)
G.O. Series 2015-B Derby Difference Sales Tax
Future Street Projects
Future Park Projects
Future Special Assessment Debt
Future Wastewater Projects
G.O. Series 2015-C
Future Facility Projects



Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Derby for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2014. This is the 7th year that the City has achieved this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the program's requirements, and we will submit it to GFOA to determine its eligibility for another certificate.

The City also received the GFOA Distinguished Budget Presentation award for annual budgets for the years 2005 through 2016. In order to qualify for the award, the City's budget document was judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

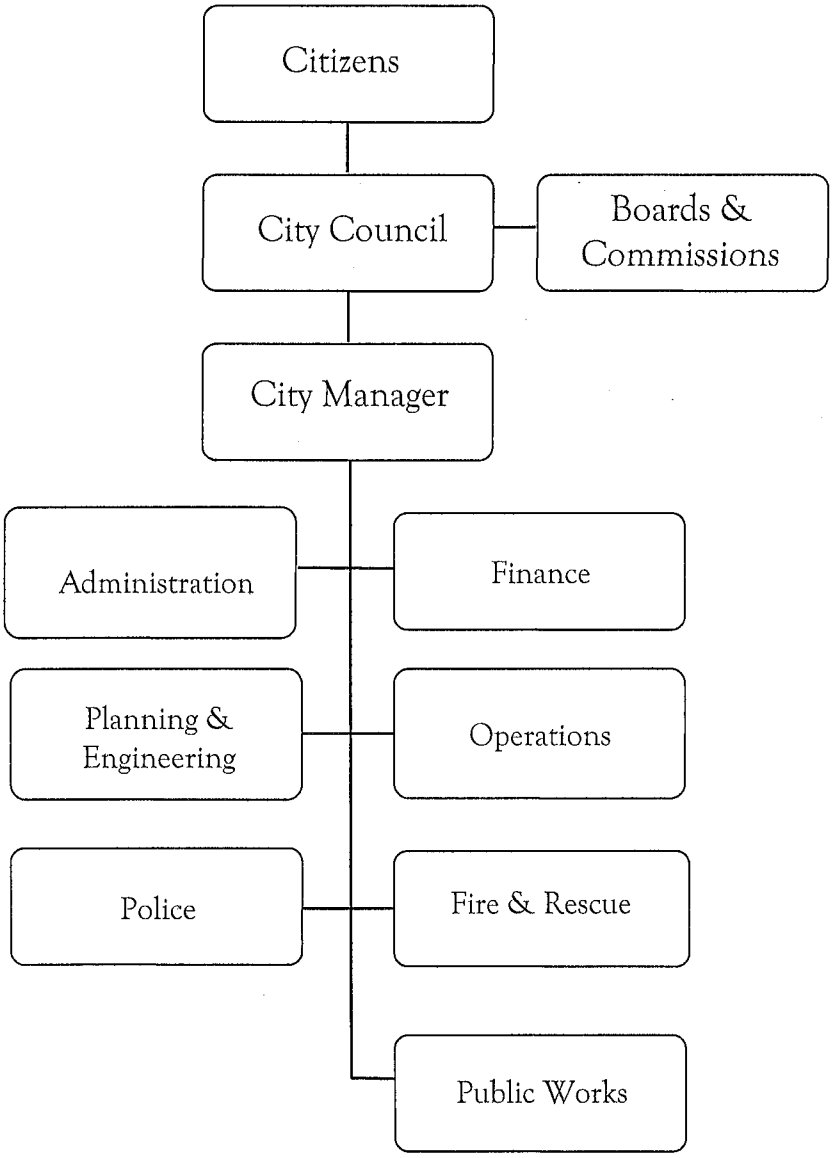
Preparation of this report would not have been possible without the dedicated service of the staff of the finance department. We wish to express our appreciation to all members of the department who assisted and contributed to preparation of this report. Credit also must be given to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of City finances.

Respectfully submitted,

Kathleen B. Sexton
City Manager

Jean Epperson
Director of Finance

CITY OF DERBY, KANSAS
ORGANIZATIONAL STRUCTURE



City of Derby, Kansas
List of Elected and Appointed Officials
December 31, 2015

Elected Officials

		Term of Office
Mayor	Randy White	2015-2019
Council President	Thomas Haynes	2013-2015
Councilmember	Rocky Cornejo	2015-2019
Councilmember	Tom Keil	2015-2018
Councilmember	Jack Hezlep	2015-2019
Councilmember	Vaughn G. Nun	2013-2018
Councilmember	Chuck Warren	2013-2018
Councilmember	Cheryl Bannon	2015-2019
Councilmember	Mark Staats	2015-2019

Appointed Officials

City Manager	Kathleen B. Sexton
Director of Finance	Jean Epperson
City Attorney	Jacqueline R. Butler
Director of Operations	Ted Austin
Chief of Police	Robert Lee
Director of Public Works	Robert Mendoza
City Engineer	Daniel J. Squires
Fire Chief	Brad Smith
Director of Human Resources	Jenny Turner

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Derby
Kansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

BT&Co.
BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

BERBERICH TRAHAN & CO., P.A. 3630 SW Burlingame Rd., Topeka, KS 66611-2050 t 785.234.3427 toll-free 800.530.5526 f 785.233.1768 btandcopa.com

The Honorable Mayor and City Council
City of Derby, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Derby, Kansas (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and applicable provisions of the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. McGladrey Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and Derby difference sales tax fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 7 to the financial statements, on January 1, 2015, the City adopted Governmental Accounting Standards Board Statement No. 68: Accounting and Financial Reporting for Pensions and Governmental Accounting Standards Board Statement No. 71: Pension Transition for Contributions Made Subsequent to the Measurement Date. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedules and statements listed under supplementary information in the accompanying table of contents and other information, including the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules and statements listed under supplementary information in the accompanying table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Berberich Trahan & Co., P.A.

Topeka, Kansas
May 12, 2016

CITY OF DERBY, KANSAS

Management's Discussion and Analysis

This section of the annual financial report provides an overview and analysis of the financial activities during the fiscal year that ended on December 31, 2015. Please read it in conjunction with the City's financial statements which follow this section.

Financial Highlights

- Assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources at the close of 2015 by $137,966,848. Of this amount, $9,617,960 of unrestricted net position may be used to meet the City's ongoing obligations.
- The City's total net position increased by $5,124,284, or 3.8 percent, from $132,842,564 as restated at year-end 2014.
- At year-end 2015, the City of Derby's governmental funds reported combined ending fund balances of $19,435,984, a decrease of $5,338,775 or 21.9%.
- At the end of 2015, the budgetary fund balance for the general fund was $8,170,941 or 54.6% of the general fund non-GAAP budgetary expenditures.
- The City's total bonded debt and capital leases decreased by $5,080,000 during 2015 to $64,260,000.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the city's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities is focused on both the gross and net cost of various functions (including governmental, business-type and component unit), which are supported by the City of Derby's general tax and other revenues. This is intended to summarize and simplify the user's analysis of cost of various governmental services or subsidy to various business-type activities and/or component units.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

Governmental Activities reflect the City's basic services, including general government, police, fire, public works and recreation. Property, sales, and gasoline taxes along with franchise fees and court fees, licenses and permits finance the majority of these services. The Business-Type Activities reflect private sector type operations (sewer, water and stormwater utilities), where the fee for service typically covers all or most of the cost of operation, including depreciation.

The government-wide financial statements include not only the City of Derby itself (known as the primary government), but also a legally separate Derby Public Library for which the City of Derby is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government. El Paso Water Company, Inc., although also legally separate, functions for all practical purposes as a division of the City and therefore has been included as an integral part of the primary government.

The government-wide statements can be found on pages 14-15 of the audited financial statements.

Fund Financial Statements

The fund financial statements provide detailed information about the City's most significant funds – not the City as a whole. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories – governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effects of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Derby maintains 17 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital projects and derby difference sales tax fund which are considered to be major funds. In addition, 4 funds are presented in a combining statement of the General Fund on pages 75-77 of this report. Data from the other 12 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement is provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16 – 24 of this report.

Proprietary Funds – Services for which the City charges customers a fee are generally reported in proprietary funds. The sewer, water and stormwater utilities comprise the proprietary funds for the City of Derby. Proprietary funds, like the government-wide statement, provide both long- and short-term financial information. The basic proprietary fund financial statements can be found on pages 25 – 28 of this financial report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 – 71 of this financial report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide other post-employment benefits to its employees and information on the City's participation in KPERS and the related net pension liability and *other supplementary information* such as the combining statements of the non-major governmental funds and the fund financial statements of the discretely presented component unit, the Derby Public Library.

Government-Wide Financial Analysis

Net position may serve as a useful indicator over time of a government's financial position. Assets and deferred outflows of resources of the City of Derby exceeded liabilities and deferred inflows of resources by $137,966,848 as of December 31, 2015.

The City's investment in capital assets consists of land, buildings, equipment, construction in progress and infrastructure, less any outstanding debt used to acquire those assets and accumulated depreciation of existing capital assets. The City of Derby uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The largest portion of net position, $102,493,283 or 74.3% is the net investment in capital assets. The next largest portion, $25,825,605 or 18.7% of the City's net position, is restricted due to project financing or bond covenants. The remaining balance of $9,617,960 or 7.0% is unrestricted, which may be used to meet the city's ongoing obligation to citizens and creditors.

Current and other assets decreased by $4,927,428 or 6.7% due to a decrease in deposits and investments in governmental activities. Deposits and investments in the Capital Projects and Derby Difference Sales Tax Funds were expended for infrastructure and capital projects. Capital assets increased by $3,898,151 or 2.6% due to the completion of the Rock Road reconstruction project plus infrastructure in The Oaks and Derby North Middle School Additions. The decrease in total liabilities in 2015 was primarily due to a decrease in accounts payable from 2014 in connection with infrastructure improvements in the Capital Projects Fund. Long-term liabilities increased by $4,562,999 due to the net pension liability of $9,346,983, which is partially offset by the redemption of more bonds and temporary notes than were issued.

TABLE A-1
CITY OF DERBY'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 59,596,482	$ 64,995,225	$ 9,230,337	$ 8,759,022	$ 68,826,819	$ 73,754,247
Capital assets	124,496,003	119,650,897	31,121,486	32,068,441	155,617,489	151,719,338
Total assets	184,092,485	184,646,122	40,351,823	40,827,463	224,444,308	225,473,585
Total deferred outflows of resources	1,608,604	815,858	50,045	-	1,658,649	815,858
Long-term liabilities	68,765,952	64,053,853	8,327,763	8,476,863	77,093,715	72,530,716
Other liabilities	1,141,387	2,467,020	346,699	393,735	1,488,086	2,860,755
Total liabilities	69,907,339	66,520,873	8,674,462	8,870,598	78,581,801	75,391,471
Total deferred inflow of resources	9,377,858	8,562,017	176,450	130,306	9,554,308	8,692,323
Net position:						
Net investment in capital assets	78,997,234	76,973,789	23,496,049	23,494,493	102,493,283	100,468,282
Restricted	25,825,605	23,979,186	-	-	25,825,605	23,979,186
Unrestricted	1,563,053	9,426,115	8,054,907	8,332,066	9,617,960	17,758,181
Total net position	$ 106,415,892	$ 110,379,090	$ 31,550,956	$ 31,826,559	$ 137,966,848	$ 142,205,649

Analysis of the City's Operations – The following table (Table A-2) provides a summary of the City's operations for the year ended December 31, 2015. Derby's net position at year-end 2015 of $137,966,848 reflects an increase of $5,124,284 or 3.9% of the total amount. The majority of the change in net position is due to an increase in capital grants & contributions program revenues and lower culture & recreation expenses compared to 2014. Additional information can be found on page 6. The prior period adjustment of $9,363,085 is largely due to the recognition of the City's net pension liability as a result of implementation of GASB 68.

TABLE A-2
CITY OF DERBY'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	$ 2,648,458	$ 2,526,073	$ 8,101,248	$ 7,816,187	$ 10,749,706	$ 10,342,260
Operating grants & contributions	1,335,151	1,298,680	-	-	1,335,151	1,298,680
Capital grants & contributions	5,028,289	1,986,888	43,316	281,709	5,071,605	2,268,597
General revenues:						
Property taxes	9,840,794	9,622,171	-	-	9,840,794	9,622,171
Sales tax	6,288,336	6,035,167	-	-	6,288,336	6,035,167
Franchise taxes	1,941,546	2,020,693	-	-	1,941,546	2,020,693
Excise tax	7,442	15,918	-	-	7,442	15,918
Investment earnings	51,676	24,380	6,834	4,828	58,510	29,208
Gain on sale of capital assets	-	-	-	33,500	-	33,500
Total revenues	27,141,692	23,529,970	8,151,398	8,136,224	35,293,090	31,666,194
Expenses:						
General government	7,657,466	7,897,162	-	-	7,657,466	7,897,162
Public safety	4,880,233	4,673,971	-	-	4,880,233	4,673,971
Public works	6,245,143	6,679,417	-	-	6,245,143	6,679,417
Culture & recreation	1,317,498	5,825,829	-	-	1,317,498	5,825,829
Economic development	372,781	414,564	-	-	372,781	414,564
Interest on long-term debt	1,792,237	2,019,786	-	-	1,792,237	2,019,786
Water system	-	-	4,422,221	4,430,801	4,422,221	4,430,801
Sewer system	-	-	3,045,801	2,542,525	3,045,801	2,542,525
Stormwater system	-	-	435,426	423,080	435,426	423,080
Total expenses	22,265,358	27,510,729	7,903,448	7,396,406	30,168,806	34,907,135
Increases in net position before transfers	4,876,334	(3,980,759)	247,950	739,818	5,124,284	(3,240,941)
Transfers	(317,678)	(1,199,044)	317,678	1,199,044	-	-
Increase in net position	4,558,656	(5,179,803)	565,628	1,938,862	5,124,284	(3,240,941)
Net position as previously stated	110,379,090	115,558,893	31,826,559	29,887,697	142,205,649	145,446,590
Prior period adjustment	(8,521,854)	-	(841,231)	-	(9,363,085)	-
Net position 12/31/2014	101,857,236	115,558,893	30,985,328	29,887,697	132,842,564	145,446,590
Net position 12/31/2015	$ 106,415,892	$ 110,379,090	$ 31,550,956	$ 31,826,559	$ 137,966,848	$ 142,205,649

Key elements of the change in net position are as follows:

- Charges for services overall increased by $407,446 or 3.9%.
  - The increase in Government-type charges for services of $122,385 is made up of quite a few variables. The largest increases were building trades licenses and building permits due to increased residential and commercial development activity in 2015.
  - The increase in Business-type revenues of $285,061 or 3.7% occurred primarily due to an increase in water rates to offset the wholesale cost of water.
- Capital grant revenues of both governmental activities and business-type increased in 2015 by $2,803,008 or 123%.
  - Governmental capital grant revenues consist of $4,175,633 of special assessments for infrastructure to serve properties throughout the City.
  - Business-type capital grant revenues decreased by $238,393 because a $237,037 loan forgiveness by the Kansas Department of Health and Environment in connection with bio-solids handling equipment at the sewer treatment plant, occurred in 2014.

- Property tax revenues, our largest source of tax revenue, increased $218,626 or 2.3%, reflecting growth in the City's assessed valuation in 2015.
- Sales tax revenues consist of a county-wide and city-wide levy and increased in total 4.2% or $253,169. County-wide sales tax receipts increased 3.0%, and city-wide receipts grew 6.4% due to the opening of several new retail businesses in Derby.
- Franchise fees decreased $79,147 or 3.9% primarily due to lower natural gas prices and usage and water usage.
- Public safety expenditures increased $206,262 or 4.4% due to personnel-related expenses and equipment purchases.
- Public works expenditures decreased $434,274 or 6.5% primarily due to lower pavement management rehabilitation expenses. Expenses in 2014 were higher than normal due to improvements that were delayed from 2013.
- Culture and recreation expenses decreased $4,508,331 or 77.4% primarily due to renovation of the Derby Recreation Center that pushed 2014 expenses higher than normal.
- Interest on long-term debt decreased $227,549 or 11.3% reflecting the decrease in government-type debt and the cost to refinance debt. The City has actively monitored its outstanding debt and refunded debt in 2011 through 2015 to take advantage of the interest rate environment.
- Sewer utility expenses increased $503,276 or 19.8% due to equipment repairs and collection line maintenance that did not occur in 2014.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental funds – The focus of the City of Derby's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the City of Derby's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Derby itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City of Derby governing body.

At December 31, 2015, the combined fund balance for governmental funds as restated decreased $5,338,775 to $19,435,984 or 21.6%. Approximately 38.8% of this amount or $7,539,205 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, or assigned to indicate that it is (1) not in spendable form such as inventories of $255,178, (2) restricted for particular purposes totaling $8,957,637 or 46.1%, and (3) assigned for particular purposes such as equipment or capital improvements of $2,683,964 or 13.8%. The restricted fund balance is primarily designated for capital improvements, park construction, library operations, debt service and maintenance and construction of streets and sidewalks.

Property taxes of $9,840,794 represent the largest single source, comprising 37.1% of governmental activity revenue for the City. Taxes on retail sales in the amount of $6,288,336 are the next largest source of revenue at 23.7% of the city's revenues. Special assessments of $4,311,811 pay the debt service for infrastructure to serve various properties and represent 16.3% of the city's revenue in 2015. Franchise fees of $1,941,546 represent 7.3% of the revenue stream, followed by intergovernmental payments of $1,528,793 consisting of gasoline and transient guest taxes, grant and ARRA reimbursements which represent 5.8% of the revenue stream.

The General Fund is the chief operating fund of the City of Derby. At the end of 2015, the unassigned fund balance of the General Fund was $7,539,205. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and the total fund balance to the total fund expenditures. The

unassigned fund balance represents 48.6% of total General Fund expenditures, while the total fund balance represents 59.7% of that same amount. This percentage is unusually high due to capital projects that are planned in the near future and the assigned fund balance of $1,462,054.

The Debt Service Fund has a restricted fund balance of $1,098,926. The primary revenue source for this fund is special assessments, followed by ad valorem property taxes. Property taxes are levied to pay the debt associated with city-at-large improvements such as buildings and arterial roadways. The fund balance of the Debt Service Fund increased from $906,556 in 2014 due to the refunding of outstanding debt and higher than anticipated special assessment receipts.

The Capital Projects Fund has a restricted fund balance of $1,805,534. The primary source of revenue for the Capital Projects Fund is temporary financing to construct infrastructure which will be permanently financed with the issuance of long-term debt.

The Derby Difference Sales Tax Fund has a restricted fund balance of $4,297,236. It became a major fund due to the level of revenues and expenditures in 2015. The primary source of revenue for the Derby Difference Sales Tax Fund is a ½-cent city-wide retailer's sales tax, which became effective January 1, 2015. The fund balance is restricted to three areas identified in the ballot question and subsequently approved by the voters and the city council. The largest portion of the fund balance of $3,944,181 is restricted for park development. The next largest portion of $335,300 is restricted for Derby Fire & Rescue expenses and $17,755 is for library operations.

Eight funds make up the non-major funds, the largest of which is the Aquatic Park Fund which houses the reserve for operations of the City's aquatic park.

Proprietary funds – The City's proprietary funds' financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water, Sewer and Stormwater Utilities at the end of 2015 totals $8,055,029. As stated earlier, unrestricted net position is to be used for ongoing and future obligations and improvements to the utilities.

Total net position of the proprietary funds increased $584,479 from $30,966,599 as restated at year end 2014 to $31,551,078. A prior period adjustment of $841,231 occurred to reflect the City's share of KPERS net pension liability. The increase in net position is primarily due to contribution of capital assets to the utilities. Capital contributions consist of sanitary sewer, water lines and stormwater infrastructure to serve the new Derby Middle School Addition and several residential projects.

Beginning in 2012, the City established an internal service fund for partial self-funding of the city's health insurance program. The health insurance program activity is presented as the Internal Service fund included with the proprietary fund information. At year-end 2015, the unrestricted net position of the Internal Service Fund was $558,061, a decrease of $48,097 due to health claims exceeding contributions by the City and employees.

General Fund Budgetary Highlights

Careful monitoring of expenditures and revenues allowed Derby to carry over $8,170,941 into 2016 (45.4%), an increase of $543,537 over the prior year carryover. The increase in carryover occurred due to lower than anticipated expenses and to provide funding for future operating needs.

The largest budget variance in revenues is primarily due to higher than anticipated growth in court fines and fees, lower than projected franchise fees and higher than anticipated intergovernmental revenue largely made up of a $135,000 FEMA grant reimbursement for fire equipment. The grant reimbursement was originally budgeted as other revenue, which makes up a portion of the negative variance. The remainder of the negative variance of other revenue is due to lower fuel costs and reimbursements. Franchise fees are lower than estimated by $113,578 primarily due to the lower price of natural gas.

The largest budget variance in expenditures is in contingencies which consist of cash reserves for the following year carryover balance of $4,872,700. The next largest favorable variance is in law enforcement of $452,279 due to lower personnel and fuel costs. Employee benefits were $355,712 lower than budgeted due to lower personnel costs which translate to lower retirement and payroll taxes. The variance in public works of $332,463 is due to personnel savings from vacant positions and careful monitoring of commodities and contractual expenditures. The variance in capital outlay of $147,545 is due to project costs coming in lower than expected and delayed until 2016. The unfavorable variances are minor, totaling less than 1% of expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Derby's investment in capital assets for its governmental and business-type activities as of December 31, 2015 was $155,617,489, net of depreciation. This investment in capital assets includes land, buildings, machinery and equipment, an aquatic park, water distribution and sewer and stormwater collection systems, infrastructure and construction in progress.

Major projects undertaken during 2015 were the infrastructure to serve the new Derby North Middle School addition, two new phases of The Oaks housing addition, and Ridge Point Commercial Addition. Construction of Madison Avenue Central Park began in 2015 and is reflected in construction in progress.

Table A-3
CITY OF DERBY'S CAPITAL ASSETS
Net of Depreciation

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	$ 33,964,933	$ 33,964,933	$ 725,966	$ 725,966	$ 34,690,899	$ 34,690,899
Construction in progress	6,425,418	5,146,757	326,134	734,650	6,751,552	5,881,407
Buildings	15,932,320	16,534,917	3,985,363	4,424,232	19,917,683	20,959,149
Machinery and equipment	1,818,385	1,178,966	672,909	329,123	2,491,294	1,508,089
Improvements	2,859,881	2,987,167	-	-	2,859,881	2,987,167
Infrastructure	63,495,066	59,838,157	25,411,114	25,854,470	88,906,180	85,692,627
Total capital assets (net)	$ 124,496,003	$ 119,650,897	$ 31,121,486	$ 32,068,441	$ 155,617,489	$ 151,719,338

Additional information on the City's capital assets can be found in Note 5 to the financial statements.

Debt Administration

At year-end, the City of Derby had $64,260,000 in bonds and temporary notes outstanding. This is a decrease of $5,080,000 from $69,340,000 at the end of 2014 due to the repayment of bonds and temporary notes. Certificates of Participation which financed an addition to city hall in 2001 were paid off. A second series of bonds of $1,725,000 were issued for construction of Madison Avenue Central Park, a project approved by voters and funded by a city-wide half-cent retail sales tax. Bonds totaling $4,755,000 were issued to pay off a temporary note and to provide long term financing for infrastructure in several additions throughout the City. Most of the bonds will be paid for with special assessment revenue paid by the property owners. More detailed information about the City's long-term liabilities is presented in Note 10 to the financial statements.

Table A-4
City of Derby Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	$ 54,319,735	$ 53,635,211	$ 6,130,265	$ 6,959,789	$ 60,450,000	$ 60,595,000
Certificates of participation	-	230,000	-	-	-	230,000
Temporary notes	3,810,000	8,515,000	-	-	3,810,000	8,515,000
Total	$ 58,129,735	$ 62,380,211	$ 6,130,265	$ 6,959,789	$ 64,260,000	$ 69,340,000

The City's general obligation bond rating of AA- by Standard & Poor's was reaffirmed in 2015, a "stable outlook" was assigned, and the management score of the City improved to "very strong" from its previous score of "adequate".

ECONOMIC FACTORS

With more than 560 businesses operating inside its boundaries, the City of Derby benefits from an ideal mix of service, retail, medical and manufacturing companies. More than 4,200 workers are employed at Derby firms ranging in size from 1 to 100, and Derby's strongest business sectors include construction, finance and insurance, real estate, health care and retail.

In recent years, Derby's long history of steady growth has seen it develop into a major retail trade center serving residents from the surrounding communities. Derby's conveniently located retail shopping centers have proven to be a draw for new customers from Sedgwick County, Butler, Sumner and even Cowley counties, as well as from northern Oklahoma.

Not surprisingly, the continued growth of retail development in Derby has led to increased sales tax collections and total assessed valuation. Foremost among these retail developments is Derby Marketplace, a 600,000 square foot shopping center that opened in late 2008 and is anchored by Target, Dillons Marketplace and a Hobby Lobby (2015). Along with commercial development at K-15 and Patriot Avenue currently anchored by Lowe's (2004) and Kohl's (2007), Derby's retail areas continue to provide outstanding development opportunities for the community.

Derby is located just a few miles from McConnell Air Force Base (MAFB), home of Team McConnell, one of three Supertanker KC-135 Stratotanker wings in the Air Force. Team McConnell is made up of the 22nd Air Refueling Wing, the 931st Air Refueling Wing (Air Force Reserve) and the 184th Intelligence Wing (Kansas Air National Guard). In April 2014, the Air Force announced its decision for MAFB to be the main operations base for the new KC-46A tankers (Pegasus). Hangar construction is underway to prepare for airplanes to arrive in 2016.

Derby's Profile

➢ Median Age (2014)	34.7 years
➢ Median Household Income (2014)	$62,440
➢ Average Household Income (2014)	$65,721
➢ Average New Home Value (2015)	$214,266
➢ Housing Units (2015)	10,028
➢ Unemployment (Wichita MSA December 2015)	4.4%

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the Finance Department, 611 Mulberry, Derby, KS 67037 or by phone at (316) 788-1519.

Basic Financial Statements

CITY OF DERBY, KANSAS

STATEMENT OF NET POSITION

December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Library Board
Assets:				
Deposits and investments	$ 19,254,056	$ 8,018,213	$ 27,272,269	$ 391,380
Receivables, net of allowance for uncollectibles:				
Taxes	10,115,756	-	10,115,756	-
Intergovernmental	9,918	-	9,918	-
Special assessments	29,837,494	-	29,837,494	-
Accounts	121,922	1,091,145	1,213,067	-
Interest	2,036	-	2,036	-
Inventories	255,178	117,739	372,917	-
Prepaid items	-	3,362	3,362	19,736
Internal balances	122	(122)	-	-
Capital assets, net of accumulated depreciation, where applicable:				
Land	3,898,223	725,966	4,624,189	-
Land - right of way	30,066,710	-	30,066,710	-
Construction in progress	6,425,418	326,134	6,751,552	-
Buildings and systems	15,932,320	3,985,363	19,917,683	-
Improvements	2,859,881	-	2,859,881	-
Machinery and equipment	1,818,385	672,909	2,491,294	262,065
Infrastructure	63,495,066	25,411,114	88,906,180	-
Total assets	184,092,485	40,351,823	224,444,308	673,181
Deferred outflows of resources:				
Deferred charge on refunding	887,245	-	887,245	-
Deferred outflows - pension	721,359	50,045	771,404	-
Total deferred outflows of resources	1,608,604	50,045	1,658,649	-
Liabilities:				
Accounts payable	565,632	239,624	805,256	18,230
Accrued liabilities	462,238	65,706	527,944	-
Accrued interest payable	113,517	41,369	154,886	-
Noncurrent liabilities:				
Due within one year	6,499,588	878,462	7,378,050	-
Due in more than one year	62,266,364	7,449,301	69,715,665	-
Total liabilities	69,907,339	8,674,462	78,581,801	18,230
Deferred inflows of resources:				
Deferred receivable - property taxes	8,736,951	-	8,736,951	-
Deferred charge on refunding	-	101,058	101,058	-
Deferred inflows - pension	640,907	75,392	716,299	-
Total deferred inflows of resources	9,377,858	176,450	9,554,308	-
Net position:				
Net investment in capital assets	78,997,234	23,496,049	102,493,283	262,065
Restricted for:				
Debt service	17,996,894	-	17,996,894	-
Capital projects and streets	2,416,811	-	2,416,811	-
Law enforcement	110,617	-	110,617	-
Fire	335,300	-	335,300	-
Culture and recreation programs	4,488,425	-	4,488,425	-
Library operations	507,558	-	507,558	-
Unrestricted	1,563,053	8,054,907	9,617,960	392,886
Total net position	$ 106,415,892	$ 31,550,956	$ 137,966,848	$ 654,951

See accompanying notes to basic financial statements.

CITY OF DERBY, KANSAS

STATEMENT OF ACTIVITIES

Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit: Library Board
Primary government:								
Governmental activities:								
General government	$ 7,657,466	$ 1,191,360	$ 378,706	$ 41,000	$ (6,046,400)	$ -	$ (6,046,400)	$ -
Public safety	4,880,233	824,400	5,028	-	(4,050,805)	-	(4,050,805)	-
Public works	6,245,143	413,635	867,285	4,972,289	8,066	-	8,066	-
Culture and recreation	1,317,498	219,063	59,132	15,000	(1,024,303)	-	(1,024,303)	-
Economic development	372,781	-	25,000	-	(347,781)	-	(347,781)	-
Interest on long-term debt	1,792,237	-	-	-	(1,792,237)	-	(1,792,237)	-
Total governmental activities	22,265,358	2,648,458	1,335,151	5,028,289	(13,253,460)	-	(13,253,460)	-
Business-type activities:								
Sewer	3,045,801	2,933,501	-	43,316	-	(68,984)	(68,984)	-
Water	4,422,221	4,626,455	-	-	-	204,234	204,234	-
Stormwater	435,426	541,292	-	-	-	105,866	105,866	-
Total business-type activities	7,903,448	8,101,248	-	43,316	-	241,116	241,116	-
Total primary government	$ 30,168,806	$ 10,749,706	$ 1,335,151	$ 5,071,605	(13,253,460)	241,116	(13,012,344)	-
Component unit:								
Library Board	$ 430,821	$ 49,582	$ 98,127	$ -				(283,112)
General revenues:								
Property taxes					9,840,794	-	9,840,794	296,000
Sales taxes					6,288,336	-	6,288,336	-
Franchise taxes					1,941,546	-	1,941,546	-
Excise taxes					7,442	-	7,442	-
Unrestricted investment earnings					51,676	6,834	58,510	488
Transfers					(317,678)	317,678	-	-
Total general revenues and transfers					17,812,116	324,512	18,136,628	296,488
Change in net position					4,558,656	565,628	5,124,284	13,376
Net position, beginning of the year as previously stated					110,379,090	31,826,559	142,205,649	641,575
Prior period adjustments					(8,521,854)	(841,231)	(9,363,085)	-
Net position, beginning of the year as restated					101,857,236	30,985,328	132,842,564	641,575
Net position, end of year					$ 106,415,892	$ 31,550,956	$ 137,966,848	$ 654,951

See accompanying notes to basic financial statements.

CITY OF DERBY, KANSAS

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2015

		General*
Assets:		
Deposits and investments	$	8,708,938
Receivables (net of allowance for uncollectibles):		
Taxes		7,341,757
Special assessments		-
Grants		9,918
Accounts		121,922
Interest		2,036
Inventories		255,178
Total assets	$	16,439,749
Liabilities:		
Accounts payable	$	308,689
Accrued payroll		462,238
Total liabilities		770,927
Deferred inflows of resources:		
Unavailable revenue-property taxes		6,412,385
Unavailable revenue-special assessments		-
Total deferred inflows of resources		6,412,385
Fund balances:		
Nonspendable:		
Inventories		255,178
Restricted:		
Capital projects		-
Substance abuse prevention		-
Culture and recreation		-
Crime prevention		-
Fire		-
Library operations		-
Aquatic park operations		-
Debt service		-
Streets and sidewalks		-
Assigned:		
Senior activities		13,233
Equipment purchases		143,469
Capital improvements		1,305,352
Aquatic park operations		-
Unassigned		7,539,205
Total fund balances		9,256,437
Total liabilities, deferred inflows of resources, and fund balances	$	16,439,749

* See the General Fund Combining Balance Sheet on page 75.

See accompanying notes to basic financial statements.

Major Funds				
Debt Service	Capital Projects	Derby Difference Sales Tax	Nonmajor Funds	Total Governmental
$ 1,098,926	$ 1,841,284	$ 3,848,300	$ 2,986,290	$ 18,483,738
1,467,643	-	449,433	856,923	10,115,756
29,837,494	-	-	-	29,837,494
-	-	-	-	9,918
-	-	-	-	121,922
-	-	-	-	2,036
-	-	-	-	255,178
$ 32,404,063	$ 1,841,284	$ 4,297,733	$ 3,843,213	$ 58,826,042
$ -	$ 35,750	$ 497	$ 8,439	$ 353,375
-	-	-	-	462,238
-	35,750	497	8,439	815,613
1,467,643	-	-	856,923	8,736,951
29,837,494	-	-	-	29,837,494
31,305,137	-	-	856,923	38,574,445
-	-	-	-	255,178
-	1,805,534	-	-	1,805,534
-	-	-	107,198	107,198
-	-	3,944,181	169,605	4,113,786
-	-	-	3,419	3,419
-	-	335,300	-	335,300
-	-	17,755	489,803	507,558
-	-	-	374,639	374,639
1,098,926	-	-	-	1,098,926
-	-	-	611,277	611,277
-	-	-	-	13,233
-	-	-	-	143,469
-	-	-	-	1,305,352
-	-	-	1,221,910	1,221,910
-	-	-	-	7,539,205
1,098,926	1,805,534	4,297,236	2,977,851	19,435,984
$ 32,404,063	$ 1,841,284	$ 4,297,733	$ 3,843,213	$ 58,826,042

CITY OF DERBY, KANSAS

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

December 31, 2015

Total fund balances in Governmental Funds Balance Sheet		$ 19,435,984
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		124,496,003
Other long-term assets are not available to pay for current-expenditures and therefore are reported as unavailable in the funds.		29,837,494
Deferred outflows represent a consumption of net position that applies to a future period and so will not be recognized as an expenditure of resources until then.		
Deferred charge on refunding	$ 887,245	
Deferred pension outflow	721,359	1,608,604
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(68,879,469)
Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as a revenue until then.		(640,907)
An internal service fund is used by management to charge the cost of health insurance from the City's self-insured health plan to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		558,183
Net position of governmental activities		$ 106,415,892

See accompanying notes to basic financial statements.

CITY OF DERBY, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended December 31, 2015

	General*
Revenues:	
Taxes:	
Property	$ 6,787,749
Excise	5,463
Sales	3,951,082
Franchise	1,941,546
Special assessments	-
Intergovernmental	426,333
Licenses and permits	490,566
Charges for services	258,797
Fines and fees	981,393
Investment earnings	31,348
Other	333,948
Total revenues	15,208,225
Expenditures:	
Current:	
General government	6,028,691
Public works	2,785,110
Public safety	4,125,697
Culture and recreation	764,080
Economic development	372,583
Debt service:	
Principal	230,000
Interest and fiscal charges	6,702
Debt issuance costs	-
Capital outlay	1,197,023
Total expenditures	15,509,886
Deficiency of revenues under expenditures	(301,661)
Other financing sources (uses):	
General obligation bonds issued	-
Premium on general obligation bonds issued	-
Payment to refund temporary notes	-
Payment to refunded bond escrow agent	-
Transfers in	495,683
Transfers out	-
Total other financing sources (uses)	495,683
Net change in fund balances	194,022
Fund balances, beginning of year as previously stated	8,645,727
Prior period adjustment	416,688
Fund balances, beginning of year as restated	9,062,415
Fund balances, end of year	$ 9,256,437

* See the General Fund Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) on pages 76 - 77.

See accompanying notes to basic financial statements.

Major Funds				
Debt Service	Capital Projects	Derby Difference Sales Tax	Nonmajor Funds	Total Governmental
$ 2,085,613	$ -	$ -	$ 967,432	$ 9,840,794
1,248	-	-	731	7,442
-	-	2,337,234	20	6,288,336
-	-	-	-	1,941,546
4,223,259	88,552	-	-	4,311,811
101,911	-	15,000	985,549	1,528,793
-	-	-	-	490,566
-	-	-	17,519	276,316
-	-	-	-	981,393
8,892	-	9,804	1,631	51,675
285,819	-	2,303	165,886	787,956
6,706,742	88,552	2,364,341	2,138,768	26,506,628
-	-	-	1,373,439	7,402,130
-	-	-	573,926	3,359,036
-	-	365,871	-	4,491,568
-	-	-	286,805	1,050,885
-	-	-	-	372,583
5,495,476	-	490,000	-	6,215,476
1,374,646	95,853	126,835	-	1,604,036
-	205,918	50,520	-	256,438
-	3,713,904	4,205,364	431,822	9,548,113
6,870,122	4,015,675	5,238,590	2,665,992	34,300,265
(163,380)	(3,927,123)	(2,874,249)	(527,224)	(7,793,637)
-	7,920,000	1,725,000	-	9,645,000
-	296,303	50,784	-	347,087
-	(4,705,000)	-	-	(4,705,000)
-	(3,205,139)	-	-	(3,205,139)
355,750	91,740	-	55,000	998,173
-	(495,683)	-	(129,576)	(625,259)
355,750	(97,779)	1,775,784	(74,576)	2,454,862
192,370	(4,024,902)	(1,098,465)	(601,800)	(5,338,775)
906,556	5,830,436	5,395,701	3,579,651	24,358,071
-	-	-	-	416,688
906,556	5,830,436	5,395,701	3,579,651	24,774,759
$ 1,098,926	$ 1,805,534	$ 4,297,236	$ 2,977,851	$ 19,435,984

CITY OF DERBY, KANSAS

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

Year Ended December 31, 2015

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	$ (5,338,775)
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.	5,535,697
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, disposals, donations) is to decrease net position.	(690,592)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	635,060
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	4,133,528
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 governmental funds.	312,984
An internal service fund is used by management to charge the cost of health insurance from the City's self-insured health plan to individual funds. The net revenue of the internal service fund is reported with governmental activities.	(29,246)
Change in net position of governmental activities	$ 4,558,656

See accompanying notes to basic financial statements.

CITY OF DERBY, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

GENERAL FUND

Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes:			
Ad valorem property tax	$ 5,849,379	$ 5,848,995	$ (384)
Delinquent tax	75,700	61,312	(14,388)
Motor vehicle tax	828,913	877,443	48,530
Excise tax	10,400	5,463	(4,937)
Sales tax	3,952,980	3,951,082	(1,898)
Franchise tax	2,055,124	1,941,546	(113,578)
Intergovernmental	282,910	426,333	143,423
Licenses and permits	453,770	490,566	36,796
Fines and fees	708,650	981,393	272,743
Investment earnings	28,000	31,348	3,348
Charges for services	188,180	258,797	70,617
Other	583,800	325,569	(258,231)
Total revenues	15,017,806	15,199,847	182,041
Expenditures:			
Administration	1,562,327	1,446,547	115,780
Employee benefits	3,756,998	3,401,286	355,712
Law enforcement	3,403,402	2,951,123	452,279
Finance	570,394	546,221	24,173
Fire	1,170,772	1,174,574	(3,802)
Planning and engineering	754,173	753,405	768
Public works	2,432,290	2,099,827	332,463
Operations	520,635	468,711	51,924
Utilities	692,189	695,951	(3,762)
Insurance recovery	44,500	2,161	42,339
Liability insurance	207,000	174,944	32,056
Equipment	508,800	538,552	(29,752)
Capital outlay	349,000	201,455	147,545
Reimburseables	200,000	189,834	10,166
Contingencies	4,873,000	300	4,872,700
Transient guest tax rebate	130,000	91,717	38,283
Debt service:			
Principal	230,000	230,000	-
Interest and fiscal charges	11,830	6,702	5,128
Total expenditures	$ 21,417,310	$ 14,973,310	$ 6,444,000

(Continued)

CITY OF DERBY, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

GENERAL FUND
(Continued)

Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Excess (deficiency) of revenues over (under) expenditures	$ (6,399,504)	$ 226,537	$ 6,626,041
Other financing sources (uses):			
Transfers in	580,000	350,000	(230,000)
Transfers out	-	(33,000)	(33,000)
Total other financing sources (uses)	580,000	317,000	(263,000)
Net change in fund balances	(5,819,504)	543,537	6,363,041
Fund balances, beginning of year	5,819,504	7,627,404	1,807,900
Fund balances, end of year	$ -	8,170,941	$ 8,170,941

Explanation of difference between budgetary and GAAP fund balances:

Encumbrances for equipment and supplies ordered but not received are not recorded for GAAP purposes until received	94,509
Fund balance on the basis of GAAP - General Fund only	8,265,450
Fund balances for separately budgeted funds included with the General Fund on GAAP basis financials:	
Derby Senior Activity Board	13,233
Fund balances (deficit) for non-budgeted funds included with the General Fund on GAAP basis financials:	
Payroll Fund	(376,558)
Equipment Reserve	48,960
Capital Improvement Reserve	1,305,352
	$ 9,256,437

See accompanying notes to basic financial statements.

CITY OF DERBY, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

DERBY DIFFERENCE SALES TAX FUND

Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Sales tax	$ 2,284,274	$ 2,274,434	$ 2,337,234	$ 62,800
Intergovernmental	-	-	15,000	15,000
Investment earnings	-	-	9,804	9,804
Other	-	-	2,303	2,303
Total revenues	2,284,274	2,274,434	2,364,341	89,907
Expenditures:				
Personnel services	416,239	371,230	336,981	34,249
Contractual services	144,495	61,221	5,275	55,946
Commodities	25,860	28,445	23,615	4,830
Capital outlay	7,350,775	7,321,138	6,650,071	671,067
Debt service:				
Principal	-	490,000	490,000	-
Interest and fiscal charges	-	126,835	126,835	-
Debt issuance costs	-	-	50,520	(50,520)
Total expenditures	7,937,369	8,398,869	7,683,297	715,572
Deficiency of revenues under expenditures	(5,653,095)	(6,124,435)	(5,318,956)	805,479
Other financing sources:				
Bond proceeds	7,000,000	1,725,000	1,725,000	-
Premium on bonds issued	-	-	50,784	50,784
Total other financing sources	7,000,000	1,725,000	1,775,784	50,784
Net change in fund balances	1,346,905	(4,399,435)	(3,543,172)	856,263
Fund balances, beginning of year	-	5,395,701	5,395,701	-
Fund balances, end of year	$ 1,346,905	$ 996,266	1,852,529	$ 856,263
Explanation of difference between budgetary and GAAP fund balances:				
Encumbrances for equipment and supplies ordered but not received are not recorded for GAAP purposes until received			2,444,707	
Fund balance on the basis of GAAP			$ 4,297,236	

See accompanying notes to basic financial statements.

CITY OF DERBY, KANSAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2015

	Business-Type Activities				Governmental Activities
	Sewer	Water	Stormwater	Total	Internal Service Fund
Assets:					
Current assets:					
Cash and cash equivalents	$ 5,071,837	$ 2,280,115	$ 666,261	$ 8,018,213	$ 770,318
Accounts receivable (net of allowance for uncollectibles)	386,402	604,893	99,850	1,091,145	-
Inventories	-	117,739	-	117,739	-
Prepaid items	-	3,362	-	3,362	-
Total current assets	5,458,239	3,006,109	766,111	9,230,459	770,318
Noncurrent assets:					
Capital assets:					
Land	48,777	677,189	-	725,966	-
Construction in progress	4,843	18,219	303,072	326,134	-
Buildings	6,224,542	4,485,416	-	10,709,958	-
Infrastructure	22,012,863	21,201,456	11,905,537	55,119,856	-
Machinery and equipment	1,444,291	615,865	16,125	2,076,281	-
Accumulated depreciation	(16,192,348)	(17,430,427)	(4,213,934)	(37,836,709)	-
Total noncurrent assets	13,542,968	9,567,718	8,010,800	31,121,486	-
Total assets	19,001,207	12,573,827	8,776,911	40,351,945	770,318
Deferred outflows of resources:					
Deferred outflows - pension	26,181	20,204	3,660	50,045	-
Liabilities:					
Current liabilities:					
Accounts payable	49,266	188,717	1,641	239,624	212,257
Accrued expenses	32,201	28,354	5,151	65,706	-
Compensated absences	33,221	-	-	33,221	-
Accrued interest payable	18,372	22,997	-	41,369	-
Current portion of bonds payable	135,000	710,241	-	845,241	-
Total current liabilities	268,060	950,309	6,792	1,225,161	212,257
Noncurrent liabilities:					
Loans payable	1,227,293	-	-	1,227,293	-
Bonds payable, net	2,153,108	3,298,737	-	5,451,845	-
Net pension liability	402,908	310,923	56,332	770,163	-
Total noncurrent liabilities	3,783,309	3,609,660	56,332	7,449,301	-
Total liabilities	4,051,369	4,559,969	63,124	8,674,462	212,257
Deferred inflows of resources:					
Deferred charge on refunding	-	101,058	-	101,058	-
Deferred inflows - pension	39,441	30,437	5,514	75,392	-
Total deferred inflows of resources	39,441	131,495	5,514	176,450	-
Net position:					
Net investment in capital assets	10,027,567	5,457,682	8,010,800	23,496,049	-
Unrestricted	4,909,011	2,444,885	701,133	8,055,029	558,061
Total net position	$ 14,936,578	$ 7,902,567	$ 8,711,933	31,551,078	$ 558,061
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds over time.				(122)	
Net position of business-type activities				$ 31,550,956	

See accompanying notes to basic financial statements.

CITY OF DERBY, KANSAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

Year Ended December 31, 2015

	Business-Type Activities				Governmental Activities
	Sewer	Water	Stormwater	Total	Internal Service Fund
Operating revenues:					
Charges for sales and services	$ 2,930,010	$ 4,626,455	$ 541,292	$ 8,097,757	$ 2,291,007
Miscellaneous	3,491	-	-	3,491	-
Total operating revenues	2,933,501	4,626,455	541,292	8,101,248	2,291,007
Operating expenses:					
Personnel services	725,990	405,537	107,790	1,239,317	2,339,104
Contractual services	854,635	2,961,300	40,479	3,856,414	-
Supplies	97,963	60,370	1,995	160,328	-
Utilities	242,108	31,295	-	273,403	-
Depreciation and amortization	947,297	844,323	283,315	2,074,935	-
Total operating expenses	2,867,993	4,302,825	433,579	7,604,397	2,339,104
Operating income	65,508	323,630	107,713	496,851	(48,097)
Nonoperating revenues (expenses):					
Interest revenue	2,696	4,138	-	6,834	-
Interest expense	(166,208)	(113,992)	-	(280,200)	-
Total nonoperating revenues (expenses)	(163,512)	(109,854)	-	(273,366)	-
Income (loss) before transfers and contributions	(98,004)	213,776	107,713	223,485	(48,097)
Capital contributions	116,976	114,783	458,833	690,592	-
Capital contribution - interest subsidy	43,316	-	-	43,316	-
Transfers out	(355,750)	(17,164)	-	(372,914)	-
Change in net position	(293,462)	311,395	566,546	584,479	(48,097)
Total net position, beginning of year as previously stated	15,670,127	7,930,786	8,206,917	31,807,830	606,158
Prior period adjustment	(440,087)	(339,614)	(61,530)	(841,231)	-
Total net position, beginning of year as restated	15,230,040	7,591,172	8,145,387	30,966,599	606,158
Total net position, end of year	$ 14,936,578	$ 7,902,567	$ 8,711,933	$ 31,551,078	$ 558,061
Change in net position				$ 584,479	
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise funds.				(18,851)	
Change in net position of business-type activities				$ 565,628	

See accompanying notes to basic financial statements.

CITY OF DERBY, KANSAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

Year Ended December 31, 2015

	Business-Type Activities				Governmental Activities
	Sewer	Water	Stormwater	Total	Internal Service Fund
Cash flows from operating activities:					
Receipts from customers	$ 2,925,264	$ 4,609,467	$ 540,070	$ 8,074,801	$ 2,291,007
Other receipts	3,491	-	-	3,491	-
Payments to suppliers	(1,189,551)	(3,121,280)	(53,569)	(4,364,400)	(2,245,896)
Payments to employees	(754,409)	(420,245)	(110,836)	(1,285,490)	-
Net cash provided by operating activities	984,795	1,067,942	375,665	2,428,402	45,111
Cash flows from noncapital financing activities:					
Transfers to other funds	(355,750)	-	-	(355,750)	-
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(7,055)	(232,131)	(275,465)	(514,651)	-
Payments on loan	(58,888)	-	-	(58,888)	-
Principal paid on general obligation debt	(131,250)	(698,274)	-	(829,524)	-
Interest paid on debt	(166,208)	(113,992)	-	(280,200)	-
Interest subsidy proceeds	43,316	-	-	43,316	-
Net cash used in capital and related financing activities	(320,085)	(1,044,397)	(275,465)	(1,639,947)	-
Cash flows from investing activities:					
Interest received	2,696	4,138	-	6,834	-
Net increase in cash and cash equivalents	311,656	27,683	100,200	439,539	45,111
Cash and cash equivalents, beginning of year	4,760,181	2,252,432	566,061	7,578,674	725,207
Cash and cash equivalents, end of year	$ 5,071,837	$ 2,280,115	$ 666,261	$ 8,018,213	$ 770,318

(Continued)

CITY OF DERBY, KANSAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Continued)

Year Ended December 31, 2015

	Sewer	Water	Stormwater	Total	Internal Service Fund
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	$ 65,508	$ 323,630	$ 107,713	$ 496,851	$ (48,097)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Items not requiring cash:					
Depreciation and amortization expense	947,297	844,323	283,315	2,074,935	-
Changes in:					
Accounts receivable	(4,746)	(16,988)	(1,222)	(22,956)	-
Inventories	-	(27,671)	-	(27,671)	-
Deferred outflows - pension	(1,630)	(1,258)	(227)	(3,115)	-
Accounts payable - non-capital	5,155	(40,644)	(11,095)	(46,584)	93,208
Accrued expenses	(4,500)	3,750	298	(452)	-
Net pension liability	20,407	15,748	2,853	39,008	-
Deferred inflows - pension	(42,696)	(32,948)	(5,970)	(81,614)	-
Net cash provided by operating activities	$ 984,795	$ 1,067,942	$ 375,665	$ 2,428,402	$ 45,111

Noncash capital financing activities:
Contributions of capital assets of $ 116,976, $ 114,783 and $ 458,833 were acquired in the sewer fund, water fund, and the stormwater fund, respectively, from other governmental funds.

See accompanying notes to basic financial statements.

1 - Summary of Significant Accounting Policies

Reporting Entity

The City of Derby, Kansas (the City) is a municipal corporation governed by an elected mayor, eight-member council, and city manager. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended Component Unit. In January 1999 the City acquired 100% of the outstanding capital stock of the El Paso Water Company, Inc. (the Company). The Company has received a Private Letter Ruling stating that it is a public utility for purposes of the Internal Revenue Code, and, accordingly, is income tax-exempt. Although the Company is a legally separate organization, the City is financially accountable for the component unit. In addition, the Company's governing body is substantially the same as the governing body of the City. The financial statements of the Company have been included within the City's reporting entity as a proprietary fund. Separately issued financial statements for the Company are available from the Company's administrative offices.

Discretely Presented Component Unit. The Derby Public Library (the Library) is operated by a Library Board which is appointed by the City Council. The City levies and collects special library taxes. The Library's operating budget is subject to the approval of the City Council. The City must approve acquisition or disposition of real property by the Library. The City must also approve any bond issues. The Library is presented as a governmental fund type. Separately issued financial statements for the Library are not available.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

1 - Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are generally considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A 60-day availability period is used for revenue recognition for all governmental funds revenues except property taxes. 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.

1 - Summary of Significant Accounting Policies (Continued)

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

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Property taxes, sales taxes, franchise taxes, interest associated with the current fiscal period, and certain state and federal grants and entitlements are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City. While property taxes receivable are shown on the balance sheet as current assets of the City, they are not recognized as revenue at year end because statutory provisions prohibit their use until the year for which they were raised and budgeted. Instead, they are offset by unavailable revenue accounts.

The City reports the following major governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund accounts for the general operating transactions of the City including public safety, public works, parks and recreation, and economic development.

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

The capital projects fund accounts for the acquisition and construction of major facilities other than those financed by the enterprise funds.

1 - Summary of Significant Accounting Policies (Continued)

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

The Derby Difference Sales Tax fund accounts for the receipt of the City's special sales taxes for the construction of a new central park, a baseball/softball complex, and a dog park; add emergency response personnel and equipment; and fund Derby Public Library operating expenses.

The City reports the following major proprietary funds:

The sewer fund accounts for the operation and maintenance activities of the City's wastewater collection and treatment systems.

The water fund accounts for the operation and maintenance activities of the City's water distribution system.

The stormwater fund accounts for the operation and maintenance activities of the City's stormwater collection system.

Additionally, the City reports the following fund type:

The internal service fund accounts for the cost of health insurance from the City's self-insured health plan.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

1 - Summary of Significant Accounting Policies (Continued)

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Pooled Cash and Investments

Cash and investments of the individual funds are combined to form a pool that is managed by the Finance Director. Each fund's equity in the pool is included in "deposits and investments" in the financial statements. These pooled deposits and investments consist of operating accounts and non-negotiable certificates of deposit which are recorded at cost because they are not affected by market rate changes. Investment earnings, including interest income, are allocated based on management discretion and upon their average daily equity balances. If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund.

Cash Flows Statement

For purposes of the cash flow statement, the City considers deposits and highly liquid investments with an original maturity of three months or less to be cash equivalents.

1 - Summary of Significant Accounting Policies (Continued)

Receivables and Payables

All trade accounts receivable are shown net of an allowance for uncollectibles. Management records a trade accounts receivable allowance based on percentages of collection estimated from the aging of the accounts receivable. At December 31, 2015, an allowance for uncollectible receivables of approximately $ 308,000 has been recorded.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds unavailable revenue is reported as follows:

General fund property tax receivable	$ 6,412,385
Debt service fund property tax receivable	1,467,643
Debt service fund special assessments receivable	29,837,494
Nonmajor governmental fund property tax receivable	856,923
	$ 38,574,445

Property Taxes

The City's property tax is levied each year on the assessed value of all real estate listed as of the prior January 1, the lien date. Assessed values are established by Sedgwick County. The assessed value at January 1, 2014 upon which the 2015 levy was based was approximately $ 185,228,000.

Property taxes are legally restricted for use in financing operations of the ensuing year. Accordingly, the City defers revenue recognition until the year for which they are to be used. Property taxes are levied on November 1 of each year. Property owners have the option of paying one-half of 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. Property taxes become delinquent on December 20 of each fiscal year if the taxpayer has not remitted at least one-half of the amount due. The Sedgwick County Treasurer is the tax collection agent for all taxing entities within the County. Property taxes levied in prior years that remain uncollected are recorded as receivables, net of estimated uncollectibles.

1 - Summary of Significant Accounting Policies (Continued)

Inventories and Prepaid Items

Inventories consist of expendable supplies and merchandise held for consumption. All inventories are valued at the lower of cost using the last-in/first-out (LIFO method), or market. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items) and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as equipment assets with an individual cost of greater than $ 1,000 and building, infrastructure and improvement assets with an individual cost of greater than $ 25,000 and an estimated useful life in excess of one year. All costs of land are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component unit, is depreciated using the straight-line method over the following estimated useful lives:

Buildings	25 – 40 years
Improvements	20 – 40 years
Infrastructure	15 – 40 years
Machinery and equipment	8 – 20 years

1 - Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

The City acquires right of way land assets which are reported in the governmental activities column in the government-wide financial statements as capital assets. The right of way assets are considered to have an indefinite life. As a result, no amortization is taken on the acquired assets.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. One item, *deferred charge on refunding*, is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is deferred outflows for pension reported in the government-wide statement of net position. See Note 7 for more information on the deferred outflows for the pension.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. One item, *unavailable revenue/deferred receivable*, is reported in the governmental funds balance sheet and the governmental activities in the government-wide statement of net position. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. Governmental activities report deferred receivable only from property taxes. Another item, *deferred charge on refunding*, is reported in the government-wide statement of net position and proprietary fund statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The final item is deferred inflows for pension. See Note 7 for more information on the deferred inflows for the pension.

1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences

Under the terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts. Varying amounts of hours are allowed to be carried over to subsequent years. This carryover is payable upon separation from service.

All vacation is accrued when incurred in the government-wide and proprietary fund financial statements. Sick pay is accrued when incurred only for employees hired prior to July 1, 1990. In the governmental fund financial statements, a liability for these amounts is reported only when they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts and refunding differences are 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 during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

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

1 - Summary of Significant Accounting Policies (Continued)

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of December 31, 2015, fund balances for governmental funds are made up of the following:

Nonspendable fund balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed fund balance – includes amounts that can only be spent for specific purposes determined by a formal action of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally (ordinance).

Assigned fund balance – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by an action of (1) the City Council or (2) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes, the City Manager. The Council has authorized by charter ordinance the City Manager to assign fund balance.

Unassigned fund balance – is the residual classification for the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

1 - Summary of Significant Accounting Policies (Continued)

Concentrations of Credit Risk

Credit is extended to citizens for special assessments levied by the City for capital improvements. These special assessments are secured by liens on the related properties. Unsecured credit is extended to customers for water fees, sewer fees, and charges for certain other services.

Use of Estimates

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

Pending Governmental Accounting Standards Board Statements

At December 31, 2015, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements that might impact the City are as follows:

GASB Statement No. 72, *Fair Value Measurement and Application*, was issued in February 2015. The objective of this statement is to address financial reporting issues related to fair value measurements. The statement provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this statement are effective for periods beginning after June 15, 2015.

1 - Summary of Significant Accounting Policies (Continued)

Pending Governmental Accounting Standards Board Statements (Continued)

GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions,* replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions,* and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about the OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. The provisions of this statement are effective for periods beginning after June 15, 2017.

GASB Statement No. 77, *Tax Abatement Disclosures*, increases the disclosure requirements for tax abatements affecting the government entity and its ability to raise resources in the future. This standard applies to a reporting government's own tax abatement agreements or agreements entered into by other governments and that reduce the reporting government's tax revenues. The government that enters into the agreement must begin disclosing (1) brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provision for recapturing abated taxes, and the types of commitments made by tax abatement recipients, (2) the gross dollar amount of taxes abated during the period and (3) commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. For governments impacted by other governments' tax abatements, the following must be disclosed: (1) the names of the governments that entered into the agreements, (2) the specific taxes being abated, and (3) the gross dollar amount of taxes abated during the period. The provisions of this statement are effective for periods beginning after December 15, 2015.

1 - Summary of Significant Accounting Policies (Continued)

Pending Governmental Accounting Standards Board Statements (Continued)

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. The provisions of this statement are effective for periods beginning after December 15, 2015.

GASB Statement No. 80, *Blending Requirement for Certain Component Units*, amends the blending requirements for the financial statement presentation of component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The provisions of this statement are effective for periods beginning after June 15, 2016.

Prior Period Adjustment

Beginning net position for governmental activities on the statement of activities; beginning fund balance for the general fund on the statement of revenues, expenditures and changes in fund balances – governmental funds; and beginning fund balance for the payroll fund on the combining statement of revenues, expenditures and changes in fund balances (deficits) were restated to account for an over-accrual of payroll in the previous year. The effect of this restatement on the beginning fund balances was an increase of $ 416,688 on the aforementioned statements, which resulted from accrued payroll being decreased by $ 416,688. There was no effect on current or prior year revenue or expenditures as a result of this adjustment.

The implementation of GASB 68 resulted in a prior period adjustment. For more information, see Note 7.

2 - Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $ (68,879,469) difference are as follows:

General obligation bonds payable	$ (54,319,735)
Plus: Issuance premiums	(1,095,491)
Less: Issuance discounts	13,202
Temporary notes payable	(3,810,000)
Accrued interest payable	(113,517)
Compensated absences	(533,496)
Net OPEB obligation	(443,612)
Net pension liability	(8,576,820)
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	$ (68,879,469)

2 - Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The details of this $ 5,535,697 difference are as follows:

Capital outlay	$ 9,355,211
Depreciation expense	(3,819,514)
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$ 5,535,697

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, disposals, donations) is to decrease net position." The details of this $ (690,592) difference are as follows:

Net capital assets transferred to business-type activities	$ (690,592)

2 - Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

Another element of that reconciliation states that "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $ 4,133,528 difference are as follows:

Debt issued or incurred:	
General obligation debt	$ (9,645,000)
Issuance premiums	(347,087)
Principal repayments:	
General obligation debt	5,985,476
Certificates of participation	230,000
Temporary notes	4,705,000
Payment to bond refunding escrow agent	3,205,139
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	$ 4,133,528

2 - Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

Another element of that reconciliation states that "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 governmental funds." The details of this $ 312,984 difference are as follows:

Compensated absences	$	(63,731)
Accrued interest		68,239
Amortization of deferred charge on refunding		(158,752)
Amortization of bond discounts		(3,991)
Amortization of bond premiums		98,516
Net OPEB obligation		(69,462)
Pension contributions		442,165
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	312,984

3 - Stewardship, Compliance and Accountability

Budgetary Information

Applicable Kansas statutes require an annual operating budget be legally adopted for the general fund, special revenue funds (unless exempted by a specific statute), debt service funds and proprietary funds. A legal operating budget is not prepared for the capital projects fund, the law enforcement trust fund, the equipment reserve fund, the payroll fund, and the capital improvement reserve fund. All budgets are prepared utilizing the modified accrual basis further modified by the encumbrance method of accounting – that is, commitments evidenced by documents such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures.

3 - Stewardship, Compliance and Accountability (Continued)

Budgetary Information (Continued)

The statutes provide for the following sequence and timetable in adoption of budgets:

a. Preparation of budget for the succeeding calendar year on or before August 1st.
b. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
c. Public hearing on or before August 15 but at least ten days after publication of notice of hearing.
d. Adoption of final budget on or before August 25th.

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 in an individual fund. The legal level of budgetary control is the fund level. Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the City. All unencumbered appropriations lapse at the end of the year. Encumbered appropriations are not reappropriated in the ensuing year's budget but are carried forward until liquidated or cancelled. Kansas statutes permit original budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish, in the local newspaper, a notice of public hearing to amend the budget. At least ten days after publication, a public hearing is held and the governing body may amend the budget at that time. During 2015, the City amended the budgets for the special parks and recreation fund, the library sales tax fund, and the Derby difference sales tax fund. The amendments increased budgeted expenditures for the special parks and recreation fund from $ 157,522 to $ 186,000, for the library sales tax fund from $ 361,665 to $ 398,545, and for the Derby Difference Sales Tax fund from $ 7,937,369 to $ 8,398,869.

4 - Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. Kansas statutes require that deposits of the City and the Library be collateralized, and that collateral pledged must have a fair market value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the City. At year-end, the carrying amounts of the City's deposits were $ 27,272,269, and the bank balances totaled $ 27,358,785. Of the bank balances, $ 1,250,000 were secured by federal deposit insurance and $ 26,108,785 were collateralized by pledged securities held under joint custody receipts issued by third party banks in the City's name. The Library's deposits were not exposed to custodial credit risk.

5 - Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 3,898,223	$ -	$ -	$ 3,898,223
Land - right of way	30,066,710	-	-	30,066,710
Construction in progress	5,146,757	7,979,845	(6,701,184)	6,425,418
Total capital assets not being depreciated	39,111,690	7,979,845	(6,701,184)	40,390,351
Capital assets being depreciated:				
Buildings	22,894,588	-	-	22,894,588
Improvements	4,117,505	-	-	4,117,505
Infrastructure	109,383,993	6,262,184	-	115,646,177
Machinery and equipment	9,825,409	1,123,775	(190,646)	10,758,538
Total capital assets being depreciated	146,221,495	7,385,959	(190,646)	153,416,808
Less accumulated depreciation for:				
Buildings	(6,359,671)	(602,597)	-	(6,962,268)
Improvements	(1,130,338)	(127,286)	-	(1,257,624)
Infrastructure	(49,545,836)	(2,605,275)	-	(52,151,111)
Machinery and equipment	(8,646,443)	(484,356)	190,646	(8,940,153)
Total accumulated depreciation	(65,682,288)	(3,819,514)	190,646	(69,311,156)
Total capital assets being depreciated, net	80,539,207	3,566,445	-	84,105,652
Governmental activities capital assets, net	$ 119,650,897	$ 11,546,290	$ (6,701,184)	$ 124,496,003

5 - Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 725,966	$ -	$ -	$ 725,966
Construction in progress	734,650	1,096,646	(1,505,162)	326,134
Total capital assets not being depreciated	1,460,616	1,096,646	(1,505,162)	1,052,100
Capital assets being depreciated:				
Buildings	10,709,958	-	-	10,709,958
Infrastructure	54,006,602	1,157,290	(44,036)	55,119,856
Machinery and equipment	1,658,604	439,305	(21,628)	2,076,281
Total capital assets being depreciated	66,375,164	1,596,595	(65,664)	67,906,095
Less accumulated depreciation for:				
Buildings	(6,285,726)	(438,869)	-	(6,724,595)
Infrastructure	(28,152,132)	(1,600,646)	44,036	(29,708,742)
Machinery and equipment	(1,329,481)	(95,609)	21,718	(1,403,372)
Total accumulated depreciation	(35,767,339)	(2,135,124)	65,754	(37,836,709)
Total capital assets being depreciated, net	30,607,825	(538,529)	90	30,069,386
Business-type activities capital assets, net	$ 32,068,441	$ 558,117	$ (1,505,072)	$ 31,121,486

5 - Capital Assets (Continued)

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

Governmental activities:	
General government	$ 337,302
Public safety	390,480
Public works	2,860,736
Culture and recreation	230,798
Economic development	198
Total depreciation expense - governmental activities	$ 3,819,514
Business-type activities:	
Sewer	$ 948,223
Water	903,586
Stormwater	283,315
Total depreciation expense - business-type activities	$ 2,135,124

Discretely Presented Component Unit

Capital asset activity for the Library Board for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Equipment and books	$ 919,969	$ 190,220	$ (162,965)	$ 947,224
Less accumulated depreciation for:				
Equipment and books	(622,508)	(225,616)	162,965	(685,159)
Library Board capital assets, net	$ 297,461	$ (35,396)	$ -	$ 262,065

6 - Capital Projects

The City has the following projects in progress at December 31, 2015:

	Costs to Date	Amount Authorized
Governmental improvements	$ 5,348,828	$ 7,790,949
Benefit districts	7,480	8,800
Stormwater improvements	18,021	36,590
Water improvements	44,321	171,490
	$ 5,418,650	$ 8,007,829

7 - Defined Benefit Pension Plan

General Information About the Pension Plan

Description of Pension Plan. The City participates in a cost-sharing multiple-employer defined benefit pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
  - State/School employees
  - Local employees
- Police and Firemen
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the City are included in both the Local and Police and Firemen employee groups.

7 - Defined Benefit Pension Plan (Continued)

General Information About the Pension Plan (Continued)

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at www.kpers.org.

Benefits Provided. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the Kansas Legislature. Member employees (except police and firemen) with ten or more years of credited service may retire as early as age 55 (police and firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 points (police and firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

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

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

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

7 - Defined Benefit Pension Plan (Continued)

General Information About the Pension Plan (Continued)

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation for each of the three state-wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. KPERS is funded on an actuarial reserve basis.

For KPERS fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.0% of total payroll for the KPERS fiscal year ended June 30, 2015.

The actuarially determined employer contribution rate (not including the 0.85% contribution rate for the Death and Disability Program) and the statutory contribution rate were 9.48% for KPERS and 21.36% for KP&F for the year ended December 31, 2015. Contributions to the Pension Plan from the City were $ 500,633 for KPERS and $ 723,684 for KP&F for the year ended December 31, 2015.

7 - Defined Benefit Pension Plan (Continued)

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

At December 31, 2015, the City reported a liability of $ 4,171,239 for KPERS and $ 5,175,744 for KP&F for its proportionate share of the KPERS collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2015, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015.

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

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

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The City's proportion of the collective net pension liability was based on the ratio of the City's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of the Local group and Police and Firemen group within KPERS for the KPERS fiscal year ended June 30, 2015. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2015, the City's proportion for KPERS was .317677%, which was a decrease of .004059% from its proportion measured as of June 30, 2014. At June 30, 2015, the City's proportion for KP&F was .712797%, which was a decrease of .000799% from its proportion measured as of June 30, 2014.

7 - Defined Benefit Pension Plan (Continued)

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

For the year ended December 31, 2015, the City recognized pension expense of $ 259,491 for KPERS and $ 483,753 for KP&F. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 47,232	$ 204,715
Net difference between projected and actual earnings on pension plan investments	-	326,738
Changes of assumptions	-	110,054
Changes in proportionate share	57,932	74,792
City contributions subsequent to measurement date	666,240	-
Total	$ 771,404	$ 716,299

7 - Defined Benefit Pension Plan (Continued)

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

The $ 666,240 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2016	$ (249,254)
2017	(249,254)
2018	(249,254)
2019	180,175
2020	(43,548)
	$ (611,135)

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

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

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

7 - Defined Benefit Pension Plan (Continued)

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocations as of June 30, 2015 are summarized in the following table:

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

7 - Defined Benefit Pension Plan (Continued)

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

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's KPERS proportionate share of the collective net pension liability	$ 5,921,295	$ 4,171,239	$ 2,687,535
City's KP&F proportionate share of the collective net pension liability	7,516,086	5,175,744	3,198,956
	$ 13,437,381	$ 9,346,983	$ 5,886,491

7 - Defined Benefit Pension Plan (Continued)

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

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

Prior period adjustment. The implementation of GASB 68 resulted in a $ 8,640,032 increase to the net pension liability, a $ 728,169 increase to deferred outflows, a $ 1,867,910 increase to deferred inflows and a $ 9,779,773 decrease to net position as of December 31, 2014.

8 - Other Postemployment Healthcare Benefits

Description. The City offers postemployment health, dental and vision insurance to retired employees. The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the City. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The medical, dental and vision insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. The benefit is available for selection at retirement and is extended to retirees and their dependents until the individuals become eligible for Medicare at age 65. A retiring employee who waives continuing participation in the City's health insurance program at the time of retirement is not eligible to participate at a later date. The plan does not issue a stand-alone financial report.

Funding Policy. The City provides health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statutes, which may be amended by the state legislature, establish that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125 percent of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 100 percent of the blended premium cost of active employees to maintain coverage.

The City appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditures on a pay-as-you-go basis through the General Fund. In 2015, the City contributed $ 3,552 to the plan and participating retirees contributed $ 5,496.

8 - Other Postemployment Healthcare Benefits (Continued)

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

Annual required contribution	$	75,209
Interest on net OPEB obligation		13,095
Adjustment to annual required contribution		(15,290)
Annual OPEB cost (expense)		73,014
Contributions made		(3,552)
Increase in net OPEB obligation		69,462
Net OPEB obligation, January 1, 2015		374,150
Net OPEB obligation, December 31, 2015	$	443,612

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years are as follows:

Fiscal Year Ended		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
2013	$	67,295	5.03%	$	304,108
2014		73,426	4.61%		374,150
2015		73,014	4.86%		443,612

8 - Other Postemployment Healthcare Benefits (Continued)

Funded Status and Funding Progress. As of January 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $ 524,414. The City's policy is to fund the benefits on a pay-as-you-go basis, resulting in an unfunded actuarial accrued liability (UAAL) of $ 524,414. The covered payroll (annual payroll of active employees covered by the plan) was $ 7,874,869 and the ratio of the UAAL to the covered payroll was 6.7%.

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

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

In the January 1, 2014 actuarial valuation, the projected unit credit method was applied. The actuarial assumptions included a 3.5 percent discount rate, which reflects the expected returns of asset classes stipulated in the investment policy underlying idle funds and recent return experience with cash flows that match the expected benefit payments to the City's current and future retirees. The valuation assumed annual healthcare cost trend rates of 7.0, 6.5, 6.0, 5.75, 5.5, 5.25, and 5.0 percent in the first seven years and an ultimate rate of 5.0 percent thereafter. The valuation assumed no employer dental benefits for retirees. The valuation assumed a 2.5 percent inflation rate. The UAAL is being amortized using a level percent-of-pay, open-period amortization basis over 30 years with the remaining amortization period of 30 years.

9 - Risk Management

The City is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

Self-Funded Health Insurance

The City maintains a self-funded health insurance plan covering substantially all full-time employees. Funds are accumulated for payment of claims and insurance premiums through charges to the City's funds and to the employees of the various departments of the City. The plan is administered by a third party, which accumulates and processes claims. During 2015, the City's specific retention amount was $ 70,000 per covered person. The minimum aggregate retention amount was $1,785,081. The reinsurer's aggregate maximum limit was 100% of paid aggregate losses in excess of the aggregate retention amount subject to a maximum of $1,000,000. The City purchases commercial insurance for claims in excess of the maximum and for all other risks of loss. Any claims paid in excess of this amount will be reimbursed to the City by the insurance company at the end of the plan year. The transactions of the health insurance plan are accounted for in the internal service fund. The claims liability reported at December 31, 2015 is based on the requirements of Governmental Accounting Standard Board Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statement and the amount of the loss can be reasonably estimated.

The change in health care claims payable for the year ended December 31, 2015 is as follows:

Claims payable, beginning of year	$ 119,049
Incurred claims and change in estimate	2,117,810
Claim payments	(2,024,602)
Claims payable, end of year	$ 212,257

10 - Long-Term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds payable at December 31, 2015 are comprised of the following issues:

	Interest Rates	Original Issue	Final Maturity Date	Principal Payments During 2015	Outstanding December 31, 2015
General Obligation Bonds:					
Governmental activities:					
2008A Improvement	3.00-4.00%	$ 78,096	2023	$ 5,023	$ -
2008B Improvement	3.80-4.35%	2,410,304	2024	1,143,244	690,200
2009A Improvement	1.75-6.00%	7,198,750	2029	308,750	5,575,000
2010A Improvement	2.00-3.75%	60,205	2025	3,588	43,957
2010C Refunding	2.00-2.80%	1,040,450	2021	97,550	551,850
2011A Refunding and Improvement	2.00-4.00%	1,465,700	2031	70,000	1,120,700
2012A Refunding	0.25-1.90%	2,418,743	2023	357,748	1,484,796
2012B Improvement	1.00-2.125%	877,860	2026	53,647	719,357
2013A Refunding and Improvement	2.00-2.90%	6,200,000	2033	535,000	5,160,000
2014A Refunding and Improvement	2.00-4.00%	3,146,914	2034	53,491	3,093,423
2014B Refunding	1.50-2.25%	2,428,520	2021	273,625	2,154,895
2014C Improvement	1.50-2.50%	5,380,000	2024	320,000	5,060,000
2015A Refunding	1.45-2.50%	886,200	2024	12,600	873,600
2015B Improvement	1.50-2.5%	1,725,000	2024	170,000	1,555,000
2015C Improvement	2.00-3.50%	955,000	2036	-	955,000
				$ 3,404,266	$ 29,037,778
Business-type activities:					
2009A Improvement	1.75-6.00%	$ 3,056,250	2029	$ 131,250	$ 2,270,000
2012B Improvement	1.00-2.125%	708,120	2026	43,274	580,265
2013B Refunding and Improvement	2.50-3.00%	3,375,000	2022	50,000	3,280,000
2014A Refunding and Improvement	2.00-4.00%	605,000	2034	605,000	-
				$ 829,524	$ 6,130,265

10 - Long-Term Debt (Continued)

General Obligation Bonds (Continued)

The future annual debt service requirements to maturity for general obligation bonds outstanding are as follows:

	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2016	$ 2,778,754	$ 628,144	$ 845,241	$ 227,427
2017	2,818,218	723,311	853,991	204,275
2018	2,685,936	1,012,513	872,741	180,689
2019	2,562,842	617,211	886,491	155,819
2020	2,461,597	1,781,741	382,208	126,899
2021-2025	9,476,456	1,012,241	1,285,875	357,708
2026-2030	4,610,603	1,946,923	1,003,718	180,990
2031-2035	1,643,372	643,822	-	-
2036-2040	-	43,273	-	-
	$ 29,037,778	$ 8,409,179	$ 6,130,265	$ 1,433,807

Interest subsidy. The interest subsidy reported under capital grants and contributions in the government-wide statement of activities in the sewer fund consists of the federal government's share of the interest expense on the City's Series 2009A General Obligation Bonds (Build America Bonds) for capital projects.

10 - Long-Term Debt (Continued)

Special Assessment Bonds

The City's special assessment debt was issued to provide funds for the construction of infrastructure in new residential developments. These bonds will be repaid from amounts levied against the property owners benefited by this construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received. Special assessment bonds at December 31, 2015 are comprised of the following issues:

Special Assessment Bonds	Interest Rates	Original Issue	Final Maturity Date	Principal Payment During 2015	Outstanding December 31, 2015
Governmental activities:					
2008A Improvement	3.00-4.00%	2,331,904	2023	$ 149,977	$ -
2008B Improvement	3.80-4.35%	6,259,696	2024	2,376,756	2,384,800
2009B Improvement	2.00-3.90%	2,680,000	2024	165,000	1,800,000
2010A Improvement	2.00-3.75%	2,959,795	2025	176,412	2,161,043
2010C Refunding	2.00-2.80%	2,944,550	2021	462,450	1,143,150
2011A Refunding and Improvement	2.00-4.00%	8,184,300	2031	1,200,000	5,349,300
2012A Refunding	0.25-1.90%	5,166,257	2023	382,252	3,970,204
2012B Improvement	1.00-2.125%	1,579,020	2026	88,079	1,320,378
2014A Refunding and Improvement	2.00-4.00%	758,086	2034	56,509	701,577
2014B Refunding	1.50-2.25%	871,480	2021	466,375	405,105
2015A Refunding	1.45-2.50%	2,278,800	2024	32,400	2,246,400
2015C Improvement	2.00-3.50%	3,800,000	2036	-	3,800,000
				$ 5,556,210	$ 25,281,957

10 - Long-Term Debt (Continued)

Special Assessment Bonds (Continued)

The future annual debt service requirements to maturity for special assessment bonds are as follows:

	Governmental Activities	
	Principal	Interest
2016	$ 3,131,005	$ 863,297
2017	3,037,791	645,309
2018	2,941,323	226,429
2019	2,605,667	454,131
2020	2,621,195	363,736
2021 - 2025	8,082,669	1,133,236
2026 - 2030	2,125,679	291,715
2031 - 2035	671,628	61,708
2036 - 2040	65,000	6,640
	$ 25,281,957	$ 4,046,201

Call Provisions

Call provisions at the option of the City included in the general obligation bonds, including special assessments, are as follows:

Series 2008B: Callable December 1, 2016 at par plus accrued interest
Series 2009A: Callable December 1, 2019 at par plus accrued interest
Series 2009B: Callable December 1, 2019 at par plus accrued interest
Series 2010A: Callable December 1, 2018 at par plus accrued interest
Series 2010C: Callable December 1, 2017 at par plus accrued interest
Series 2011A: Callable December 1, 2018 at par plus accrued interest
Series 2012A: Callable December 1, 2019 at par plus accrued interest
Series 2012B: Callable December 1, 2021 at par plus accrued interest
Series 2013A: Callable June 1, 2022 at par plus accrued interest
Series 2014A: Callable December 1, 2021 at par plus accrued interest
Series 2014B: Callable December 1, 2020 at par plus accrued interest
Series 2014C: Callable December 1, 2020 at par plus accrued interest
Series 2015A: Callable December 1, 2020 at par plus accrued interest
Series 2015B: Callable December 1, 2020 at par plus accrued interest
Series 2015C: Callable December 1, 2022 at par plus accrued interest

10 - Long-Term Debt (Continued)

Future Installments

The installment ranges for the general obligation bonds, including special assessments, are the following:

	Installment Range	
	Low	High
Governmental activities:		
Series 2008B	$ 570,000	$ 665,000
Series 2009A	315,000	490,000
Series 2009B	170,000	235,000
Series 2010A	190,000	265,000
Series 2010C	100,000	565,000
Series 2011A	110,000	1,095,000
Series 2012A	215,000	915,000
Series 2012B	30,000	163,858
Series 2013A	205,000	555,000
Series 2014A	165,000	225,000
Series 2014B	290,000	760,000
Series 2014C	520,000	610,000
Series 2015A	25,000	780,000
Series 2015B	160,000	185,000
Series 2015C	55,000	340,000
Business-type activities:		
Series 2009A	135,000	210,000
Series 2012B	45,241	53,109
Series 2013B	185,000	695,000

Refundings

In the current year, the City issued Series 2015A General Obligation Refunding Bonds in the amount of $ 3,165,000 to currently refund $ 2,975,000 of the outstanding balance of the Series 2008B General Obligation bonds. The net carrying amount exceeded the reacquisition price of the 2008B General Obligation bonds by $ 230,139. This amount is reported as a deferred outflow of resources on the government-wide statement of net position and amortized over the life of the old debt, which is shorter than the life of the new debt. The refunding transactions resulted in an economic gain of $ 300,160 and a decrease in the future debt service payments of $ 322,207.

10 - Long-Term Debt (Continued)

Defeased Debt

The City has defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2015, $ 2,975,000 of the bonds that are considered defeased remain outstanding.

Temporary Notes Payable

The City issues temporary notes to provide temporary financing for capital improvement projects. Temporary notes payable at December 31, 2015 were as follows:

Issue	Original Amount	Interest Rate	Maturity Date	Outstanding December 31, 2015
2014-1	$ 3,885,000	1.45%	12/1/2017	$ 3,810,000

The temporary notes issued by the City have an initial maturity of at least one year beyond the balance sheet date of the period in which they were issued. Therefore, they are considered long-term debt and have been included in long-term liabilities on the statement of net position.

Revolving Loan Payable

The City entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) on November 12, 2009. According to the agreement, KDHE will loan an amount not to exceed $ 3,371,000 to the City for the purpose of designing and constructing a new sludge dewatering system and a new biosolids storage system and upgrading the mixing and aeration systems in the existing aerobic digester. The interest rate on the loan is 2.60%. The City paid $ 58,888 in principal on the loan during the year ended December 31, 2015. A repayment schedule reflecting the amount of principal forgiven has not been finalized. As of December 31, 2015, $ 3,264,501 of the loan was drawn down and project costs of $ 3,264,501 were incurred.

10 - Long-Term Debt (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 28,875,844	$ 3,566,200	$ 3,404,266	$ 29,037,778	$ 2,778,754
Plus (less) deferred amounts:					
Issuance premiums	846,920	347,087	98,516	1,095,491	-
Issuance discounts	(17,193)	-	(3,991)	(13,202)	-
Special assessment debt with government commitment	24,759,367	6,078,800	5,556,210	25,281,957	3,131,005
Certificates of participation	230,000	-	230,000	-	-
Temporary notes	8,515,000	-	4,705,000	3,810,000	56,333
Compensated absences	469,765	1,223,312	1,159,581	533,496	533,496
Net OPEB obligation	374,150	73,014	3,552	443,612	-
Net pension liability	7,908,877	667,943	-	8,576,820	-
Governmental activities long-term liabilities	$ 71,962,730	$ 11,956,356	$ 15,153,134	$ 68,765,952	$ 6,499,588
Business-type activities:					
General obligation bonds	$ 6,959,789	$ -	$ 829,524	$ 6,130,265	$ 845,241
Plus deferred amounts:					
Issuance premiums	197,672	-	30,851	166,821	-
Revolving loans	1,286,181	-	58,888	1,227,293	-
Compensated absences	33,221	46,161	46,161	33,221	33,221
Net pension liability	731,155	39,008	-	770,163	-
Business-type activities long-term liabilities	$ 9,208,018	$ 85,169	$ 965,424	$ 8,327,763	$ 878,462

For the governmental activities, compensated absences, the net OPEB obligation and the net pension liability are generally liquidated by the General Fund.

11 - Special Assessments

Kansas statutes require special benefit district projects financed in part by special assessments to be financed through the issuance of general obligation bonds that are secured by the full faith and credit of the City. Further, state statutes permit levying additional general ad valorem taxes in the City's debt service fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the City's debt service fund. Special assessments are levied over the repayment period of the bonds and the annual installments are due and payable with annual ad valorem taxes. At December 31, 2015, the special assessment taxes levied are a lien on the property and are recorded as a special assessments receivable in the debt service fund with a corresponding amount recorded as unavailable revenue. Special assessments receivable at December 31, 2015 was $ 29,837,494.

12 - Interfund Transactions

Interfund transfers for the year ended December 31, 2015 consisted of the following:

	Transfers in			
Transfers out	General fund	Debt service fund	Capital projects fund	Nonmajor governmental funds
Capital projects fund	$ 495,683	$ -	$ -	$ -
Nonmajor governmental funds	-	-	74,576	55,000
Sewer fund	-	355,750	-	-
Water fund	-	-	17,164	-
Total	$ 495,683	$ 355,750	$ 91,740	$ 55,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Capital asset transfers of $ 690,592 occurred from the governmental activities to the business-type activities and are reported within transfers on the statement of activities.

13 - Commitments and Contingencies

Litigation

There are a number of claims and/or lawsuits to which the City is a party as a result of the ordinary course of City activities. The City management and legal counsel anticipate that the potential claims against the City not covered by insurance, if any, resulting from such matters would not materially affect the financial position of the City.

Industrial Revenue Bonds

The City has issued industrial revenue bonds to finance the purchase of land and construction of facilities leased to local businesses. The lease agreements provide for rentals sufficient to service the related bonds. The debt service on these issues is paid solely from lease agreements; these issues do not constitute a debt of the City. The lessees have the option of purchasing the leased properties at any time during the lease periods for amounts sufficient to retire the related outstanding bonds. At the end of the lease periods, which conform to bond maturity schedules, the lessees may either purchase the property for a nominal amount or renew the leases annually at nominal amounts. As of December 31, 2015, industrial revenue bonds of $ 5,746,720 are outstanding.

14 - Commitments and Contingencies – Encumbrances

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but, rather, as restricted, committed, or assigned fund balance. At December 31, 2015, the City's recorded encumbrances in governmental funds were as follows:

General fund	$	94,509
Capital projects fund		1
Derby Difference sales tax fund		2,444,707
Nonmajor governmental funds		276,226
Other funds included in the combined general fund		10,447
	$	2,825,890

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DERBY, KANSAS

Schedule of the City's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Two Fiscal Years

	2015	2014
City's proportion of the collective net pension liability		
KPERS	0.317677%	0.321736%
KP&F	0.712797%	0.713596%
City's proportionate share of the collective net pension liability	$ 9,346,983	$ 8,640,032
City's covered-employee payroll	$ 8,542,912	$ 8,426,748
City's proportionate share of the collective net pension liability as a percentage of its covered-employee payroll	109%	103%
Plan fiduciary net position as a percentage of the total pension liability	64.95%	66.60%

CITY OF DERBY, KANSAS

Schedule of the City's Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
KPERS/Ret contractually required contributions	$ 503,225	$ 490,774	$ 412,001	$ 387,604	$ 348,907	$ 312,537	$ 266,472	$ 205,451	$ 163,803	$ 124,267
KP&F contractually required contributions	723,684	660,727	544,841	510,275	429,184	355,552	361,398	328,935	302,170	243,009
Contributions in relation to the contractually required contribution	(1,226,909)	(1,151,500)	(956,844)	(897,871)	(778,099)	(668,098)	(627,835)	(534,378)	(465,966)	(367,275)
Contribution deficiency (excess)	$ -	$ 1	$ (2)	$ 8	$ (8)	$ (9)	$ 35	$ 8	$ 7	$ 1
City's covered-employee payroll	$ 8,684,153	$ 8,859,235	$ 8,311,420	$ 8,349,726	$ 8,090,919	$ 7,827,607	$ 7,459,292	$ 6,524,347	$ 6,010,990	$ 5,107,843
Contributions as a percentage of covered-employee payroll	14.1%	13.0%	11.5%	10.8%	9.6%	8.5%	8.4%	8.2%	7.8%	7.2%

CITY OF DERBY, KANSAS

SCHEDULE OF FUNDING PROGRESS

POST EMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2008	$ -	$ 426,946	$ 426,946	0.0%	$ 7,390,373	5.78%
1/1/2011	$ -	$ 546,530	$ 546,530	0.0%	$ 7,203,559	7.59%
1/1/2014	$ -	$ 524,414	$ 524,414	0.0%	$ 7,874,869	6.66%

OTHER SUPPLEMENTARY INFORMATION

CITY OF DERBY, KANSAS

COMBINING BALANCE SHEET

GENERAL FUND

December 31, 2015

	General	Derby Senior Activity Board	Payroll	Equipment Reserve	Capital Improvement Reserve	Total General Fund
Assets:						
Deposits and investments	$ 7,138,746	$ 13,382	$ 188,278	$ 48,960	$ 1,319,572	$ 8,708,938
Receivables (net of allowance for uncollectibles):						
Taxes	7,341,757	-	-	-	-	7,341,757
Grants	9,918	-	-	-	-	9,918
Accounts	121,922	-	-	-	-	121,922
Interest	2,036	-	-	-	-	2,036
Due from (to) other funds	102,598	-	(102,598)	-	-	-
Inventories	255,178	-	-	-	-	255,178
Total assets	$ 14,972,155	$ 13,382	$ 85,680	$ 48,960	$ 1,319,572	$ 16,439,749
Liabilities:						
Accounts payable	$ 294,320	$ 149	$ -	$ -	$ 14,220	$ 308,689
Accrued payroll	-	-	462,238	-	-	462,238
Total liabilities	294,320	149	462,238	-	14,220	770,927
Deferred inflows of resources:						
Unavailable revenue - property taxes	6,412,385	-	-	-	-	6,412,385
Fund balances (deficits):						
Nonspendable:						
Inventories	255,178	-	-	-	-	255,178
Assigned:						
Senior activities	-	13,233	-	-	-	13,233
Equipment purchases	94,509	-	-	48,960	-	143,469
Capital improvements	-	-	-	-	1,305,352	1,305,352
Unassigned	7,915,763	-	(376,558)	-	-	7,539,205
Total fund balances (deficits)	8,265,450	13,233	(376,558)	48,960	1,305,352	9,256,437
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 14,972,155	$ 13,382	$ 85,680	$ 48,960	$ 1,319,572	$ 16,439,749

CITY OF DERBY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)

GENERAL FUND

Year Ended December 31, 2015

	General	Derby Senior Activity Board
Revenues:		
Taxes:		
Property	$ 6,787,749	$ -
Excise	5,463	-
Sales	3,951,082	-
Franchise	1,941,546	-
Intergovernmental	426,333	-
Licenses and permits	490,566	-
Charges for services	258,797	-
Fines and fees	981,393	-
Investment earnings	31,348	-
Other	325,570	8,378
Total revenues	15,199,847	8,378
Expenditures:		
Current:		
General government	5,948,831	8,709
Public works	2,785,110	-
Public safety	4,125,697	-
Culture and recreation	764,080	-
Economic development	372,583	-
Debt service:		
Principal	230,000	-
Interest and fiscal charges	6,702	-
Capital outlay	672,193	-
Total expenditures	14,905,196	8,709
Excess (deficiency) of revenues over (under) expenditures	294,651	(331)
Other financing sources (uses):		
Transfers in	350,000	-
Transfers out	(33,000)	-
Total other financing sources (uses)	317,000	-
Net change in fund balances (deficits)	611,651	(331)
Fund balances (deficits), beginning of year as previously stated	7,653,799	13,564
Prior period adjustment	-	-
Fund balances (deficits), beginning of year as restated	7,653,799	13,564
Fund balances (deficits), end of year	$ 8,265,450	$ 13,233

Payroll	Equipment Reserve	Capital Improvement Reserve	Eliminations	Total General Fund
$ -	$ -	$ -	$ -	$ 6,787,749
-	-	-	-	5,463
-	-	-	-	3,951,082
-	-	-	-	1,941,546
-	-	-	-	426,333
-	-	-	-	490,566
-	-	-	-	258,797
-	-	-	-	981,393
-	-	-	-	31,348
-	-	-	-	333,948
-	-	-	-	15,208,225
71,151	-	-	-	6,028,691
-	-	-	-	2,785,110
-	-	-	-	4,125,697
-	-	-	-	764,080
-	-	-	-	372,583
-	-	-	-	230,000
-	-	-	-	6,702
-	163,273	361,557	-	1,197,023
71,151	163,273	361,557	-	15,509,886
(71,151)	(163,273)	(361,557)	-	(301,661)
-	33,000	145,683	(33,000)	495,683
-	-	-	33,000	-
-	33,000	145,683	-	495,683
(71,151)	(130,273)	(215,874)	-	194,022
(722,095)	179,233	1,521,226	-	8,645,727
416,688	-	-	-	416,688
(305,407)	179,233	1,521,226	-	9,062,415
$ (376,558)	$ 48,960	$ 1,305,352	$ -	$ 9,256,437

CITY OF DERBY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL

DERBY SENIOR ACTIVITY BOARD

Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Contributions	$ 1,780	$ 8,378	$ 6,598
Expenditures:			
Board expenditures	13,500	8,709	4,791
Net change in fund balances	(11,720)	(331)	11,389
Fund balances, beginning of year	11,720	13,564	1,844
Fund balances, end of year	$ -	$ 13,233	$ 13,233

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Special Street and Highway – This fund is used to account for county/city revenue sharing of a portion of the State's motor fuel tax. These revenues are restricted to the construction and maintenance of streets, the repair and replacement of curbs, and the repair and construction of sidewalks within the City's boundaries.

Special Parks and Recreation – This fund is used to account for special alcohol liquor tax revenues that are restricted to expenditures for the purchase, establishment, maintenance, or expansion of park and recreational services, programs, and facilities.

Special Drug and Alcohol – This fund is used to account for special alcohol liquor tax revenues that are restricted for the purpose of funding programs for the education, treatment, and intervention of alcohol and drug abuse.

Law Enforcement Trust – This fund accounts for seized monies to be used for the purchase of police department equipment and crime prevention expenses.

Library – Ad valorem taxes of approximately 4 mills are levied each year and passed on to the Library Board for the operation of the Derby Public Library. This fund is used to account for the payroll and transfer of appropriation funds to the Library.

Library Employee Benefits – This fund is used to account for the ad valorem taxes levied for the purpose of Derby Public Library staff employee benefits.

Library Sales Tax – This fund accounts for the receipt of the City's special sales taxes for the construction and maintenance of the library.

Aquatic Park – This fund accounts for the receipt of the City's special sales taxes for the construction of an aquatic park and the operations of the aquatic park.

CITY OF DERBY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2015

	Special Street and Highway	Special Parks and Recreation	Special Drug and Alcohol
Assets:			
Cash and cash equivalents	$ 611,277	$ 169,605	$ 107,198
Receivables (net of allowance for uncollectibles):			
Taxes	-	-	-
Total assets	$ 611,277	$ 169,605	$ 107,198
Liabilities:			
Accounts payable	$ -	$ -	$ -
Total liabilities	-	-	-
Deferred inflows of resources:			
Unavailable revenue - property taxes	-	-	-
Fund balances:			
Restricted:			
Streets and sidewalks	611,277	-	-
Substance abuse prevention	-	-	107,198
Culture and recreation	-	169,605	-
Crime prevention	-	-	-
Library operations	-	-	-
Aquatic park operations	-	-	-
Assigned - aquatic park operations	-	-	-
Total fund balances	611,277	169,605	107,198
Total liabilities, deferred inflows of resources, and fund balances	$ 611,277	$ 169,605	$ 107,198

Special Revenue Funds					
Law Enforcement Trust	Library	Library Employee Benefits	Library Sales Tax	Aquatic Park	Total Nonmajor Governmental Funds
$ 3,419	$ 27,683	$ 6,067	$ 464,542	$ 1,596,499	$ 2,986,290
-	772,471	84,452	-	-	856,923
$ 3,419	$ 800,154	$ 90,519	$ 464,542	$ 1,596,499	$ 3,843,213
$ -	$ 947	$ -	$ 7,542	$ (50)	$ 8,439
-	947	-	7,542	(50)	8,439
-	772,471	84,452	-	-	856,923
-	-	-	-	-	611,277
-	-	-	-	-	107,198
-	-	-	-	-	169,605
3,419	-	-	-	-	3,419
-	26,736	6,067	457,000	-	489,803
-	-	-	-	374,639	374,639
-	-	-	-	1,221,910	1,221,910
3,419	26,736	6,067	457,000	1,596,549	2,977,851
$ 3,419	$ 800,154	$ 90,519	$ 464,542	$ 1,596,499	$ 3,843,213

CITY OF DERBY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2015

	Special Street and Highway	Special Parks and Recreation
Revenues:		
Taxes:		
Property	$ -	$ -
Excise	-	-
Sales	-	-
Intergovernmental	867,285	59,132
Charges for services	-	-
Investment earnings	-	-
Other	-	-
Total revenues	867,285	59,132
Expenditures:		
Current:		
General government	-	-
Public works	573,926	-
Culture and recreation	-	-
Capital outlay	362,000	30,000
Total expenditures	935,926	30,000
Excess (deficiency) of revenues over (under) expenditures	(68,641)	29,132
Other financing sources (uses):		
Transfers in	-	-
Transfers out	(74,576)	-
Total other financing sources (uses)	(74,576)	-
Net change in fund balances	(143,217)	29,132
Fund balances, beginning of year	754,494	140,473
Fund balances, end of year	$ 611,277	$ 169,605

Special Revenue Funds						
Special Drug and Alcohol	Law Enforcement Trust	Library	Library Employee Benefits	Library Sales Tax	Aquatic Park	Total Nonmajor Governmental Funds
$ -	$ -	$ 871,710	$ 95,722	$ -	$ -	$ 967,432
-	-	659	72	-	-	731
-	-	-	-	20	-	20
59,132	-	-	-	-	-	985,549
-	-	-	-	-	17,519	17,519
-	-	-	-	-	1,631	1,631
-	-	-	-	-	165,886	165,886
59,132	-	872,369	95,794	20	185,036	2,138,768
42,332	-	816,347	146,439	368,321	-	1,373,439
-	-	-	-	-	-	573,926
-	-	-	-	-	286,805	286,805
36,294	-	-	-	1,764	1,764	431,822
78,626	-	816,347	146,439	370,085	288,569	2,665,992
(19,494)	-	56,022	(50,645)	(370,065)	(103,533)	(527,224)
-	-	-	55,000	-	-	55,000
-	-	(55,000)	-	-	-	(129,576)
-	-	(55,000)	55,000	-	-	(74,576)
(19,494)	-	1,022	4,355	(370,065)	(103,533)	(601,800)
126,692	3,419	25,714	1,712	827,065	1,700,082	3,579,651
$ 107,198	$ 3,419	$ 26,736	$ 6,067	$ 457,000	$ 1,596,549	$ 2,977,851

CITY OF DERBY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL

SPECIAL STREET AND HIGHWAY FUND

Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Gasoline tax	$ 837,078	$ 867,285	$ 30,207
Expenditures:			
Capital outlay	1,243,798	1,056,320	187,478
Deficiency of revenues under expenditures	(406,720)	(189,035)	217,685
Other financing uses:			
Transfers out	-	(74,576)	(74,576)
Net change in fund balances	(406,720)	(263,611)	143,109
Fund balances, beginning of year	406,720	754,494	347,774
Fund balances, end of year	$ -	490,883	$ 490,883
Explanation of difference between budgetary and GAAP fund balances:			
Encumbrances for equipment and supplies ordered but not received are not recorded for GAAP purposes until received		120,394	
Fund balance on the basis of GAAP		$ 611,277	

CITY OF DERBY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL

SPECIAL PARKS AND RECREATION FUND

Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Special alcohol tax	$ 54,300	$ 58,000	$ 59,132	$ 1,132
Expenditures:				
Capital outlay	142,000	186,000	185,832	168
Miscellaneous	15,522	-	-	-
Total expenditures	157,522	186,000	185,832	168
Net change in fund balances	(103,222)	(128,000)	(126,700)	1,300
Fund balances, beginning of year	103,222	140,473	140,473	-
Fund balances, end of year	$ -	$ 12,473	13,773	$ 1,300

Explanation of difference between budgetary and GAAP fund balances:	
Encumbrances for equipment and supplies ordered but not received are not recorded for GAAP purposes until received	155,832
Fund balance on the basis of GAAP	$ 169,605

CITY OF DERBY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL

SPECIAL DRUG AND ALCOHOL FUND

Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Special alcohol tax	$ 57,495	$ 59,132	$ 1,637
Expenditures:			
DARE program	50,516	37,832	12,684
DARE prevention	20,000	4,500	15,500
Capital outlay	40,000	36,294	3,706
Special fund expenditures	48,447	-	48,447
Total expenditures	158,963	78,626	80,337
Net change in fund balances	(101,468)	(19,494)	81,974
Fund balances, beginning of year	101,468	126,692	25,224
Fund balances, end of year	$ -	$ 107,198	$ 107,198

CITY OF DERBY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL

LIBRARY FUND

Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	$ 868,923	$ 872,369	$ 3,446
Other revenue	20,000	-	(20,000)
Total revenues	888,923	872,369	(16,554)
Expenditures:			
Personnel services	564,590	520,347	44,243
Library board appropriation	290,000	296,000	(6,000)
Total expenditures	854,590	816,347	38,243
Excess of revenues over expenditures	34,333	56,022	21,689
Other financing sources uses:			
Transfers out	(60,000)	(55,000)	5,000
Net change in fund balances	(25,667)	1,022	26,689
Fund balances, beginning of year	25,667	25,714	47
Fund balances, end of year	$ -	$ 26,736	$ 26,736

CITY OF DERBY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL

LIBRARY EMPLOYEE BENEFITS FUND

Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	$ 95,366	$ 95,794	$ 428
Intergovernmental	883	-	(883)
Total revenues	96,249	95,794	(455)
Expenditures:			
Personnel services	157,275	146,439	10,836
Deficit of revenues under expenditures	(61,026)	(50,645)	10,381
Other financing sources:			
Transfers in	60,000	55,000	(5,000)
Net change in fund balances	(1,026)	4,355	5,381
Fund balances, beginning of year	1,026	1,712	686
Fund balances, end of year	$ -	$ 6,067	$ 6,067

CITY OF DERBY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL

LIBRARY SALES TAX FUND

Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Sales tax	$ -	$ -	$ 20	$ 20
Expenditures:				
Personnel services	199,456	202,450	208,616	(6,166)
Contractual services	156,809	165,695	158,208	7,487
Commodities	5,400	5,400	1,497	3,903
Capital outlay	-	25,000	164	24,836
Total expenditures	361,665	398,545	368,485	30,060
Net change in fund balances	(361,665)	(398,545)	(368,465)	30,080
Fund balances, beginning of year	634,726	825,465	825,465	-
Fund balances, end of year	$ 273,061	$ 426,920	$ 457,000	$ 30,080

CITY OF DERBY, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL

AQUATIC PARK FUND

Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	$ 16,000	$ 17,519	$ 1,519
Investment earnings	2,250	1,631	(619)
Other	96,000	165,886	69,886
Total revenues	114,250	185,036	70,786
Expenditures:			
Contractual services	336,376	286,805	49,571
Capital outlay	75,000	164	74,836
Total expenditures	411,376	286,969	124,407
Net change in fund balances	(297,126)	(101,933)	195,193
Fund balances, beginning of year	1,640,047	1,698,482	58,435
Fund balances, end of year	$ 1,342,921	$ 1,596,549	$ 253,628

CITY OF DERBY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL

DEBT SERVICE FUND

Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes:			
Ad valorem property tax	$ 1,870,868	$ 1,870,741	$ (127)
Delinquent tax	55,000	14,571	(40,429)
Motor vehicle tax	189,388	200,300	10,912
Excise tax	3,000	1,248	(1,752)
Special assessments	4,086,127	4,223,259	137,132
Intergovernmental	83,326	101,911	18,585
Investment earnings	5,000	8,892	3,892
Other	285,820	285,820	-
Total revenues	6,578,529	6,706,742	128,213
Expenditures:			
Principal	5,400,476	5,495,476	(95,000)
Interest	1,532,660	1,374,646	158,014
Other	693,314	-	693,314
Total expenditures	7,626,450	6,870,122	756,328
Deficiency of revenues under expenditures	(1,047,921)	(163,380)	884,541
Other financing sources:			
Transfers in	355,750	355,750	-
Net change in fund balances	(692,171)	192,370	884,541
Fund balances, beginning of year	692,171	906,556	214,385
Fund balances, end of year	$ -	$ 1,098,926	$ 1,098,926

CITY OF DERBY, KANSAS

BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT

DERBY PUBLIC LIBRARY

December 31, 2015

Assets:		
Deposits and investments	$	391,380
Prepaid items		19,736
Total assets	$	411,116
Liabilities:		
Accounts payable	$	18,230
Fund balances:		
Nonspendable - prepaid items		19,736
Assigned		373,150
Total fund balances		392,886
Total liabilities and fund balances	$	411,116

CITY OF DERBY, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DISCRETELY PRESENTED COMPONENT UNIT

DERBY PUBLIC LIBRARY

Year Ended December 31, 2015

Revenues:		
Taxes	$	296,000
Fines and fees		49,582
Gifts and grants		98,127
Investment earnings		488
Total revenues		444,197
Expenditures:		
Current:		
Education		395,425
Net change in fund balance		48,772
Fund balance, beginning of year		344,114
Fund balance, end of year	$	392,886

Statistical Section

STATISTICAL SECTION

This part of the City of Derby comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the City's overall financial health.

Contents **Page**

Financial Trends
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 93

Revenue Capacity
These schedules contain information to help the reader assess the City's most significant local revenue source, property tax. 98

Debt Capacity
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 102

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 106

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs. 108

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

CITY OF DERBY, KANSAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	$ 20,317,425	$ 2,460,474	$ 3,219,616	$ 73,974,575	$ 77,267,850	$ 79,858,992	$ 80,525,898	$ 74,929,343	$ 76,973,789	$ 78,997,234
Restricted	4,695,359	25,365,485	36,182,429	36,396,388	35,103,190	34,854,348	34,303,052	31,377,673	23,979,186	25,855,605
Unrestricted	9,374,863	9,236,969	9,991,845	9,960,303	10,754,074	9,881,201	9,065,412	9,251,877	9,426,115	1,563,053
Total governmental activities net position	$ 34,387,647	$ 37,062,928	$ 49,393,890	$120,331,266	$123,125,114	$124,594,541	$123,894,362	$115,558,893	$110,379,090	$106,415,892
Business-type activities										
Net investment in capital assets	$ 12,493,073	$ 11,095,864	$ 13,017,185	$ 8,187,266	$ 11,221,505	$ 12,648,185	$ 16,174,228	$ 22,590,541	$ 23,494,493	$ 23,496,049
Restricted	1,602,173	-	-	-	-	-	-	-	-	-
Unrestricted	7,419,251	5,868,702	5,510,784	9,580,949	7,624,983	6,828,358	6,311,206	7,297,156	8,332,066	8,054,907
Total business-type activites net position	$ 21,514,497	$ 16,964,566	$ 18,527,969	$ 17,768,215	$ 18,846,488	$ 19,476,543	$ 22,485,434	$ 29,887,697	$ 31,826,559	$ 31,550,956
Primary Government										
Net investment in capital assets	$ 32,810,498	$ 13,556,338	$ 16,236,801	$ 82,161,841	$ 88,489,355	$ 92,507,177	$ 96,700,126	$ 97,519,884	$ 89,685,561	$102,493,283
Restricted	6,297,532	25,365,485	36,182,429	36,396,388	35,103,190	34,854,348	34,303,052	31,377,673	23,979,186	25,855,605
Unrestricted	16,794,114	15,105,671	15,502,629	19,541,252	18,379,057	16,709,559	15,376,618	16,549,033	28,540,902	9,617,960
Total primary government net position	$ 55,902,144	$ 54,027,494	$ 67,921,859	$138,099,481	$141,971,602	$144,071,084	$146,379,796	$145,446,590	$142,205,649	$137,966,848

CITY OF DERBY, KANSAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
General government	$ 3,158,621	$ 6,528,065	$ 6,914,324	$ 6,907,535	$ 6,504,927	$ 7,692,456	$ 7,615,756	$ 7,925,610	$ 7,897,162	$ 7,657,466
Public safety	3,118,695	3,627,751	3,648,554	4,118,615	4,184,465	4,435,262	4,617,464	4,496,414	4,673,971	4,880,233
Public works	-	3,074,251	3,488,242	6,747,181	5,735,114	6,109,047	6,590,225	5,692,678	6,679,417	6,245,143
Engineering, operations and parks	3,757,690		-		-	-	-	-	-	-
Culture and recreation	-	1,391,811	1,520,850	1,471,358	1,575,639	1,392,517	1,394,238	1,464,069	5,825,829	1,317,498
Personnel benefits and services	2,355,619	-	-		-	-	-	-	-	-
Economic development	-	98,832	114,391	385,894	354,583	486,128	456,529	454,647	414,564	372,781
Interest on long-term debt	1,789,762	2,292,887	2,603,418	2,959,029	2,768,250	2,243,335	2,121,243	1,892,577	2,019,786	1,792,237
Other	397,316	-	-		-	-	-	-	-	-
Total government activities expenses	14,577,703	17,013,597	18,289,779	22,589,612	21,122,978	22,358,745	22,795,455	21,925,995	27,510,729	22,265,358
Business-type activities:										
Sewer	1,530,518	1,587,971	1,618,462	1,913,485	2,277,017	2,226,265	2,428,280	2,527,094	2,542,525	3,045,801
Water	3,032,050	3,272,956	3,335,684	3,224,407	3,441,903	3,872,934	3,866,507	4,157,883	4,430,801	4,422,221
Stormwater	-	-	-	-	-	-	-	366,660	423,080	435,426
Aquatic park	617,745	-	-				-	-	-	-
Total business-type activities expenses	5,180,313	4,860,927	4,954,146	5,137,892	5,718,920	6,099,199	6,294,787	7,051,637	7,396,406	7,903,448
Total primary government expenses	$ 19,758,016	$ 21,874,524	$ 23,243,925	$ 27,727,504	$ 26,841,898	$ 28,457,944	$ 29,090,242	$ 28,977,632	$ 34,907,135	$ 30,168,806
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	$ 599,648	$ 1,151,702	$ 1,189,500	$ 1,709,449	$ 1,184,565	$ 1,414,398	$ 1,162,410	$ 771,990	$ 1,035,382	$ 1,191,360
Public safety	493,627	223,984	214,660	703,230	817,255	743,245	767,224	585,885	905,643	824,400
Public works/services/engineering/parks	307,645	357,911	359,714	310,795	284,224	419,464	500,981	530,670	395,668	413,635
Culture and recreation	-	669,808	645,396	277,947	298,790	322,850	295,766	137,679	189,380	219,063
Other	-	-				-	-	-	-	-
Operating grants and contributions	55,713	1,108,702	1,199,082	1,172,734	1,436,287	1,397,938	1,298,692	1,291,076	1,298,680	1,335,151
Capital grants and contributions	-	77,014	12,523,125	4,261,052	3,920,673	2,638,496	1,963,822	192,822	1,986,888	5,028,289
Total governmental activities program revenues	1,456,633	3,589,121	16,131,477	8,435,207	7,941,794	6,936,391	5,988,895	3,510,122	5,811,641	9,011,898
Business-type activities										
Charges for services:										
Sewer	2,203,799	2,300,870	2,240,450	2,286,388	2,899,676	2,812,454	2,820,111	2,820,305	2,853,072	2,933,501
Water	3,476,909	2,764,724	2,723,882	2,786,977	3,442,740	3,938,774	4,294,648	3,759,431	4,430,777	4,626,455
Stormwater	-	-	-	-	-	-	-	524,016	532,338	541,292
Aquatic park	239,223	-	-	-	-	-	-	-	-	
Sales Tax for aquatic park	1,584,841	-	-	-	-	-	-	-	-	
Operating grants and contributions					91,679	-	-	-	-	
Capital grants and contributions	-	-	-	-	-	68,457	2,387,336	45,491	281,709	43,316
Total business-type activities program revenues	7,504,772	5,065,594	4,964,332	5,073,365	6,434,095	6,819,685	9,502,095	7,149,243	8,097,896	8,144,564
Total primary government program revenues	$ 8,961,405	$ 8,654,715	$ 21,095,809	$ 13,508,572	$ 14,375,889	$ 13,756,076	$ 15,490,990	$ 10,659,365	13,909,537	17,156,462
Net (Expense)/Revenue										
Governmental activities	$ (13,121,070)	$ (13,424,476)	$ (2,158,302)	$ (14,154,405)	$ (13,181,184)	$ (15,422,354)	$ (16,806,560)	$ (18,415,873)	$ (21,699,088)	$ (13,253,460)
Business-type activities	2,324,459	204,667	10,186	(64,527)	715,175	720,486	3,207,308	97,606	701,490	241,116
Total primary government net expense	$ (10,796,611)	$ (13,219,809)	$ (2,148,116)	$ (14,218,932)	$ (12,466,009)	$ (14,701,868)	$ (13,599,252)	$ (18,318,267)	$ (20,997,598)	$ (13,012,344)

(Continued)

CITY OF DERBY, KANSAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental-Type Activities										
Taxes										
Property taxes - general	$ 6,184,970	$ 7,658,300	$ 8,196,080	$ 8,870,181	$ 9,181,649	$ 9,464,138	$ 9,550,403	$ 9,600,347	$ 9,622,171	$ 9,840,794
Sales tax, vehicle, gasoline and other	4,961,890	-	-	-	-	-	-	-	-	-
Sales taxes	-	4,808,717	5,224,113	5,234,141	5,409,560	5,351,941	5,591,910	5,854,328	6,035,167	6,288,336
Franchise taxes	1,338,786	1,365,716	1,495,724	1,528,728	1,731,570	1,821,500	1,796,443	1,862,477	2,020,693	1,941,546
Excise taxes	-	21,282	15,649	13,148	11,778	14,744	17,118	15,520	15,918	7,442
Special assessments	2,812,053	-	-	-	-	-	-	-	-	-
Unrestricted Investment earnings	714,666	1,260,508	487,796	219,359	51,201	50,874	22,298	48,533	24,380	51,676
Reimbursements, etc.	2,086,711	-	-	-	-	-	-	-	-	-
Transfers	400,000	(1,631,254)	(1,392,397)	(414,412)	(395,329)	173,186	(1,720)	(7,300,801)	(1,199,044)	(317,678)
Other	1,717,734	-		-	-	-	-	-	-	-
Gain on sale of capital assets	-	-	462,299	17,015	-	-	-	-	-	-
Reclassifications/adjustments	-	-	-		-	-	-	-	-	-
Total Governmental Activities	$20,216,810	$13,483,269	$14,489,264	$15,468,160	$15,990,429	$16,876,383	$16,976,452	$10,080,404	$16,519,285	$17,812,116
Business type activities:										
Unrestricted Investment earnings	410,423	264,971	160,820	44,144	34,929	15,595	4,288	3,856	4,828	6,834
Gain on sale of capital assets	-	-	-	-	-	-	-	-	33,500	-
Transfers	(400,000)	1,631,254	1,392,397	414,412	395,329	(173,186)	1,720	7,300,801	1,199,044	317,678
Total business-type activities	10,423	1,896,225	1,553,217	458,556	430,258	(157,591)	6,008	7,304,657	1,237,372	324,512
Total primary government	$ 20,227,233	$15,379,494	$16,042,481	$15,926,716	$16,420,687	$16,718,792	$16,982,460	$17,385,061	$17,756,657	$18,136,628
Change in Net Position										
Governmental activities	$ 7,095,740	$ 58,793	$12,330,962	$ 1,313,755	$ 2,809,245	$ 1,454,029	$ 169,892	$ (8,335,469)	$ (5,179,803)	$ 4,558,656
Business-type activities	2,334,882	2,100,892	1,563,403	394,029	1,145,433	562,895	3,213,316	7,402,263	1,938,862	565,628
Total primary government	$ 9,430,622	$ 2,159,685	$13,894,365	$ 1,707,784	$ 3,954,678	$ 2,016,924	$ 3,383,208	$ (933,206)	$ (3,240,941)	$ 5,124,284

CITY OF DERBY, KANSAS

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	$ -	$ 416,859	$ 360,963	$ 448,479	$ 58,097	$ -	$ -	$ -	$ -	$ -
Unreserved	2,708,400	5,656,648	6,464,755 [1]	6,104,606	7,800,661	-	-	-	-	-
Nonspendable	-	-	-	-	-	209,459	242,792	218,990	240,913	255,178
Restricted	-	-	-	-	-	1,716	1,716	1,834	-	-
Assigned	-	-	-	-	-	3,798,981	3,190,251	3,007,474	1,740,418	1,462,054
Unassigned	-	-	-	-	-	5,470,372	5,722,861	5,836,379	6,664,396	7,539,205
Total general fund	$ 2,708,400	$ 6,073,507	$ 6,825,718	$ 6,553,085	$ 7,858,758	$9,480,528	$ 9,157,620	$ 9,064,677	$ 8,645,727	$ 9,256,437
All Other Governmental Funds										
Reserved	$ 4,690,652	$ 4,558,219	$ 6,517,761	$ 4,013,825	$ 1,472,410	$ -	$ -	$ -	$ -	$ -
Unreserved reported in:										
Debt service fund	-	851,782	669,747	524,334	412,393	-	-	-	-	-
Special revenue funds	5,863,141	9,492,008	8,387,004 [1]	6,837,153	5,930,880	-	-	-	-	-
Capital projects fund	-	1,681,863	1,384,811	4,250,554	4,381,329	-	-	-	-	-
Restricted	-	-	-	-	-	8,551,064	12,285,790	12,336,780	14,675,470	8,957,637
Assigned	-	-	-	-	-	301,984	571,137	689,074	1,036,874	1,221,910
Total all other governmental funds	$ 10,553,793	$ 16,583,872	$ 16,959,323	$ 15,625,866	$ 12,197,012	$8,853,048	$ 12,856,927	$ 13,025,854	$ 15,712,344	$ 10,179,547

[1]The Aquatic Park Fund was reclassified as a Governmental - Special Revenue fund in 2007. In prior years it was classified as Business-Type.

NOTE: The City implemented GASB Statement No. 54 in 2011 which establishes new categories for reporting fund balance.

CITY OF DERBY, KANSAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes:										
Property - general	$ 4,944,060	$ 7,658,300	$ 8,196,080	$ 8,870,181	$ 9,181,649	$ 9,464,138	$ 9,550,403	9,600,347	9,622,171	$ 9,840,794
Property - debt service	1,240,910	-	-	-	-	-	-	-	-	-
Excise	-	21,282	15,649	13,148	11,778	14,744	17,118	15,520	15,918	7,442
Sales	-	4,808,717	5,224,113	5,234,141	5,409,560	5,351,941	5,591,910	5,854,328	6,035,167	6,288,336
Sales, vehicle, gasoline & other	4,896,081	-	-	-	-	-	-	-	-	-
Franchise	1,370,703	1,365,716	1,495,724	1,528,728	1,731,570	1,821,500	1,796,443	1,862,477	2,020,693	1,941,546
Special assessments	2,812,053	2,822,282	3,456,086	3,271,171	3,946,741	4,274,204	4,396,792	4,410,563	4,554,121	4,311,811
Intergovernmental	-	1,122,390	1,215,731	1,535,086	2,022,573	1,936,287	1,708,118	1,417,910	1,396,754	1,528,793
Rents,licenses,fees,fines,reimbursements	2,065,595	-	-	-	-	-	-	-	-	-
Licenses & permits	-	419,733	594,227	510,876	419,935	462,070	351,727	516,908	445,416	490,566
Charges for services	-	40,250	100,754	259,019	198,148	228,574	240,231	255,227	279,559	276,316
Fines & fees	-	756,687	740,564	737,583	799,227	795,731	857,092	728,104	919,007	981,393
State, county and other aid	179,353	-	-	-	-	-	-	-	-	-
Investment earnings	705,042	1,260,508	487,796	219,359	51,201	50,874	22,298	48,533	24,380	51,675
Miscellaneous	1,535,139	1,121,723	1,174,915	1,378,551	807,353	957,048	1,013,753	633,469	874,039	787,956
Total Revenues	19,748,936	21,397,588	22,701,639	23,557,843	24,579,735	25,357,111	25,545,885	25,343,386	26,187,225	26,506,628
Expenditures										
General Government	2,499,837	5,943,541	6,484,852	5,603,496	5,956,547	6,634,861	6,936,726	7,481,897	7,469,262	7,402,130
Public works	-	1,643,286	1,796,575	3,481,832	2,723,993	2,876,578	3,401,305	2,799,674	3,869,142	3,359,036
Public safety	2,801,331	3,128,064	3,369,950	3,687,352	3,878,726	4,008,579	4,080,085	4,148,474	4,263,425	4,491,568
Culture and recreation	-	-	-	-	-	-	1,102,396	1,129,603	1,123,977	1,050,885
Engineering,operations and parks	1,856,622	-	-	-	-	-	-	-	-	-
Parks and recreation	-	981,889	1,089,508	1,089,746	1,116,417	1,054,174	-	-	-	-
Economic development	-	98,832	114,391	385,894	354,583	486,128	456,529	454,647	414,465	372,583
Personnel benefits and services	2,355,619	-	-	-	-	-	-	-	-	-
Utilities	506,212	-	-	-	-	-	-	-	-	-
Other	397,316	-	-	-	-	-	-	-	-	-
Debt service										
Principal	7,560,000	5,646,943	14,165,265	12,648,085	16,125,877	6,190,000	6,256,250	8,034,943	13,289,226	6,215,476
Interest and fiscal charges	2,949,985	2,153,061	2,714,022	2,212,110	2,924,795	2,288,562	1,907,859	1,767,365	1,670,504	1,604,036
Debt issuance costs			121,927	249,158	246,074	147,271	237,126	152,252	317,625	256,438
Capital outlay	2,793,203	7,794,710	10,004,364	12,044,570	7,912,077	5,019,677	5,205,580	7,073,178	6,738,444	9,548,113
Total Expenditures	23,720,125	27,390,326	39,860,854	41,402,243	41,239,089	28,705,830	29,583,856	33,042,033	39,156,070	34,300,265
Excess of revenues over/(under) expenditures	(3,971,189)	(5,992,738)	(17,159,215)	(17,844,400)	(16,659,354)	(3,348,719)	(4,037,971)	(7,698,647)	(12,968,845)	(7,793,637)
Other Financing Sources (Uses)										
Sale of capital assets	-	-	88,699	23,632	99,296	-	-	-	-	-
Capital Leases	-	15,795	-	-	-	-	-	-	-	-
General obligation bonds issued	4,926,194	-	11,080,000	8,860,000	10,320,000	5,665,000	3,475,630	4,500,000	9,285,000	6,480,000
General obligation refunding bonds issued	-	-	-	-	3,985,000	3,985,000	7,585,000	1,700,000	3,300,000	3,165,000
Premium on general obligation bonds issued	-	-	43,178	61,499	147,110	265,106	46,859	167,968	337,385	347,087
Discount on general obligation bonds issued	-	-	-	-	(32,120)	-	(2,909)	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	(4,099,291)	(7,058,518)	(7,465,498)	-	-	(3,205,139)
Temporary notes issued	2,354,078	9,595,000	6,675,000	6,880,000	3,460,000	-	5,480,000	4,630,000	3,885,000	-
Payment to refund temporary notes	-	-	-	-	-	(1,895,000)	(1,565,000)	(3,550,000)	(1,930,000)	(4,705,000)
Transfers in (out), net	112,029	400,000	400,000	413,179	656,178	664,937	164,860	326,663	359,000	372,914
Total other financing sources (uses)	7,392,301	10,010,795	18,286,877	16,238,310	14,536,173	1,626,525	7,718,942	7,774,631	15,236,385	2,454,862
Net change in fund balance	$ 3,421,112	$ 4,018,057	$ 1,127,662	$ (1,606,090)	$ (2,123,181)	$ (1,722,194)	$ 3,680,971	$ 75,984	$ 2,267,540	$ (5,338,775)
Debt service as a percentage of noncapital expenditures	50.22%	39.80%	56.53%	50.62%	54.98%	33.96%	32.58%	37.43%	45.74%	31.35%

CITY OF DERBY, KANSAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Real Estate	Personal Property	Utilities	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed to Total Estimated Actual Value
2006	$ 224,979,865	$ 7,068,330	$ 4,651,299	$ 99,961,630	$ 136,737,864	$ 48.176	$ 1,017,592,407	13.44%
2007	242,117,250	6,423,097	4,645,183	105,529,310	147,656,220	48.155	1,107,256,740	13.34%
2008	259,980,197	5,850,981	4,439,197	107,436,050	162,834,325	47.756	1,203,426,406	13.53%
2009	269,830,706	4,292,806	4,186,682	107,390,270	170,919,924	47.773	1,249,943,795	13.67%
2010	289,422,334	4,245,958	4,396,296	121,419,510	176,645,078	47.818	1,425,888,138	12.39%
2011	296,920,674	3,815,980	4,454,954	126,889,967	178,301,641	47.340	1,445,290,924	12.34%
2012	306,068,880	3,402,511	4,470,862	132,831,042	181,111,211	47.153	1,468,295,455	12.33%
2013	304,037,825	3,061,261	4,396,534	130,415,949	181,079,671	47.054	1,466,077,942	12.35%
2014	314,043,786	3,541,887	4,380,760	136,737,947	185,228,486	47.149	1,501,702,109	12.33%
2015	330,017,787	3,389,626	4,770,959	148,603,132	189,575,240	47.009	1,543,334,156	12.28%

Source: Sedgwick County Clerk's Office

CITY OF DERBY, KANSAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(PER $1,000 OF ASSESSED VALUE)

LAST TEN FISCAL YEARS

	City Direct Rates				Overlapping Rates				
Fiscal Year	General Rate	Debt Service	Misc.	Total Direct Rate	El Paso Cemetery	USD 260	Sedgwick County	State of Kansas	Total
2006	$36.550	$ 6.187	$ 5.439	$48.176	$ 1.622	$53.967	$31.315	$ 1.500	$136.580
2007	36.502	6.203	5.450	48.155	1.272	51.405	31.333	1.500	133.665
2008	35.890	6.157	5.709	47.756	1.249	53.965	30.377	1.500	134.847
2009	33.772	8.912	5.089	47.773	1.031	54.122	29.868	1.500	134.294
2010	31.566	11.577	4.675	47.818	1.046	58.324	29.359	1.500	138.047
2011	33.436	9.255	4.649	47.340	1.040	57.631	29.428	1.500	136.939
2012	34.843	7.680	4.630	47.153	1.040	59.305	29.447	1.500	138.445
2013	34.539	7.891	4.624	47.054	1.058	60.082	29.377	1.500	139.071
2014	32.211	10.302	4.636	47.149	1.057	56.294	29.478	1.500	135.478
2015	34.502	7.897	4.610	47.009	1.068	62.156	29.383	1.500	141.116

Source: Sedgwick County Clerk's Office

CITY OF DERBY, KANSAS

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND TEN YEARS AGO

	2015			2006		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Derby Marketplace LC	$ 12,122,561	1	6.39%			0.00%
Wal-Mart Real Estate Business Trust	4,509,125	2	2.38%	$ 2,874,205	1	2.10%
The Greens At Derby	3,500,142	3	1.85%	1,713,501	4	1.25%
Dillon Companies	2,866,401	4	1.51%			0.00%
Kansas Gas Electric - A Westar Energy Co.	2,380,682	5	1.26%	1,721,660	3	1.26%
Fairways at Derby LP	2,072,991	6	1.09%			0.00%
Target Corp	1,851,750	7	0.98%			0.00%
Lowes Home Centers Inc.	1,718,800	8	0.91%	2,659,723	2	1.95%
Kohl's Illinois Inc.	1,647,050	9	0.87%			0.00%
Kansas Gas Service - Div. of Oneok	1,313,991	10	0.69%			0.00%
Warren Family LLC	877,443	11	0.46%	778,441	8	0.57%
Derby Group I LLC	591,200	12	0.31%	695,000	9	0.51%
Southwestern Bell Telephone (SBC)	564,690	13	0.30%	1,664,038	5	1.22%
Derby Golf & Country Club	294,740	14	0.16%	1,065,455	6	0.78%
Bristol Square LLC				831,400	7	0.61%
Rockport PB Investments LP				604,300	10	0.44%
Total	$ 36,311,566		19.15%	$ 14,607,723		10.68%

Source: Sedgwick County Clerk's Office

CITY OF DERBY, KANSAS

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as a Percent of Current Tax Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as a Percent of Current Levy
2006	$ 6,241,170	$ 6,089,477	97.57%	$ 86,443	$ 6,175,920	98.95%	$ 151,693	2.43%
2007	6,596,052	6,446,254	97.73%	65,373	6,511,627	98.72%	149,798	2.27%
2008	7,115,921	6,963,855	97.86%	57,437	7,021,292	98.67%	152,066	2.14%
2009	7,730,746	7,562,210	97.82%	202,619	7,764,829	100.44%	168,536	2.18%
2010	8,114,419	7,903,509	97.40%	238,083	8,141,592	100.33%	210,910	2.60%
2011	8,306,414	8,175,848	98.43%	71,443	8,247,291	99.29%	130,566	1.57%
2012	8,445,103	8,300,693	98.29%	131,493	8,432,186	99.85%	144,410	1.71%
2013	8,543,051	8,356,145	97.81%	158,989	8,515,134	99.67%	186,906	2.19%
2014	8,524,135	8,388,967	98.41%	90,694	8,479,661	99.48%	135,168	1.59%
2015	8,735,837	8,577,770	98.19%	140,388	8,718,158	99.80%	158,066	1.81%

Source: Sedgwick County Treasurer's Office

CITY OF DERBY, KANSAS

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Legal debt limit	$71,009,848	$75,954,945	$81,081,113	$83,493,058	$89,419,376	$91,557,482	$94,182,676	$ 90,448,686	$ 96,589,930	$ 101,453,512
Total net debt applicable to debt limit	44,313,245	46,918,218	62,790,253	65,480,666	59,917,607	56,503,891	63,407,122	60,881,203	59,688,444	59,351,074
Legal debt margin	$26,696,603	$29,036,727	$18,290,860	$18,012,392	$29,501,769	$35,053,591	$30,775,554	$ 29,567,483	$ 36,901,486	$ 42,102,438
Legal debt margin as a percentage of debt limit	37.60%	38.23%	22.56%	21.57%	32.99%	38.29%	32.68%	32.69%	38.20%	41.50%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	$ 189,575,240
Add back: exempt real property	148,603,132
Total assessed value	$ 338,178,372
Debt limit (30% of total assessed value)	101,453,512
Debt applicable to limit:	
General obligation bonds	60,450,000
Less: amount set aside for repayment of general obligation debt	(1,098,926)
Total net debt applicable to limit	$ 59,351,074

Note: Per Kansas Statutes Annotated ("K.S.A.") Section 10-308, "The authorized and outstanding bonded indebtedness of any city shall not exceed 30% of the assessed valuation of the city. K.S.A. Section 10-309 allows for certain exceptions to calculating the legal debt limit.

CITY OF DERBY, KANSAS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	Governmental Activities				Business-type Activities					
Fiscal Year	General Obligation Bonds	Temp Notes	Certificates of Participation	Capital Leases	Revolving Loan	General Obligation Bonds	Total Primary Government	Percentage of Personal Income	Per Capita	Current Population
2006	$ 45,035,000	$ 2,360,000	$ 2,415,000	$ 17,555	$ -	$ 16,450,000	$ 66,277,555	N/A	3,193	20,759
2007	47,770,000	10,155,000	2,140,000	11,407	-	9,425,000	69,501,407	N/A	3,294	21,101
2008	54,960,000	6,840,000	1,860,000	6,142	-	8,500,000	72,166,142	N/A	3,272	22,058
2009	54,135,000	11,570,000	1,565,000	877	-	11,570,000	78,840,877	N/A	3,501	22,517
2010	60,330,000	3,460,000	1,265,000	-	2,856,493	11,000,000	78,911,493	N/A	3,561	22,158
2011	57,445,000	1,565,000	960,000	-	2,856,493	10,075,000	72,901,493	N/A	3,290	22,158
2012	55,739,380	5,480,000	665,000	-	1,417,466	8,850,620	72,152,466	N/A	3,239	22,279
2013	54,673,801	6,560,000	455,000	-	1,643,933	8,015,525	71,348,259	N/A	3,110	22,943
2014	54,464,938	8,515,000	230,000	-	1,286,181	7,157,461	71,653,580	N/A	3,109	23,047
2015	55,402,024	3,810,000	-	-	1,227,293	6,297,086	66,736,403	N/A	2,872	23,234

Note: Percentage of personal income information not available.

CITY OF DERBY, KANSAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Taxable Value	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2006	$ 45,035,000	$ 721,755	$ 44,313,245	$ 136,737,864	32.41%	2,134.65
2007	47,770,000	851,782	46,918,218	147,653,840	31.78%	2,223.51
2008	63,460,000	669,747	62,790,253	162,834,325	38.56%	2,846.60
2009	66,005,000	524,334	65,480,666	170,919,924	38.31%	2,908.05
2010	71,330,000	412,393	70,917,607	176,645,078	40.15%	3,200.54
2011	57,445,000	941,109	56,503,891	178,301,641	31.69%	2,550.04
2012	64,590,000	1,182,878	63,407,122	181,111,211	35.01%	2,846.05
2013	61,885,000	1,003,797	60,881,203	181,079,671	33.62%	2,732.67
2014	60,595,000	906,556	59,688,444	185,228,486	32.22%	2,589.86
2015	60,450,000	1,098,926	59,351,074	189,575,240	31.31%	2,554.49

CITY OF DERBY, KANSAS

GOVERNMENTAL ACTIVITIES DIRECT AND OVERLAPPING DEBT

December 31, 2015

Taxing Body	Debt		City's Share		
	Amount	As of	Percent	Amount	Per Capita
Estimated Overlapping debt:					
Sedgwick County	$ 56,075,000	12/31/2015	4.30%	$ 2,410,506	103.75
USD No. 260	61,330,000	12/31/2015	48.45%	29,714,125	1,278.91
Total Overlapping Debt				32,124,631	1,382.66
City of Derby Direct Debt	59,212,024	12/31/2015		59,212,024	2,548.51
Direct and estimated overlapping debt	176,617,024			91,336,655	3,931

Source: Assessed value data used to estimate applicable percentages provided by the Sedgwick County Clerk.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Derby. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

CITY OF DERBY, KANSAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN YEARS

Fiscal Year	City Population[1]	County Total Personal Income[2] (000's omitted)	County Population[1]	County Per Capita Income[2]	City School Enrollment[3]	Unemployment Rate[2] (Sedgwick County)
2006	20,759	$ 17,014,763	469,321	$ 36,254	6,597	4.5%
2007	21,101	18,664,979	476,026	39,210	6,598	4.0%
2008	22,058	19,396,855	478,982	40,496	6,554	4.9%
2009	22,517	19,218,845	490,864	39,847	6,671	7.6%
2010	22,158	19,241,873	498,365	38,610	6,753	7.9%
2011	22,158	21,539,879	500,715	43,018	6,258	7.1%
2012	22,279	22,839,184	503,438	45,366	6,943	6.1%
2013	22,943	22,870,525	505,415	45,251	6,336	6.3%
2014	23,047	23,516,335	508,803	46,219	7,069	5.3%
2015	23,234	Not Available	511,574	Not Available	7,071	4.4%

[1]Bureau of the Census
[2]US Bureau of Labor Statistics, Sedgwick County
[3]Kansas State Department of Education
[4]Bureau of Economic Analysis

CITY OF DERBY, KANSAS

PRINCIPAL EMPLOYERS

AS OF DECEMBER 31, 2015

	2015		
Employer	Employees	Rank	Percentage of Total City Employment
USD 260	1,109	1	20.13%
Walmart	312	2	5.66%
City of Derby	191	3	3.47%
Dillons	185	4	3.36%
Shared Services, a division of Wal Mart	110	5	2.00%
Lowes	106	6	1.92%
Derby Recreation Commission	104	7	1.89%
Kohl's	86	8	1.56%
Derby Health & Rehab, LLC	75	9	1.36%
Westview Manor	60	10	1.09%
Total City Employment (est.)	5,510		

Note: Derby City Clerk's Office
Information from 2006 not available.

CITY OF DERBY, KANSAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Administration	5	7.5	15.5	16.5	16.5	18.25	18.25	20	20	11
Finance	10	8	6.5	8.5	8.5	7.5	7.5	8.31	9.5	10
Law	5	4	1	1	1	0	0	0	0	0
Economic Development	2	2	1	1	1	0	0	0	0	0
Operations	9	9	8	10	4	4	4	4	4	14
Planning & Engineering	10	12	13	12	12	12	12	8.5	9.5	10.5
Public Safety										
Police	51.5	51.5	51.5	54	57	61	61	56.5	56.5	56.5
Animal Control	1	1	1	1	1.5	1.5	1.5	1.5	1.5	1.5
Fire	10.5	11.5	14	14.5	15	16.15	18.12	18.12	18.12	24.6
Public Works	34	34	35	32	33	35	35	35	35	35
Stormwater	0	0	0	0	0	0	0	1.5	1.5	1.5
Water	8	8	8	7.5	7.5	8.75	8.75	9.69	10.69	10.69
Wastewater	13.3	11.3	11.3	11	11	11	11	11	11	11
Total	159.3	159.8	165.8	169	168	175.15	177.12	174.12	177.31	186.29

Data Source: City of Derby Operating Budgets

Note: Beginning in 2011, the Law and Economic Development functions have moved to Administration.

CITY OF DERBY, KANSAS

OPERATING INDICATORS BY PROGRAMMING YEAR

LAST TEN FISCAL YEARS

Program/Function	Fiscal Year 2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Dispatched Calls	21,808	24,651	26,999	24,878	27,594	27,739	24,317	24,444	24,452	23,208
Offenses	2,653	2,845	2,982	2,878	3,022	2,879	2,192	2,412	2,676	3,027
Offenses Cleared	1,998	2,074	2,564	1,949	2,392	1,758	980	1,067	1,027	1,531
Arrests	1,864	1,924	1,996	2,525	1,857	2,077	955	1,201	1,179	1,259
Serious Offenses	787	831	820	775	784	750	561	586	583	650
Fire										
Emergency Responses	1,402	1,558	1,520	1,768	1,862	2,069	2,096	2,034	2,186	2,268
First Responder/Medical	1,030	1,113	1,254	1,414	1,454	1,422	1,470	1,431	1,539	1,606
Life Safety Inspections	450	464	477	576	644	773	663	553	523	617
Water										
New Connections	349	136	153	132	120	127	102	74	93	121
Water Main Breaks	17	12	9	7	9	25	30	12	18	14
Average Daily Consumption	2,175,595	2,003,162	1,902,481	1,968,976	2,287,457	2,570,113	2,780,825	2,168,525	2,172,832	2,100,300
Peak Daily Consumption	4,351,100	4,252,700	3,584,100	4,334,700	4,839,500	6,424,800	4,747,611	7,150,000	4,005,070	3,363,719
Wastewater										
Average Daily Sewage Treatment	1,800,000	1,840,000	1,834,000	1,788,000	1,600,000	1,581,000	1,510,000	1,520,000	1,532,000	2,075,000

Source: Various city departments.

CITY OF DERBY, KANSAS

CAPITAL ASSET STATISTICS BY PROGRAM/FUNCTION

LAST TEN FISCAL YEARS

Program/Function	Fiscal Year 2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Patrol units	12.00	14.00	16.00	15.00	15.00	17.00	17.00	17.00	17.00	18.00
Fire Stations	2.00	2.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
Public Works										
Streets(lane miles)	274.80	286.10	293.50	299.50	302.50	427.78	429.64	429.64	430.80	431.52
Traffic Signals	15.00	15.00	16.00	16.00	17.00	17.00	17.00	17.00	19.00	19.00
Culture and Recreation										
Acreage	297.00	297.00	297.00	297.00	297.00	313.68	313.68	313.68	313.68	392.03
Playgrounds	18.00	18.00	18.00	18.00	18.00	19.00	19.00	19.00	19.00	19.00
Baseball/Softball diamonds	24.00	24.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Aquatic Park	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water										
Water Meter Station	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water mains(miles)	120.60	124.40	127.90	130.80	132.50	133.00	134.79	136.20	137.90	138.40
Fire hydrants	880.00	919.00	936.00	960.00	975.00	976.00	997.00	999.00	1,031.00	1,044.00
Storage capacity(000's gal)	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00
Wastewater										
Sanitary Sewers(miles)	111.20	115.70	118.60	120.30	122.10	122.19	123.81	124.40	125.80	126.03
Storm Sewer(combined, miles)	32.10	33.30	35.90	37.90	46.10	46.84	47.47	49.00	50.70	51.30
Treatment capacity, gal per day	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00

Source: City of Derby GIS Department