

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**OF**  
**SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512**

**Center for Academic Achievement  
8200 W. 71<sup>st</sup> Street  
Shawnee Mission, Kansas 66204**

**For the Fiscal Year Ended  
June 30, 2017**

**Prepared by Business Services Division  
of Shawnee Mission Unified School District No. 512**

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SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

Comprehensive Annual Financial Report  
For the year ended June 30, 2017

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## INTRODUCTORY SECTION

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# SHAWNEE MISSION SCHOOL DISTRICT

October 11, 2017

**District Parents, Patrons and Board of Education  
Shawnee Mission Unified School District No. 512  
Shawnee Mission, Kansas**

The Comprehensive Annual Financial Report (CAFR) of Unified School District No. 512, Shawnee Mission, Kansas (district) for the fiscal year ended June 30, 2017, is hereby submitted for your use. The CAFR was prepared by the Business Services Division and includes the unmodified opinion of our independent auditors, Mize Houser & Company P.A.. Responsibility for both the accuracy of the information and the completeness and fairness of the presentation, including all disclosures, rests with the district, specifically the Business Services Division. The Business Services Division confirms that the accounting system and the budgetary and internal accounting controls of the district provide reasonable assurance that the district assets are safeguarded against loss and that financial records are reliable for preparing financial statements and maintaining accountability for assets. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the district.

The CAFR includes all funds as identified by the Governmental Accounting Standards Board (GASB) in its Codification of Governmental Accounting and Financial Reporting Standards, and all activities considered by Kansas statutes to be part of the district.

## **GENERAL INFORMATION ABOUT THE DISTRICT**

The Shawnee Mission School District, which was established as Unified School District No. 512 in 1969, has been ranked consistently among the finest school districts in America, earning praise locally, regionally, and nationally for its commitment to providing excellent educational programs and services. Three Shawnee Mission high schools were listed on the *Washington Post's* 2017 list of top high schools in the country. Shawnee Mission offers a rigorous academic curriculum designed to prepare students for the future. The district is proud of the impressive achievement of its students as reflected on state and national assessments. The district has a graduation rate of approximately 89 percent. Shawnee Mission seniors in the class of 2017 earned more than \$42 million in scholarship offers. Shawnee Mission School District offers a 1:1 digital learning initiative providing a digital device for each student, pre-k through grade 12, to support learning.

Located in suburban northeast Johnson County, Kansas, ten miles from downtown Kansas City, Missouri, the district is the third largest school district in the state of Kansas. Covering 72 square miles, the district serves students living in all or a portion of 14 cities.

During the 2016-17 school year, the district was comprised of 33 elementary schools, five middle schools, five high schools, one alternative education school, one career and technical facility, four major athletic complexes, and four administrative and support facilities. This represents a physical plant in excess of nearly 5.4 million square feet, having a replacement value in excess of \$1.2 billion.

On September 20, 2016, enrollment was 27,516, down 135 from the 27,651 students on September 20, 2015. This enrollment represented 14,478 elementary school students, 3,914 middle school students, 8,162 high school students, 962 special education, preschool and other students.

Seven members of the board of education who are elected for staggered four-year terms govern the district. The board of education is responsible for making all policy decisions. The treasurer and clerk are appointed annually by the board.

The board of education appoints the superintendent of schools who is responsible for carrying out the policies set by the board. A deputy superintendent and assistant superintendents assist the superintendent. The district employs a full-time staff of about 3,300 of which approximately 2,000 were teachers and other certified staff. Approximately 82 percent of the teachers in Shawnee Mission have a master's degree or higher.

## **ECONOMIC CONDITION AND OUTLOOK**

Economic growth in Johnson County, within which the district is located, has been strong for over 25 years. The county has become a self-contained economic unit with its own employment and financial base. As a result, predictions continue to foresee Johnson County as the cornerstone to growth within the State of Kansas over the next ten years. The assessed valuation within the district increased approximately 7.1% to \$3.4 billion during 2016.

## **FINANCIAL POLICIES**

The State of Kansas controls the amount of operating funds each district is entitled to receive. The State exercises this control in an effort to equalize funding between districts in the state. Funding decisions are typically made in late April or early May prior to the new fiscal year. District officials set budget priorities throughout the preceding year and then adjust the budget as funding decisions are made.

District officials have more flexibility regarding capital decisions. Ongoing capital purchases are made according to two tracks. First, the district has established replacement schedules for most large capital purchases such as roofs, heating/cooling, parking lots and technology. Other capital purchases are made twice during each year. Most departments are required to submit a list of capital needs prior to the fiscal year. School principals have an additional procurement period for unforeseen capital needs.

Other major capital purchases are financed using general obligation bonds. Historically, the district has used stakeholder committees to identify projects.

## **MAJOR INITIATIVES**

The school district offers a rigorous and relevant education for students in pre-K through grade 12. Dedicated and talented teachers, administrators and support staff members create a positive learning environment where students consistently score above the state and national average on standardized tests. Several years ago, the district implemented a 1:1 technology initiative, ensuring every child has a tablet or laptop to enhance learning.

Shawnee Mission continues to refine a comprehensive curriculum model that's attentive to the changing demands of today's world. While aligning with state standards, the curriculum includes research-based instructional practices and digital tools and assessments to help measure student mastery. The goal is to ensure students are highly prepared for their next chapter, be it career or higher education.

The district offers a variety of honors courses, including Advanced Placement and International Baccalaureate opportunities through which students can earn additional grade points and the chance to earn college credit. For students seeking a higher level of specialized academic study, the district offers **Signature Programs of study which include:**

### **Biotechnology:**

Students can learn advanced skills in biotechnology in the areas of pharmacology, agriculture and bioinformatics. Advanced lab work includes original research; design and implementation; and exposure to real-world biotech lab equipment.

### **Culinary Arts and Hospitality at the Broadmoor Bistro:**

This program prepares students for the multi-faceted hospitality industry. The award-winning Broadmoor Bistro restaurant is directed and executed by students in the culinary and baking programs.

### **Engineering:**

This pathway is a four-year program that introduces students to the scope, rigor and discipline of engineering. Teams apply principles developed in Project Lead the Way courses and are guided by community mentors. Students research current patents and regulations, construct working models, test them in real-life situations and then present and defend the design to a panel of experts.

**Animation and Game Design:**

State-of-the-art software and equipment helps students learn 21st-Century multimedia skills. These courses teach the fundamentals of motion graphics, animation and problem-solving skills they need for advertising, movies, video game design, architecture, engineering and other industries where 3D animators are in demand.

**Project Blue Eagle:**

This program exposes students to three career paths: law enforcement, firefighting and emergency medicine and the legal profession. Courses allow hands-on experiences that help students prepare to be career-ready. They will work with professional equipment, including a firetruck and ambulance, to strengthen their skills.

**Medical Health Science:**

Students receive intense exposure to medical careers through tours, speakers, seminars and shadowing. Emphasis is placed upon increasing self-awareness, critical thinking and problem-solving skills. This pre-med program provides students an opportunity to explore and investigate a variety of professional opportunities in this very competitive career field.

The school district also offers an alternative high school program at Horizons, and a school for children with special education requirements. In 2016-17, an innovative school model was introduced at Apache Innovative School. Rising Star became the district's second innovative school in 2017-18. The Kauffman Foundation recently awarded \$98,200 to ApacheIS to support its project-based learning teaching model.

Early learning is essential to building strong foundational skills, and the Shawnee Mission School District offers an all-day kindergarten program, at no cost for families, at all elementary schools and a pre-kindergarten program at 14 of its elementary schools beginning this school year. More than 300 students took part in the Jump Start to Kindergarten program in the summer, ensuring the district's youngest learners received the best possible start to school.

With changing demographics, including an increase in English Language Learners and students who receive free and reduced lunches, the district makes it a priority to meet every student where they are, and to support all students who walk through the doors. All means all in the Shawnee Mission School District.

The district has an initiative that focuses on sustainability practices. Recently, twelve Shawnee Mission schools were awarded grants from the Kansas Department of Health and Environment for the 2017-2018 school year, which total \$49,208. The new district headquarters, the Center for Academic Achievement, was built to LEED Silver standards.

With strong PTA members, many Shawnee Mission Schools have been recognized by the national PTA for building strong family-school partnerships. Shawnee Mission also enjoys varying levels of support from local businesses and community members including financial support, volunteer programs and professionals who mentor students.

As the fundraising partner of the district, the Shawnee Mission Education Foundation provides essential support for innovative district programs in STEM, the Arts, Early Childhood Education and Shawnee Mission Signature Programs. The Foundation serves as the link between the District and generous community members who believe deeply in the power of education to transform our students and our communities.

**Technology in Education**

The district's Digital Learning Initiative provides each teacher in the district with a portable computer and a tablet device. Each student K-6 in the district receives a tablet device while each student 7-12 receives a portable computer. There are approximately 30,000 portable devices provided to students, teachers, and administrators in the district. In addition to those devices, the various business functions and support personnel in the district have access to computers to complete their daily tasks.

With the shift towards everyone having portable devices, the district will move focus away from traditional labs. However, to help bridge across previous technology to new technology, the district does still maintain some traditional computer labs, mobile wireless labs, library workstations, and specialty labs. These labs are under regular review for relevance and need.

The student information system and library management systems both use modern, Web based applications to keep track of this critical district data. District programming staff ensures interfaces between the various databases are kept current and working so that all district data is stored securely and is accessible to those who need it.

Data transport is an essential function of technology in the district. The district has engaged in initiatives to make wireless networks widely available in all district buildings. These networks are regularly monitored, checked for quality and functionality, and routinely upgraded to provide highly efficient and reliable wireless connectivity. The district has just completed an initiative to make sure data closet inter-connections, Wide Area Network, and Internet access all meet the 2017-2018 SETDA goals on bandwidth availability.

Every regular classroom, library, computer lab, and designated special purpose classroom in the district is outfitted with a permanently-mounted XGA projector and Apple TV. The district is moving new and remodeled classrooms to using a large flat panel display in place of projector/screen combinations.

All employees and students have electronic mail. A comprehensive review and evaluation of the district security stance was completed during 2015-2016 and upgrades to various areas such as spam mitigation, anti-virus protection, and intrusion detection were performed. A fiber-optic high speed integrated voice and data network provides connectivity between every building. Every classroom has a phone, and all teachers and administrative employees have access to voicemail. The district has a virtual meeting and collaboration platform available to all district employees. Teachers are able to use this platform when working with students as well. Additionally, all teachers and students in the district have access to GSuite from Google.

## **FINANCIAL INFORMATION**

### Internal Control Structure

Pursuant to state statute, the board of education annually appoints the district treasurer. The treasurer is the chief fiscal officer of the district and is responsible for receiving and maintaining custody of and disbursing all district funds. The Assistant Superintendent for Instructional Support, Dr. Rick Atha, currently serves as the treasurer. Dr. Atha is assisted in this function by other fiscal management employees including the Chief Financial Officer, Financial Analyst, Budget Analyst and Purchasing Supervisor.

The Cabinet, which consists of the superintendent, deputy superintendent, chief academic officer, five assistant superintendents, and three executive directors with assistance of the above fiscal management employees, is responsible for establishing and maintaining an internal control system to provide reasonable, but not absolute assurance, that district assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The concept of reasonable assurance recognizes that certain estimates and judgments are required in establishing controls and that the estimated cost of a control should not exceed the projected benefits likely to result from the control.

### Budgetary Principles

In addition to internal accounting controls, the district maintains budgetary controls. The budget is prepared on the cash basis of accounting, as required by state statute.

Kansas statutes require that an operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), and debt service funds. The general fund and supplemental general fund are subject to budgetary limitation by state statute. Other funds are subject to no statutory limitation. The statutes provide the following timeline in the adoption of the annual operating budget:

- Preparation of the budget for the succeeding year on or before August 1
- Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5
- Public hearing on or before August 15, but at least ten days after publication of notice of hearing
- Adoption of the final budget on or before August 25

State statute prohibits the expenditure within a fund in excess of the legally adopted budget. An annual operating budget is not required for bond construction funds, agency funds, textbook funds, and student materials funds. However, internal budgets are prepared for each of these funds and adopted by the board of education. District policy prohibits the expenditure within a fund in excess of the adopted budget.

In accordance with the Kansas Accounting Handbook, all expenditures are accounted for by fund, function, and object. Further accountability is provided by cost center. This system allows effective monitoring of the expenditure of budget appropriations. Monthly reports of budget to actual revenues and expenditures are prepared for management use. Summarized reports are presented to the board of education. Statutory budget control is at the fund level. Internal budget control is at the account level. A comparison of actual to budget revenues and expenditures is included in the Financial Section of this report.

## PROPERTY TAX COLLECTIONS

The determination of assessed valuation and the collection of taxes for all political subdivisions in the state of Kansas is the responsibility of the various counties. The Johnson County Appraiser annually determines the assessed valuation that is used as a basis for the mill levy on property located within the district. The appraiser's determination is based on criteria established by Kansas statute.

Ad valorem tax statements are mailed each November 1 and may be paid in full or one-half on or before December 20, with the remaining one-half due on or before the following May 10. Motor vehicles are assessed on January 1 of the current year, and the tax is due and payable by the end of the month in which the license plate expires. Taxes are distributed to the district as collected by the county treasurer five times per year.

In 1989, all property in the state of Kansas was re-evaluated as a result of a bill passed by the 1985 session of the Kansas legislature which required county appraisers to reassess property effective with January 1, 1991 property taxes. In addition, a November 1986 general election approved a proposition to modify the Kansas constitution with respect to the classification of property for ad valorem taxation.

Tables showing the district's assessed valuation for the most recent ten years, the district's tax collections for the most recent ten years, and the district's mill levy for the most recent ten years are included in the Statistical Section of this report.

## CASH MANAGEMENT

In accordance with Kansas statutes, idle funds during the year were invested in certificates of deposit, U.S. Treasury Bills, and Repurchase Agreements. Demand deposits are held in interest-bearing accounts. The rate earned on demand deposits was forty basis points under the 91-day T-bill rate. Rates earned on certificates of deposit and repurchase agreements were solicited by phone quotes. T-bill yields were based on current market conditions on the day of investment.

The average yield on maturing investments was approximately .433% in 2017. This is net of funds held in demand deposits and compensating balance requirements. In accordance with Kansas statutes, investment revenues for 2017 were recorded in the following funds:

General	\$ 83,832
Debt Service	29,467
Capital Outlay	6,998
Capital Project	606,091
Health Care Reserve	16,431
Food Service	5,192
Special Liability	9,046
<b>Total</b>	<b><u>\$ 757,057</u></b>

The governmental funds account for all of this total (see page 17).

## RISK MANAGEMENT

The district is insured for general property damage and liability coverage through various policies as follows:

Coverage	Limits	Deductible/ Retention
Property / Inland Marine / Automobile Physical Damage	\$1,221,932,456 (\$450,000,000 loss limit)	\$100,000
Boiler & Machinery	\$10,000,000	\$5,000
Liability (General, Employee Benefit, Law Enforcement, Automobile)	\$5,000,000 each occurrence /\$5,000,000 annual aggregate \$5,000,000 each	\$500,000
Liability (School Leaders E&O, Employment Practices)	occurrence /\$5,000,000 annual aggregate	\$500,000
Crime / Employee Dishonesty	\$2,750,000	\$25,000
Cyber Liability	\$1,000,000	\$25,000

It is the opinion of the district administration that property coverage is sufficient to replace lost or damaged items at current replacement value. Various liability policies extend coverage to all employees of the district, including members of the board of education, teachers, student teachers, and volunteer workers when they are acting within the scope of their duties for the district.

Effective July 1, 1992, workers' compensation insurance became self-insured. Based on projections, the district feels the self-insurance fund is adequately funded to cover future claims.

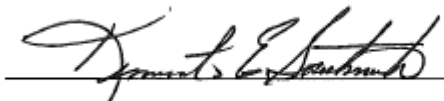
The district is occasionally involved in claims and lawsuits, including claims for unfair or discriminatory personnel practices and personal injury. While these cases may have future financial significance, district management, based on the advice of counsel, believes the ultimate outcome of those various actions will not significantly impact the district's financial position.

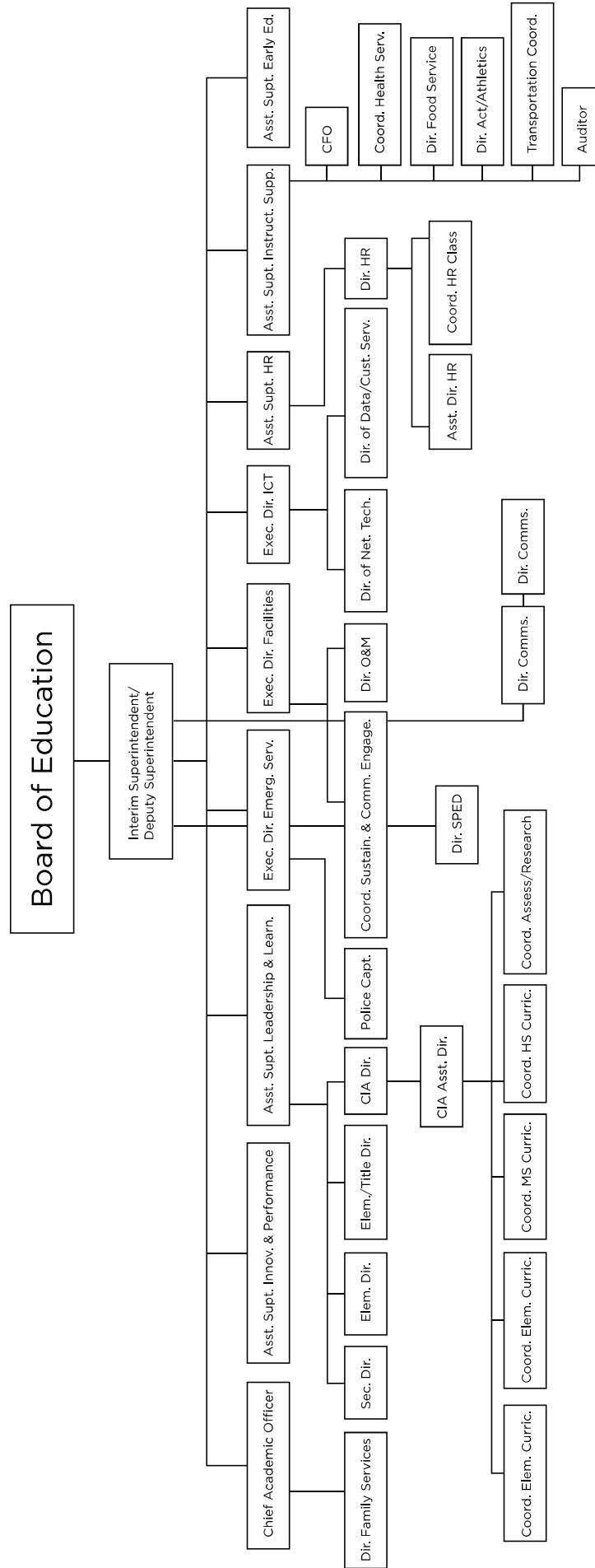
## INDEPENDENT AUDIT

The district's policy is to require an annual, independent audit of the financial statements and in conjunction with that audit, a Single Audit is performed in accordance with federal requirements. For the fiscal year ended June 30, 2017, these audits were performed by the accounting firm of Mize Houser & Company P.A. Their unmodified opinion on the financial statements is included in the Financial Section of this report.

## ACKNOWLEDGMENTS

The preparation of this Comprehensive Annual Financial Report on a timely basis could not have been accomplished without the efficient and dedicated services of the accounting services staff. We wish to express our appreciation to all who assisted in its preparation. We especially thank the staff members of Mize Houser & Company P.A. for their assistance. We also thank the members of the board of education for their interest and support in planning and conducting the financial operations of the district in a responsible and progressive manner.

  
Kenny Southwick, Ed.D., Interim Superintendent of Schools



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## FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Shawnee Mission Unified School District No. 512

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, budgetary comparison information, and the aggregate remaining fund information of the Shawnee Mission Unified School District No. 512 (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Kansas Municipal Audit and Accounting Guide*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, budgetary comparison information, and the aggregate remaining fund information of the Shawnee Mission Unified School District No. 512, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Supplemental General, Special Education, At Risk (K-12) and the KPERS Special Retirement Contribution Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Prior Period Restatement*

As discussed in Note 3.F. to the financial statements, the District modified its capitalization threshold during the year ended June 30, 2017 and retroactively applied the modification to certain capital assets reported in the financial statements at June 30, 2016. Additionally, the District determined that certain items capitalized as of June 30, 2016 should not have been capitalized. As a result of these changes, a restatement was made to the net position at June 30, 2016. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Prior-Year Comparative Information*

The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in conformity with the accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2016, from which such partial information was derived.

The prior year partial comparative information has been derived from the District's financial statements for the year ended June 30, 2016 and, in our report dated October 24, 2016, we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the schedule of changes in the District's total OPEB liability and related ratios on page 50, the schedule of the District's proportionate share of the net pension liability on page 50, and the schedule of District contributions on page 51 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.

### *Other Information*

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

The combining and individual nonmajor fund financial statements, budgetary comparison schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the 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 financial statements as a whole.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Mike Houser: Company PA*

Certified Public Accountants

Lawrence, Kansas  
October 11, 2017

## **Shawnee Mission Unified School District No. 512**

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017**

This section of the Shawnee Mission Unified School District's annual financial report presents its discussion and analysis of the district's financial performance during the fiscal year ended June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the district's financial statements, which immediately follow this section.

#### **Using the Comprehensive Annual Financial Report (CAFR)**

This annual report consists of management's discussion and analysis, the basic financial statements and required supplementary information. These statements are organized so the reader can understand the Shawnee Mission School District as a whole, an entire operating entity. The basic financial statements include two kinds of statements that present different views of the district. The first of the two kinds of statements are the district-wide financial statements. The second kind of financial statements are the fund financial statements.

#### **Reporting the School District as a Whole**

##### District-Wide Financial Statements

The district-wide financial statements include all assets and liabilities of the district using the accrual basis of accounting. This method of accounting is similar to how private sector companies report the results of their operations. These statements take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The first of the district-wide statements is the Statement of Net Position. The Statement of Net Position presents balance information for the entire district operations at a given point in time (June 30, 2017). The assets include all cash and investments; receivables, including taxes assessed that remain uncollected; materials inventory; and capital assets reduced by accumulated depreciation. Liabilities include accounts payable, accrued payroll earnings not yet paid, claims payable, net pension liability and outstanding general obligation debt. This results in a statement that encompasses the entire operations of the Shawnee Mission School District.

Although the Statement of Net Position reports total net position of \$102.5 million, the district has restrictions over the use of these funds. The investment in facilities and equipment is necessary to carry out the mission of the district. Kansas state laws segregate funds and place restrictions on spending. This should be considered when reviewing the report.

The second of the district-wide financial statements is the Statement of Activities. This statement shows the results of operations that caused the net position to change from the prior year to the amount reported on the Statement of Net Position as of June 30, 2017. This statement answers the question, "How did the district do financially during fiscal year 2017?" This change in net position is important because it tells the reader that, for the school district as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors. Most notably, the results are influenced by:

- ◆ the property tax base,
- ◆ operating expenditure limits imposed by Kansas law,
- ◆ building improvements,
- ◆ number of students served, and
- ◆ staffing levels.

The Statement of Activities classifies expenses by functional area. The report also shows corresponding charges for services and restricted grants for each function that helps support the expenses. The resulting Net [Expenses] Revenue and Changes in Net Position shows the remaining expenses not supported by charges for services and restricted grants. General revenues are then applied to the remaining expenses resulting in the total change in net position for the year.

## **Shawnee Mission Unified School District No. 512**

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017**

#### **Reporting the School District's Major Funds**

##### Fund Financial Statements

Financial reports by fund follow the district-wide statements. The major funds are listed separately with all smaller funds aggregated in the column labeled, "Other Governmental Funds." As shown on the reconciliations on page 16, the fund statements differ from the district-wide statements (Statement of Net Position and Statement of Activities) by excluding the following:

- ◆ issuance costs and escrow payments on bonds issued during the year,
- ◆ cost of capital assets less accumulated depreciation,
- ◆ net position of the internal service fund,
- ◆ pension contributions and fundings reported as deferred outflow and inflows,
- ◆ long-term liabilities.

These reports provide more detail about the school district according to the various funds established under Kansas law. Due to the large number of funds, the major funds are listed separately with the remaining funds aggregated into the column labeled, "Other Governmental Funds."

The district's two kinds of funds are governmental and fiduciary funds.

##### Governmental Funds

Most of the district's activities are reported in the governmental funds, which focus on <sup>1)</sup> how cash and other financial assets, that can be readily converted to cash, flow in and out, and <sup>2)</sup> the balances left at year end that are available for spending. The statements show revenue, expenditures and fund balances for each listed fund.

The fund classifications provide additional information about the entity. The general, supplemental general, special education, at-risk and other governmental funds encompass the major operating funds. The capital outlay and capital project funds are the primary source for the purchase of furniture, equipment, and for major repairs and improvements to buildings and grounds. The debt service fund is used to pay outstanding general obligation bonds and related interest charges as they become due. The KPERS special retirement contribution fund is used to account for the inflow and outflow of the State of Kansas' share of the public employee retirement system contributions.

##### Fiduciary Funds

The district's fiduciary fund is an agency fund. Agency funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations and/or other funds. Agency funds include student activity monies at the various schools. The district accounts for these funds with student approval of all expenditures. The district's agency fund is reported on the Statement of Fiduciary Assets and Liabilities – Agency Fund.

#### **Financial Analysis of the District as a Whole**

The district's net position was higher on June 30, 2017, than it was the year before, increasing \$26.4 million to \$102.5 million. The following are the major components of the district's net position.

**Shawnee Mission Unified School District No. 512**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017

**Condensed Statement of Net Position (in millions of dollars)**

	Balance as of 6/30/2017	Balance as of 6/30/2016	Increase (Decrease) from 2016
<b><u>Statement Classifications</u></b>			
Current Assets	\$ 236.1	\$ 177.2	33.24%
Non-Current Assets	597.5	548.0	9.03%
Deferred Outflow of Resources	35.4	11.7	202.56%
<b>Total Assets &amp; Deferred Outflow</b>	<b>\$ 869.0</b>	<b>\$ 736.9</b>	<b>17.93%</b>
Current Liabilities	68.7	65.5	4.89%
Non-Current Liabilities	654.8	568.1	15.26%
Deferred Inflow of Resources	43.0	27.2	58.09%
<b>Total Liabilities &amp; Deferred Inflow</b>	<b>\$ 766.5</b>	<b>\$ 660.8</b>	<b>16.00%</b>
<b>Net Position</b>			
Invested in capital assets, net of related debt	\$ 263.2	\$ 275.4	-4.43%
Restricted	20.2	19.1	5.76%
Unrestricted	-180.9	-218.4	-17.17%
<b>Total Net Position</b>	<b>\$ 102.5</b>	<b>\$ 76.1</b>	<b>34.69%</b>

Total assets and deferred outflows increased \$132.1 million from fiscal year 2016 and total liabilities and deferred inflows increased \$105.7 million. The major changes in net position were due to the following:

1. The capital outlay balances decreased by \$4.8 million as prior year bond proceeds were expended to complete the construction of the Center for Academic Achievement building.
2. The capital projects increased \$57.5 million as \$152.4 million in 2016B construction and refunding bond proceeds were received as well as the district continues construction projects funded from \$118,625,000 in general obligation refunding and improvement bonds issued in fiscal year 2015.
3. The fund balance of twenty-six other funds had a net increase of \$5.1 million. The majority of this increase is due to supplemental general balance increasing \$3.9 million and debt service balance increasing \$1.2 million due to assessed valuation increasing 6.6%.
4. Capital assets increased \$49.5 million based on the completion and construction in progress of capital projects and capital purchases from the capital outlay fund.
5. The net change of deferred outflows and inflows of resources is an increase of \$8.6 million. Deferred outflows of resources related to pensions increased by \$24.1 million and deferred inflows of resources related to pensions increased \$15.5 million. These changes are referenced in footnote 4A.
6. Pension liability decreased \$32.4 million as the district's covered employee payroll decreased.
7. The net OPEB obligation liability increased \$1.3 million according to the District's OPEB actuarial study.
8. Bonds payable and related accrued interest payable increased by \$120.6 million as the district issued \$152.4 million 2016B bonds and paid the bond debt schedule.



## Shawnee Mission Unified School District No. 512

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017

The total costs of all programs and services amounted to \$326.4 million. The following table shows the breakdown of total costs by functional area:

<b>Expense Function</b>	<b>Fiscal Year 2017</b>	<b>Fiscal Year 2016</b>	<b>Increase (Decrease) from 2016</b>
Instruction	47.7%	53.5%	-5.8%
Student Support Services	4.5%	4.8%	-0.3%
Instructional Support	3.0%	3.0%	0.0%
General Administration	0.8%	0.9%	-0.1%
School Administration	4.2%	4.7%	-0.5%
Operations and Maintenance	21.1%	14.6%	6.5%
Student Transportation Services	3.2%	2.9%	0.3%
Food Service Operations	3.2%	3.4%	-0.2%
Student Activities	1.3%	1.3%	0.0%
Business Services	3.9%	4.4%	-0.5%
State Payments	2.8%	2.9%	-0.1%
Interest on Long-Term Debt	4.3%	3.6%	0.7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>

The district provided a salary increase in 2016-17 which increased most program cost however the cost was offset by turnover savings from retirements and terminations, freezing positions during the year and eliminating positions. The operations and maintenance program increased 6.5%. Capital outlay increased in fiscal year 2017 as the Center for Academic Achievement and other projects are being constructed. Student Transportation Services increased 0.3% due to a contractual increase in fees. The increase in interest on long-term debt is due to a higher outstanding debt amount as 2016B bond issuance debt was added to the schedule in fiscal year 2017.

**Shawnee Mission Unified School District No. 512**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017

**Changes in Net Position from Operating Results (in millions of dollars)**

	<b>Fiscal Year</b>	<b>Fiscal Year</b>	<b>Increase</b>
	<b>2017</b>	<b>2016</b>	<b>(Decrease)</b>
			<b>from 2016</b>
<b>Revenues:</b>			
Program revenues			
Charges for services	\$9.3	\$11.6	-19.8%
Operating grants and contributions	86.0	49.8	72.7%
General revenues			
Property taxes	130.9	120.3	8.8%
Grants and entitlements not restricted to specific programs	133.2	133.2	0.0%
Investment earnings	0.8	0.2	0.0%
Miscellaneous	2.9	3.1	-6.5%
<b>Total Revenues</b>	<b>\$363.1</b>	<b>\$318.2</b>	<b>14.1%</b>
<b>Expenses:</b>			
Instruction	\$155.9	\$166.4	-6.3%
Student Support Services	14.6	15.1	-3.3%
Instructional Support	9.7	9.2	5.4%
General Administration	2.8	2.6	7.7%
School Administration	13.7	14.5	-5.5%
Operations and Maintenance	68.7	45.5	51.0%
Student Transportation Services	10.4	9.1	14.3%
Food Service Operations	10.4	10.7	-2.8%
Student Activities	4.2	4.2	0.0%
Business and Central Support	12.8	13.7	-6.6%
State Payment	9.2	9.2	0.0%
Interest on Long-Term Debt	14.0	11.4	22.8%
<b>Total Expenses</b>	<b>\$326.4</b>	<b>\$311.6</b>	<b>4.7%</b>
<b>Special item - Capital Asset Impairment</b>	<b>(6.9)</b>	<b>0</b>	
<b>Increase (decrease) in net position</b>	<b>\$29.8</b>	<b>\$6.6</b>	
<b>Net Position – Beginning</b>	<b>\$76.1</b>	<b>\$72.4</b>	
<b>Restatement</b>	<b>(3.4)</b>	<b>(2.9)</b>	
<b>Net Position - Ending</b>	<b>\$102.5</b>	<b>\$76.1</b>	

## **Shawnee Mission Unified School District No. 512**

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017**

The table, shown above, details the district's changes in net position for the year. Total receipts exceeded expenditures, increasing net position \$26.4 million over fiscal year 2016. The district's total revenues were \$363.1 million. Property taxes and grants and entitlements not restricted to specific programs accounted for most of the district's revenue, with property taxes contributing 36.1%, and unrestricted grants and entitlements contributing 36.7%. Another 23.7% came from operating grants and contributions, and the remaining 3.5% from fees for charges for services, investment earnings and miscellaneous sources. The most notable changes from the preceding year (on a total dollar basis) include:

- Property taxes increased 8.8%. The overall tax rate increased from 54.059 mills to 54.940, a 1.6% increase, and the assessed valuation increased 6.6%.
- Charges for services decreased 19.8% due to a one-time \$2.2 health settlement refund received in FY16.
- Operating grants and contributions increased 72.7%. In FY17 an adjustment of \$33.6 million was made for actual non-employer contributions per KPERS GASB 68 report.
- Instructional expenditures decreased 6.3%. The district provided a salary increase in 2016-17 which increased most program cost however the cost was offset by turnover savings from retirements and terminations, freezing positions during the year and eliminating positions.
- The operations and maintenance program increased 51.0%. Capital outlay increased in fiscal year 2017 as the Center for Academic Achievement and other projects are being constructed.
- Student transportation services increased 14.3% due to contractual fee increases with the transportation company.
- The increase in interest on long-term debt is due to a higher outstanding debt amount as 2016B bond issuance debt was added to the schedule in fiscal year 2017.

## Shawnee Mission Unified School District No. 512

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017

The table presented below presents the cost of twelve major district activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the district's taxpayers by each of these functions.

#### Net Cost of Governmental Activities (in millions of dollars)

<u>Expense Function</u>	<u>Total Cost of Services</u>	<u>Net Cost</u>
Instruction	\$155.9	\$104.8
Student Support Services	14.6	7.4
Instructional Support	9.7	7.2
General Administration	2.8	2.0
School Administration	13.7	13.5
Operations and Maintenance	68.7	68.1
Student Transportation Services	10.4	3.1
Food Service Operations	10.4	-4.1
Student Activities	4.2	3.1
Business and Central Support	12.8	12.3
State Payment	9.2	-0.2
Interest on Long-Term Debt	14.0	13.9
<b>Total</b>	<b>\$326.4</b>	<b>\$231.1</b>

- ◆ Costs of \$9.3 million were financed by users of the district's programs.
- ◆ Federal and state governments subsidized certain programs with grants and contributions totaling \$86.0 million.
- ◆ Most of the district's net cost of services of \$231.1 million was financed by district and state taxpayers.
- ◆ The governmental activities portion was financed with \$130.9 million in property taxes, \$133.2 million of grants and entitlements not restricted to specific programs and \$3.7 million in investment earnings and miscellaneous sources.

**Shawnee Mission Unified School District No. 512**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**Financial Analysis of the District's Funds**

As the district completed the year, its governmental funds reported combined fund balances of \$198.0 million; an increase from last year's ending fund balance of \$140.5 million. Revenues of \$329.8 million plus other financing of \$143.2 million exceeded expenditures of \$415.5 million.

	<b>Revenues</b>	<b>Expenditures</b>	<b>Other Financing</b>	<b>End Bal</b>
General	\$102.3	(\$102.6)	\$0.0	\$0.4
Supplemental General	51.1	(32.7)	(14.4)	4.3
AtRisk	38.2	(38.2)	0.0	0.0
AtRisk 4 yr old	0.3	(0.3)	0.0	0.0
Bilingual	2.1	(2.1)	0.0	0.0
In-Service	0.1	(0.1)	0.0	0.0
Special Education	26.8	(41.6)	14.2	15.5
Vocational	3.2	(3.1)	0.0	0.0
Student Materials	0.7	(0.7)	0.0	0.3
Textbook Rental	0.9	(0.7)	0.0	3.6
Special Liability	0.0	(0.4)	0.0	2.0
KPERS Retirement	14.2	(14.2)	0.0	0.0
Health Care Reserve	0.2	(0.2)	0.0	0.0
Gate Receipts	0.7	(0.9)	0.0	0.4
Contingency Reserve	0.0	0.0	0.0	5.6
Cost of Living	6.5	(6.0)	0.0	0.7
Federal and State Grants	6.8	(6.6)	0.0	1.3
<b>Total Basic Education</b>	<b>\$254.1</b>	<b>(\$250.4)</b>	<b>(\$0.2)</b>	<b>\$34.1</b>
Parent education	\$0.4	(\$0.6)	\$0.2	\$0.0
Summer School	0.5	(0.4)	0.0	0.9
Adult Supplemental	0.0	0.0	0.0	0.0
Declining Enrollment	3.5	(3.2)	0.0	0.3
Extraordinary School	0.1	(0.0)	0.0	0.3
<b>Total Expanded Education</b>	<b>\$4.5</b>	<b>(\$4.2)</b>	<b>\$0.2</b>	<b>\$1.5</b>
Capital Outlay	\$31.8	(\$56.6)	\$19.9	\$28.5
Capital Projects	0.6	(66.0)	122.9	109.3
Debt Service	27.6	(26.8)	0.4	20.3
Special Assessments	0.1	(0.7)	0.0	0.5
<b>Total Capital</b>	<b>\$60.1</b>	<b>(\$150.1)</b>	<b>\$143.2</b>	<b>\$158.6</b>
Food service	11.1	(10.8)	0.0	3.8
<b>Total</b>	<b>\$329.8</b>	<b>(\$415.5)</b>	<b>\$143.2</b>	<b>\$198.0</b>

## Shawnee Mission Unified School District No. 512

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017

The major changes in fund balances were:

1. The special education fund balance decreased \$0.6 million. The school finance law permits operating balances to be carried over in this fund. Operating expenditures exceeded revenue during 2017 primarily due to one-time transfer of \$0.6 million to self-funded workers compensation fund to meet state requirements.
2. The capital outlay balances decreased by \$4.8 million as prior year bond proceeds were expended to complete the construction of the Center for Academic Achievement building.
3. The capital projects increased \$57.5 million as \$152.4 million in 2016B construction and refunding bond proceeds were received as well as the district continues construction projects funded from \$118,625,000 in general obligation refunding and improvement bonds issued in fiscal year 2015.

### Analysis of Budget Variations

The original budget for general fund revenues was \$172.2 million, and the final budget was \$164.2 million. Actual general fund revenue exceeded the final budget by \$1.6 million.

The original general fund expenditure budget including transfers was \$172.2 million and the final budget was \$165.8 million. The actual expenditure matched the final budget.

### Capital Asset and Debt Administration

#### Capital Assets

By the end of 2017, the district had invested \$597.5 million in a broad range of capital assets, including school buildings, athletic facilities, computer equipment, and administrative offices. This amount represents a net increase of \$49.5 million, net of depreciation. **See Notes to the Basic Financial Statements – Note 3B for further information.**

	<b>Assets As Of June 30, 2017</b>
Land	\$ 11.7
Art work	0.4
Construction in progress	130.7
Buildings and improvements	579.2
Equipment	37.3
Accumulated Depreciation	[161.8]
Total	<u>\$ 597.5</u>

#### Long-Term Debt

Moody's Investors Services had rated the Shawnee Mission School District effective May 9, 2017 at a rating of Aaa. Kansas law limits the amount of outstanding indebtedness. The current limit is approximately \$524 million, and the district has \$430.8 million outstanding at June 30, 2017. **See Notes to the Basic Financial Statements – Note 3C for further information.**

#### Contacting the District's Financial Management

This financial report is designed to provide the district's citizens, taxpayers, customers, and investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Services Division, Shawnee Mission School District, Center for Academic Achievement, 8200 W. 71<sup>st</sup> Street, Shawnee Mission, Kansas 66204.

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF NET POSITION  
June 30, 2017

	Total Governmental Activities
Assets and Deferred Outflows of Resources	
Current assets:	
Cash and cash equivalents	\$ 96,011,961
Investments	132,924,300
Receivables	
Taxes	1,605,896
Interest	278,778
Other	4,916,191
Material and supplies inventory	345,300
Total current assets	<u>236,082,426</u>
Noncurrent assets:	
Nondepreciable capital assets	142,800,902
Depreciable capital assets	616,528,364
Less: Accumulated depreciation	<u>[161,817,630]</u>
Total noncurrent assets	<u>597,511,636</u>
Total assets	<u>833,594,062</u>
Deferred outflows of resources	
Pension contributions subsequent to the measurement date	14,766,230
Pension - net difference between projected and actual earnings on pension plan investments	20,398,921
Deferred charge on bond issuance	227,556
Total deferred outflows of resources	<u>35,392,707</u>
Total assets and deferred outflows of resources	<u>\$ 868,986,769</u>
Liabilities and Deferred Inflows of Resources	
Liabilities:	
Current liabilities:	
Accounts payable	\$ 13,258,839
Accrued payroll, payroll withholdings and taxes	17,888,439
Accrued interest payable	3,682,619
Claims payable	966,420
Long-term liabilities	
Due within one year	<u>32,843,153</u>
Total current liabilities	<u>68,639,470</u>
Noncurrent liabilities:	
Claims payable	525,787
Health care reserve	2,693,782
Net OPEB obligation	14,913,209
Net pension liability	225,850,028
Long-term liabilities	
Due in more than one year	<u>410,819,111</u>
Total noncurrent liabilities	<u>654,801,917</u>
Total liabilities	<u>723,441,387</u>
Deferred Inflows of Resources	
Unavailable revenue - property taxes	1,605,896
Unavailable revenue - fees	2,450
Pension - differences between expected and actual experience	10,662,711
Pension - changes in assumption	408,363
Pension - changes in proportion	<u>30,337,016</u>
Total deferred inflows of resources	<u>43,016,436</u>
Total liabilities and deferred inflows of resources	<u>\$ 766,457,823</u>
Net Position	
Net investment in capital assets	\$ 263,162,281
Restricted for:	
Debt service	20,261,052
Unrestricted	<u>[180,894,387]</u>
Total net position	<u>\$ 102,528,946</u>

The notes to the basic financial statements are an integral part of this statement.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2017

		Program Revenues		Net [Expenses] Revenue and Changes in Net Position
			Operating Grants and Contributions	Total Governmental Activities
	Expenses	Charges for Services		
<b>Governmental activities:</b>				
Instruction	\$ 155,970,852	\$ 4,232,886	\$ 46,924,890	\$ [104,813,076]
Student support services	14,580,344	-	7,145,886	[7,434,458]
Instructional support	9,688,922	-	2,456,885	[7,232,037]
General administration	2,760,096	-	763,411	[1,996,685]
School administration	13,713,788	-	259,605	[13,454,183]
Operations and maintenance	68,745,764	-	606,723	[68,139,041]
Student transportation services	10,445,501	-	7,393,254	[3,052,247]
Food service operations	10,411,807	5,072,842	9,470,435	4,131,470
Student activities	4,221,791	-	1,155,672	[3,066,119]
Business and central support services	12,761,937	-	488,509	[12,273,428]
State payment	9,150,732	-	9,315,746	165,014
Interest on long-term debt	13,982,644	-	-	[13,982,644]
Total school district	<u>\$ 326,434,178</u>	<u>\$ 9,305,728</u>	<u>\$ 85,981,016</u>	<u>[231,147,434]</u>
<b>General Revenues:</b>				
Property taxes levied for				
General purposes				73,816,830
Debt service				27,531,410
Capital outlay				29,608,162
Grants and entitlements not restricted to specific programs				133,184,363
Investments earnings				757,057
Miscellaneous				<u>2,887,305</u>
Subtotal general revenues				<u>267,785,127</u>
Special items				
Capital asset impairment losses				<u>[6,880,895]</u>
Total general revenues and special items				<u>260,904,232</u>
Change in net position				<u>29,756,798</u>
Net position - beginning, as originally stated				76,130,902
Restatements to beginning net position				<u>[3,358,754]</u>
Net position - beginning, as restated				<u>72,772,148</u>
Net position - ending				<u>\$ 102,528,946</u>

The notes to the basic financial statements are an integral part of this statement.



## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2017

	General	Debt Service	Supplemental General	Special Education	Capital Outlay	At Risk (K-12)	KPERS Special Retirement Contribution	Capital Project	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>										
Cash and cash equivalents	\$ 14,627,824	\$ 11,735,112	\$ 4,548,013	\$ 18,202,410	\$ 29,925,498	\$ 322,375	\$ -	\$ 563,072	\$ 13,487,657	\$ 93,411,961
Investments	-	8,500,000	-	-	-	-	-	114,424,300	10,000,000	132,924,300
Receivables										
Taxes	-	352,749	771,870	-	354,736	-	-	-	126,541	1,605,896
Interest	-	25,940	-	-	-	-	-	252,838	-	278,778
Other	-	-	-	-	-	-	4,916,191	-	-	4,916,191
Material and supplies inventory	336,530	-	-	-	-	-	-	-	8,770	345,300
Due from other funds	32,979	-	-	-	-	-	-	-	-	32,979
<b>Total assets</b>	<b>\$ 14,997,333</b>	<b>\$ 20,613,801</b>	<b>\$ 5,319,883</b>	<b>\$ 18,202,410</b>	<b>\$ 30,280,234</b>	<b>\$ 322,375</b>	<b>\$ 4,916,191</b>	<b>\$ 115,240,210</b>	<b>\$ 23,622,968</b>	<b>\$ 233,515,405</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Accounts payable	\$ 361,797	\$ -	\$ 219,840	\$ 271,748	\$ 1,515,548	\$ -	\$ 4,916,191	\$ 5,927,301	\$ 46,414	\$ 13,258,839
Health care reserve	-	-	-	-	-	-	-	-	2,693,782	2,693,782
Accrued payroll, payroll withholdings and taxes	14,279,435	-	-	2,448,422	-	322,375	-	-	838,207	17,888,439
Due to other funds	-	-	-	-	-	-	-	-	32,979	32,979
<b>Total liabilities</b>	<b>14,641,232</b>	<b>-</b>	<b>219,840</b>	<b>2,720,170</b>	<b>1,515,548</b>	<b>322,375</b>	<b>4,916,191</b>	<b>5,927,301</b>	<b>3,611,382</b>	<b>33,874,039</b>
<b>Deferred inflows of resources:</b>										
Unavailable revenue - student fees	-	-	-	-	-	-	-	-	2,450	2,450
Unavailable revenue - property taxes	-	352,749	771,870	-	354,736	-	-	-	126,541	1,605,896
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>352,749</b>	<b>771,870</b>	<b>-</b>	<b>354,736</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,991</b>	<b>1,608,346</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>14,641,232</b>	<b>352,749</b>	<b>991,710</b>	<b>2,720,170</b>	<b>1,870,284</b>	<b>322,375</b>	<b>4,916,191</b>	<b>5,927,301</b>	<b>3,740,373</b>	<b>35,482,385</b>
<b>Fund balance:</b>										
Nonspendable	336,530	-	-	-	-	-	-	-	8,770	345,300
Restricted	-	20,261,052	-	15,482,240	26,859,478	-	-	109,312,909	19,589,569	191,505,248
Assigned	8,505	-	92,492	-	1,550,472	-	-	-	284,256	1,935,725
Unassigned	11,066	-	4,235,681	-	-	-	-	-	-	4,246,747
<b>Total fund balances</b>	<b>356,101</b>	<b>20,261,052</b>	<b>4,328,173</b>	<b>15,482,240</b>	<b>28,409,950</b>	<b>-</b>	<b>-</b>	<b>109,312,909</b>	<b>19,882,595</b>	<b>198,033,020</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 14,997,333</b>	<b>\$ 20,613,801</b>	<b>\$ 5,319,883</b>	<b>\$ 18,202,410</b>	<b>\$ 30,280,234</b>	<b>\$ 322,375</b>	<b>\$ 4,916,191</b>	<b>\$ 115,240,210</b>	<b>\$ 23,622,968</b>	<b>\$ 233,515,405</b>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES

June 30, 2017

Total Governmental Fund Balances		\$ 198,033,020
Amounts reported for governmental activities in the statement of net position are different because		
Issuance costs and escrow payments are shown as current year expenditures in the funds.		227,556
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
The cost of capital assets is	759,329,266	
Accumulated depreciation is	<u>161,817,630</u>	597,511,636
An internal service fund is used by the District's management to charge the costs of the workers' compensation program. The assets and liabilities of the internal service fund are included with governmental activities.		1,107,793
Pension contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.		35,165,151
Pension fundings are reported as a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.		[41,408,090]
The following liabilities, including bonds and leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. These liabilities at year end consist of:		
Bonds and leases payable	443,662,264	
Net OPEB obligation	14,913,209	
Net pension liability	225,850,028	
Accrued interest on the bonds	<u>3,682,619</u>	<u>[688,108,120]</u>
Net Position of Governmental Activities		<u>\$ 102,528,946</u>

The notes to the basic financial statements are an integral part of this statement.

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2017

	General	Debt Service	Supplemental General	Special Education	Capital Outlay	At Risk (K-12)	KPERS Special Retirement Contribution	Capital Project	Other Governmental Funds	Total Governmental Funds
REVENUES:										
Taxes	\$ -	\$ 27,531,410	\$ 51,100,237	\$ -	\$ 29,608,162	\$ -	\$ -	\$ -	\$ 10,065,791	\$ 118,305,600
Intergovernmental	100,357,876	-	-	26,730,253	-	38,106,746	14,184,842	-	17,609,326	196,989,043
Charges for services	1,995,254	-	-	-	-	-	-	-	7,310,474	9,305,728
Investment revenue	83,832	29,467	-	-	6,998	-	-	606,091	30,669	757,057
Other local sources	-	-	-	33,345	2,225,397	47,584	-	-	2,133,195	4,439,521
Total revenues	102,436,962	27,560,877	51,100,237	26,763,598	31,840,557	38,154,330	14,184,842	606,091	37,149,455	329,796,949
EXPENDITURES:										
Current										
Instruction	49,690,881	-	19,714,179	30,665,386	2,044,947	37,179,379	9,925,136	-	9,913,169	159,133,077
Student support services	7,327,608	-	265,167	4,755,452	52,811	253,788	947,547	-	1,396,906	14,999,279
Instructional support staff	6,672,755	-	-	228,398	47,114	72,839	504,980	-	2,331,927	9,858,013
General administration	1,940,716	-	390,853	-	25,480	-	106,386	-	337,904	2,801,339
School administration	12,734,092	-	-	117,252	-	190,144	917,759	37,798	123,821	14,120,866
Operations and maintenance	10,290,279	-	10,354,077	-	3,869,217	237,549	1,005,705	-	650,113	26,406,940
Student transportation services	4,087,972	-	-	5,811,452	-	220,631	4,255	-	271,857	10,396,167
Food service operations	-	-	-	-	-	-	316,322	-	10,147,710	10,464,032
Student activities	2,789,931	-	-	-	204,677	-	-	-	1,238,319	4,232,927
Business and central support services	7,185,964	-	1,983,989	13,356	2,503,274	-	456,752	210,567	505,863	12,859,765
State payment	-	-	-	-	-	-	-	-	9,150,732	9,150,732
Capital outlay	-	-	-	-	27,810,157	-	-	65,707,524	733,860	94,251,541
Debt service										
Principal retirement	-	15,130,000	-	-	18,439,539	-	-	-	-	33,569,539
Interest and other charges	-	11,654,074	-	-	1,588,017	-	-	-	-	13,242,091
Total expenditures	102,720,198	26,784,074	32,708,265	41,591,296	56,585,233	38,154,330	14,184,842	65,955,889	36,802,181	415,486,308
Excess [deficiency] of revenue over [under] expenditures	[283,236]	776,803	18,391,972	[14,827,698]	[24,744,676]	-	-	[65,349,798]	347,274	[85,689,359]
OTHER FINANCING SOURCES [USES]										
Transfers in	-	-	-	14,232,325	-	-	-	-	231,470	14,463,795
Transfers out	-	-	[14,463,795]	-	-	-	-	-	-	[14,463,795]
General obligation bonds issued	-	428,764	-	-	19,884,109	-	-	122,870,523	-	143,183,396
Total other financing sources [uses]	-	428,764	[14,463,795]	14,232,325	19,884,109	-	-	122,870,523	231,470	143,183,396
Net change in fund balance	[283,236]	1,205,567	3,928,177	[595,373]	[4,860,567]	-	-	57,520,725	578,744	57,494,037
FUND BALANCE - Beginning of year	639,337	19,055,485	399,996	16,077,613	33,270,517	-	-	51,792,184	19,303,851	140,538,983
FUND BALANCE - End of year	\$ 356,101	\$ 20,261,052	\$ 4,328,173	\$ 15,482,240	\$ 28,409,950	\$ -	\$ -	\$ 109,312,909	\$ 19,882,595	\$ 198,033,020

The notes to the basic financial statements are an integral part of this statement.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2017

Total Net Change In Fund Balances - Governmental Funds		\$ 57,494,037
Amounts reported for governmental activities in the statement of activities are different because		
Bond issuance costs and payments to escrow for advance refunding are recorded as expenditures in the fund financial statements. However, for the statement of net position, these costs are shown as assets and amortized over the life of the bonds.		2,241,164
Capital outlays to purchase or build assets are reported in governmental funds as expenditures either under the heading Capital Outlay or their appropriate functional category. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period. The difference between the amount per this reconciliation and the amount per the Statement of Revenues, Expenditures and Changes in Fund Balances is attributable to amounts posted to another functional category less amounts below the District's capitalization threshold.		
Capital outlays	90,875,368	
Depreciation expense	<u>[15,111,434]</u>	75,763,934
In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the capital assets sold.		
Proceeds from sale of capital assets	[2,072,470]	
Loss on sale of capital assets	<u>[13,922,153]</u>	[15,994,623]
Impaired capital assets that will no longer be used by the government should be reported at the lower of carrying value or fair value. In the statement of activities, the loss from the impairment of capital assets is reported as a Special Item. This year, the capital asset impairment loss was \$6,880,895.		[6,880,895]
In the statement of activities, other post employment benefits are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used. This year, the current year increase in net other post employment benefit obligation for the year was \$1,313,996.		[1,313,996]
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest increased.		[740,553]
Bond and lease proceeds and premium are other financing sources in the governmental funds, but they increase long-term liabilities in the statement of net position and do not affect the statement of activities.		[155,610,154]
An internal service fund is used by the district's management to charge the costs of the workers' compensation program to the individual funds. The net revenue of the internal service fund is reported with governmental activities.		274,233
Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities		7,350,782
Pension funding grant revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		33,603,330
Repayment of bond and lease principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		<u>33,569,539</u>
Changes In Net Position of Governmental Activities		<u>\$ 29,756,798</u>

The notes to the basic financial statements are an integral part of this statement.

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
GENERAL FUND  
For the Year Ended June 30, 2017  
(With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016		June 30, 2017				Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental							
General aid	\$ 99,793,698	\$100,357,876	\$ 30,949,750	\$ 131,307,626	\$ 133,432,636	\$ 125,572,087	\$ 5,735,539
Special education aid	-	-	18,264,684	18,264,684	18,205,750	18,205,750	58,934
KPERS aid	-	-	14,184,842	14,184,842	20,339,228	20,339,228	[6,154,386]
Total intergovernmental	99,793,698	100,357,876	63,399,276	163,757,152	171,977,614	164,117,065	[359,913]
Investment income	50,100	83,832	-	83,832	70,000	70,000	13,832
Charges for services	4,139,216	1,995,254	-	1,995,254	150,000	-	1,995,254
Total revenues	103,983,014	102,436,962	63,399,276	165,836,238	172,197,614	164,187,065	1,649,173
EXPENDITURES:							
Instruction	53,172,538	49,690,881	[1,975,473]	47,715,408	42,663,871	42,663,871	[5,051,537]
Student support	7,046,912	7,327,608	[6,829]	7,320,779	6,994,164	6,994,164	[326,615]
Instructional support staff	6,275,733	6,672,755	[163,188]	6,509,567	6,566,521	6,566,521	56,954
General administration	1,950,610	1,940,716	-	1,940,716	1,894,246	1,894,246	[46,470]
School administration	12,679,157	12,734,092	[3,734]	12,730,358	12,507,050	12,507,050	[223,308]
Operations and maintenance	10,215,610	10,290,279	-	10,290,279	10,674,457	10,674,457	384,178
Student transportation services	3,116,682	4,087,972	-	4,087,972	4,232,594	4,232,594	144,622
Student activities	2,808,258	2,789,931	[433]	2,789,498	-	-	[2,789,498]
Business and central support services	6,902,934	7,185,964	[3,332]	7,182,632	7,033,719	7,033,719	[148,913]
Adjustment to Comply with Legal Maximum Budget	-	-	-	-	-	[6,364,361]	[6,364,361]
Total expenditures	104,168,434	102,720,198	[2,152,989]	100,567,209	92,566,622	86,202,261	[14,364,948]
Excess [deficiency] of revenues over [under] expenditures	[185,420]	[283,236]	65,552,265	65,269,029	79,630,992	77,984,804	[12,715,775]
OTHER FINANCING SOURCES [USES]:							
Transfers out	-	-	[65,276,013]	[65,276,013]	[79,640,961]	[79,640,961]	14,364,948
Total other financing sources [uses]	-	-	[65,276,013]	[65,276,013]	[79,640,961]	[79,640,961]	14,364,948
Net change in fund balance	[185,420]	[283,236]	276,252	[6,984]	\$ [9,969]	\$ [1,656,157]	\$ 1,649,173
FUND BALANCE - Beginning of year	814,787	639,337	[629,368]	9,969			
Prior year cancelled encumbrances	9,970	-	8,081	8,081			
FUND BALANCE - End of year	\$ 639,337	\$ 356,101	\$ [345,035]	\$ 11,066			

The notes to the basic financial statements are an integral part of this statement.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SUPPLEMENTAL GENERAL FUND  
For the Year Ended June 30, 2017  
(With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016	June 30, 2017						Variance with Final Budget
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts			Positive [Negative]
					Original	Final		
REVENUES:								
Taxes:								
In process	\$ 794,260	\$ 1,269,731	\$ -	\$ 1,269,731	\$ 632,291	\$ 632,291	\$ 637,440	
Current	33,639,916	41,529,418	12,650,802	54,180,220	50,930,030	50,930,030	3,250,190	
Delinquent	626,536	416,372	-	416,372	236,326	236,326	180,046	
Motor vehicle	6,212,592	6,199,470	-	6,199,470	6,170,099	6,170,099	29,371	
Rental excise	105,466	112,821	-	112,821	-	-	112,821	
Intergovernmental:								
Supplemental general aid	3,013,316	1,572,425	-	1,572,425	1,572,425	1,572,425	-	
Total revenues	44,392,086	51,100,237	12,650,802	63,751,039	59,541,171	59,541,171	4,209,868	
EXPENDITURES:								
Instruction	14,817,888	19,714,179	69,306	19,783,485	19,870,738	19,870,738	87,253	
Student support	259,756	265,167	-	265,167	325,800	325,800	60,633	
General administration	436,746	390,853	-	390,853	290,000	290,000	[100,853]	
School administration	1,500	-	-	-	-	-	-	
Operations and maintenance	9,447,295	10,354,077	[25,232]	10,328,845	10,676,070	10,676,070	347,225	
Business and central support services	2,269,372	1,983,989	[78,928]	1,905,061	2,550,505	2,550,505	645,444	
Total expenditures	27,232,557	32,708,265	[34,854]	32,673,411	33,713,113	33,713,113	1,039,702	
Excess [deficiency] of revenues over [under] expenditures	17,159,529	18,391,972	12,685,656	31,077,628	25,828,058	25,828,058	5,249,570	
OTHER FINANCING SOURCES [USES]:								
Transfers out	[19,122,673]	[14,463,795]	[12,650,802]	[27,114,597]	[26,074,895]	[26,074,895]	[1,039,702]	
Total other financing sources [uses]	[19,122,673]	[14,463,795]	[12,650,802]	[27,114,597]	[26,074,895]	[26,074,895]	[1,039,702]	
Net change in fund balance	[1,963,144]	3,928,177	34,854	3,963,031	\$ [246,837]	\$ [246,837]	\$ 4,209,868	
FUND BALANCE - Beginning of year	2,351,625	399,996	[153,159]	246,837				
Prior year cancelled encumbrances	11,515	-	25,813	25,813				
FUND BALANCE - End of year	\$ 399,996	\$ 4,328,173	\$ [92,492]	\$ 4,235,681				

The notes to the basic financial statements are an integral part of this statement.

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SPECIAL EDUCATION FUND  
For the Year Ended June 30, 2017  
(With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016	June 30, 2017					
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
					Original	Final	
REVENUES:							
Intergovernmental:							
Federal	\$ 7,208,887	\$ 8,465,102	\$ -	\$ 8,465,102	\$ 7,182,776	\$ 7,182,776	\$ 1,282,326
State and local	17,834,719	18,265,151	[18,264,684]	467	4,500	4,500	[4,033]
Total intergovernmental	25,043,606	26,730,253	[18,264,684]	8,465,569	7,187,276	7,187,276	1,278,293
Other local funds	16	33,345	-	33,345	1,799,000	1,799,000	[1,765,655]
Total revenues	25,043,622	26,763,598	[18,264,684]	8,498,914	8,986,276	8,986,276	[487,362]
EXPENDITURES:							
Instruction	30,528,149	30,665,386	[110,910]	30,554,476	31,044,363	31,044,363	489,887
Student support services	4,856,064	4,755,452	-	4,755,452	4,904,779	4,904,779	149,327
Instructional support	222,461	228,398	-	228,398	223,790	223,790	[4,608]
School administration	111,698	117,252	-	117,252	114,942	114,942	[2,310]
Business and central support services	15,072	13,356	-	13,356	10,775	10,775	[2,581]
Operations and maintenance	-	-	-	-	9,855	9,855	9,855
Student transportation services	5,097,119	5,811,452	-	5,811,452	5,591,028	5,591,028	[220,424]
Total expenditures	40,830,563	41,591,296	[110,910]	41,480,386	41,899,532	41,899,532	419,146
Excess [deficiency] of revenues over [under] expenditures	[15,786,941]	[14,827,698]	[18,153,774]	[32,981,472]	[32,913,256]	[32,913,256]	[68,216]
OTHER FINANCING SOURCES [USES]:							
Transfers in	18,892,358	14,232,325	18,264,684	32,497,009	31,029,763	31,029,763	1,467,246
Total other financing sources [uses]	18,892,358	14,232,325	18,264,684	32,497,009	31,029,763	31,029,763	1,467,246
Net change in fund balance	3,105,417	[595,373]	110,910	[484,463]	\$ [1,883,493]	\$ [1,883,493]	\$ 1,399,030
FUND BALANCE - Beginning of year	12,921,334	16,077,613	[171,406]	15,906,207			
Prior year cancelled encumbrances	50,862	-	60,496	60,496			
FUND BALANCE - End of year	\$ 16,077,613	\$ 15,482,240	\$ -	\$ 15,482,240			

The notes to the basic financial statements are an integral part of this statement.

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 AT RISK (K-12) FUND  
 For the Year Ended June 30, 2017  
 (With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016			June 30, 2017			Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
State and local	\$ 38,938,707	\$ 38,106,746	\$ [38,106,746]	\$ -	\$ -	\$ -	\$ -
Other local sources	30,214	47,584	-	47,584	40,000	40,000	7,584
Total revenues	38,968,921	38,154,330	[38,106,746]	47,584	40,000	40,000	7,584
EXPENDITURES:							
Instruction	38,047,330	37,179,379	-	37,179,379	45,850,320	45,850,320	8,670,941
Student support services	235,071	253,788	-	253,788	315,542	315,542	61,754
Instructional support staff	54,428	72,839	-	72,839	1,150	1,150	[71,689]
School administration	185,187	190,144	-	190,144	185,807	185,807	[4,337]
Operations and maintenance	234,688	237,549	-	237,549	235,495	235,495	[2,054]
Student transportation services	212,291	220,631	-	220,631	178,900	178,900	[41,731]
Total expenditures	38,968,995	38,154,330	-	38,154,330	46,767,214	46,767,214	8,612,884
Excess [deficiency] of revenues over [under] expenditures	[74]	-	[38,106,746]	[38,106,746]	[46,727,214]	[46,727,214]	8,620,468
OTHER FINANCING SOURCES [USES]:							
Transfers in	-	-	38,106,746	38,106,746	46,727,214	46,727,214	[8,620,468]
Total other financing sources [uses]	-	-	38,106,746	38,106,746	46,727,214	46,727,214	[8,620,468]
Net change in fund balance	[74]	-	-	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year,	74	-	-	-			
FUND BALANCE - End of year	\$ -	\$ -	\$ -	\$ -			

The notes to the basic financial statements are an integral part of this statement.



## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 KPERS SPECIAL RETIREMENT CONTRIBUTION FUND  
 For the Year Ended June 30, 2017  
 (With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016		June 30, 2017				Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
State and local	\$ 14,272,374	\$ 14,184,842	\$ [14,184,842]	\$ -	\$ -	\$ -	\$ -
Total revenues	14,272,374	14,184,842	[14,184,842]	-	-	-	-
EXPENDITURES:							
Instruction	9,986,381	9,925,136	-	9,925,136	14,359,495	14,359,495	4,434,359
Student support services	953,385	947,547	-	947,547	1,352,559	1,352,559	405,012
Instructional support staff	508,104	504,980	-	504,980	748,484	748,484	243,504
General administration	107,044	106,386	-	106,386	164,747	164,747	58,361
School administration	923,423	917,759	-	917,759	1,303,745	1,303,745	385,986
Operations and maintenance	1,011,911	1,005,705	-	1,005,705	1,344,423	1,344,423	338,718
Student transport services	4,282	4,255	-	4,255	6,101	6,101	1,846
Food service	318,274	316,322	-	316,322	406,785	406,785	90,463
Business and central support services	459,570	456,752	-	456,752	652,889	652,889	196,137
Total expenditures	14,272,374	14,184,842	-	14,184,842	20,339,228	20,339,228	6,154,386
Excess [deficiency] of revenues over [under] expenditures	-	-	[14,184,842]	[14,184,842]	[20,339,228]	[20,339,228]	6,154,386
OTHER FINANCING SOURCES [USES]:							
Transfers in	-	-	14,184,842	14,184,842	20,339,228	20,339,228	[6,154,386]
Total other financing sources [uses]	-	-	14,184,842	14,184,842	20,339,228	20,339,228	[6,154,386]
Net change in fund balance	-	-	-	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	-	-	-	-			
FUND BALANCE - End of year	\$ -	\$ -	\$ -	\$ -			

The notes to the basic financial statements are an integral part of this statement.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 June 30, 2017 and 2016

	Internal Service Workers' Compensation Fund	
	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,600,000	\$ 2,000,000
Total assets	<u>\$ 2,600,000</u>	<u>\$ 2,000,000</u>
Liabilities		
Current liabilities:		
Accrued claims payable	\$ 966,420	\$ 706,234
Total current liabilities	<u>966,420</u>	<u>706,234</u>
Noncurrent liabilities:		
Accrued claims payable	<u>525,787</u>	<u>460,206</u>
Total noncurrent liabilities	<u>525,787</u>	<u>460,206</u>
Total liabilities	<u>\$ 1,492,207</u>	<u>\$ 1,166,440</u>
Net position		
Unrestricted	\$ 1,107,793	\$ 833,560
Total net position	<u>\$ 1,107,793</u>	<u>\$ 833,560</u>

The notes to the basic financial statements are an integral part of this statement.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
For the Year Ended June 30, 2017 and 2016

	Internal Service Workers' Compensation Fund Year Ended June 30,	
	2017	2016
Operating revenues		
Other local sources	\$ 1,744,062	\$ 1,871,114
Miscellaneous	-	35,047
Total operating revenues	<u>1,744,062</u>	<u>1,906,161</u>
Operating expenses		
General government	<u>1,469,829</u>	<u>852,750</u>
Total operating expenses	<u>1,469,829</u>	<u>852,750</u>
Net income	274,233	1,053,411
Net position, Beginning of year	<u>833,560</u>	<u>[219,851]</u>
Net position, End of year	<u>\$ 1,107,793</u>	<u>\$ 833,560</u>

The notes to the basic financial statements are an integral part of this statement.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 For the Year Ended June 30, 2017 and 2016

	Internal Service Workers' Compensation Fund Year Ended June 30,	
	2017	2016
Cash flows from operating activities		
Cash paid to other suppliers of goods or services	\$ [1,144,062]	\$ [906,161]
Other operating receipts	<u>1,744,062</u>	<u>1,906,161</u>
Net cash [used in] operating activities	<u>600,000</u>	<u>1,000,000</u>
Net increase [decrease] in cash and cash equivalents	600,000	1,000,000
Cash and cash equivalents, Beginning of year	<u>2,000,000</u>	<u>1,000,000</u>
Cash and cash equivalents, End of year	<u>\$ 2,600,000</u>	<u>\$ 2,000,000</u>
Reconciliation of operating [loss] to net cash [used in] operating activities		
Operating income	\$ 274,233	\$ 1,053,411
Adjustments to reconcile operating [loss] to net cash [used in] operating activities		
Increase [decrease] in claims payable	<u>325,767</u>	<u>[53,411]</u>
Net cash [used in] operating activities	<u>\$ 600,000</u>	<u>\$ 1,000,000</u>

The notes to the basic financial statements are an integral part of this statement.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND

June 30, 2017 and 2016

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
ASSETS:		
Cash and cash equivalents	<u>\$ 2,025,632</u>	<u>\$ 2,259,443</u>
Total assets	<u>\$ 2,025,632</u>	<u>\$ 2,259,443</u>
LIABILITIES		
Due to student organizations	<u>\$ 2,025,632</u>	<u>\$ 2,259,443</u>
Total liabilities	<u>\$ 2,025,632</u>	<u>\$ 2,259,443</u>

The notes to the basic financial statements are an integral part of this statement.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Shawnee Mission Unified School District No. 512 (the District), governed by a publicly elected seven-member Board of Education, provides public education to approximately 27,516 students in the northeast Johnson County, Kansas area. The District is a legally separate entity, is fiscally independent, and is not a component of any governmental unit.

As required by generally accepted accounting principles (GAAP), the financial statements present data for all funds of the District.

According to GAAP, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units. The District has no component units, in addition, the District is not included in any other governmental "reporting entity" as defined by GAAP.

**B. Government-wide and fund financial statements**

The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the District as a whole. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. All activities of the District are governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Taxes and other items which are not classified as program revenues are presented as general revenues of the school district.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column in the fund financial statements.

**C. 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. 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 considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement focus, basis of accounting, and financial statement presentation (Concluded)**

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus. Agency funds do, however, use the accrual basis of accounting.

The District reports the following major governmental funds:

The General Fund is used to account for all financial resources applicable to the general operation of the District which are not accounted for in other funds. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund.

The Debt Service Fund is used to account for the accumulation of resources for and the payments of interest and principal on general long-term debt which are general obligations of the District.

The Supplemental General Fund is used to account for revenues and expenditures as authorized by the local option tax budget for the District.

The Special Education Fund is used to account for federal and state aid revenues received and used to assist in the education of handicapped and gifted children of the District.

The At Risk (K-12) Fund is used to account for the expenditures associated with at-risk students to provide them with additional educational opportunities and instructional services to assist in closing the achievement gap.

The KPERS Special Retirement Contribution Fund is used to account for the inflow and outflow of the State of Kansas's share of the public employee retirement system contributions.

The Capital Outlay Fund is used to account for tax revenues which are primarily utilized for the acquisition, construction, reconstruction, repair, remodeling, additions to, furnishing and equipping of district buildings.

The Capital Project Fund is used to account for construction related to the bond issues.

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

Additionally, the District reports the following fund types:

The Internal Service Fund accounts for the financing of goods and services provided to other funds of the District on a cost reimbursement basis and uses the accrual basis of accounting. The District's only internal service fund is the Worker's Compensation Fund. The Internal Service Fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, in this case. All other revenues and expenses not meeting this definition are nonoperating.

The agency funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations and/or other funds. Agency funds include student activity monies at the various schools.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Cash, Cash Equivalents and Investments**

For purpose of the statement of cash flows, cash and cash equivalents includes cash, and short-term investments with original maturities of ninety days or less. Investments are stated at fair value.

**E. Material and Supplies Inventory**

Material and supplies inventory is valued using the average cost method. Inventories recorded in the Food Services Fund consist of purchased commodities. The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed. For fund financial statement reporting the reserve for material and supplies inventory is equal to the amount of inventories on hand to indicate that a portion of fund balance is not available for future expenditures.

**F. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,500. District capital assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10 - 50
Equipment	5 - 15

Assets which have been acquired with funds received through federal grants must be used in accordance with the terms of the grant. Federal regulations require, in some cases, that the District must reimburse the federal government for any assets which the District retains for its own use after the termination of the grant unless otherwise provided for by the grantor.

**G. Vacation and Sick Pay**

Under the terms of the District's personnel policy, District employees are granted vacation and sick leave in varying amounts. In the event of termination, certain non-instructor employees are paid for accumulated vacation days up to the maximum of 40 days. Classified and certified personnel accumulate sick leave at a maximum rate of 10 to 12 days per year. An employee shall be eligible to receive \$40/\$50 for each unused sick day provided that:

1. The employee has used less than 10 days of current sick leave as of June 30 of the current year; and
2. By May 1 of the current year the employee has at least 50 days of accumulated sick leave. In no event shall an employee in any year receive payment for more than 10 days of unused sick leave. The District records vacation days when paid and taken, and sick days when taken. Utilization of accumulated vested vacation by the applicable non-instructor employees in future years will not have a material impact on the District expenditures in any one year.

Compensated absences are reported in governmental funds only if they have matured.



SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. 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 District reports a deferred charge on refunding 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. Additionally, the District reports changes in the pension liability proportion and contributions made to the pension plan after the measurement date of the net pension liability as deferred outflows of resources in the government activities.

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 government funds report unavailable revenues from two sources: property taxes and fees. Differences between expected and actual experience, differences between projected and actual investment earnings and changes in pension liability assumptions and proportions are reported as deferred inflows for governmental activities.

**I. Fund Balance Reserves**

In the fund financial statements, governmental funds report fund balance in the following classifications: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance indicates that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. Assigned fund balances include amounts that are constrained by the District management's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available restricted amounts is considered to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the following is the order in which resources will be expended: committed, assigned and unassigned. The following is the detail for fund balance classifications in the financial statements:

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)**

**I. Fund Balance Reserves (Concluded)**

	Major Governmental Funds						Nonmajor	Total
	General	Debt	Supplemental	Special	Capital	Capital	Governmental	Governmental
	Fund	Service	General	Education	Outlay	Project	Funds	Funds
Fund Balances:								
Nonspendable								
Inventory	\$ 336,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,770	\$ 345,300
Restricted for:								
Debt retirement	-	20,261,052	-	-	-	-	-	20,261,052
Special education instruction	-	-	-	15,482,240	-	-	-	15,482,240
School construction and equipment	-	-	-	-	26,859,478	109,312,909	535,549	136,707,936
Instruction	-	-	-	-	-	-	6,719,407	6,719,407
Operations and maintenance	-	-	-	-	-	-	5,638,052	5,638,052
Food service operations	-	-	-	-	-	-	3,623,792	3,623,792
Student activities	-	-	-	-	-	-	359,672	359,672
Business services	-	-	-	-	-	-	1,967,021	1,967,021
State payment	-	-	-	-	-	-	746,076	746,076
Assigned for:								
School construction and equipment	-	-	-	-	1,090,855	-	2,800	1,093,655
Instruction	7,043	-	61,450	-	6,472	-	81,362	156,327
Student support services	849	-	-	-	-	-	-	849
Instructional support staff	-	-	-	-	-	-	84	84
General administration	-	-	-	-	4,782	-	-	4,782
School administration	302	-	-	-	-	-	-	302
Operations and maintenance	-	-	17,992	-	-	-	-	17,992
Student transportation services	-	-	-	-	-	-	218	218
Student activities	311	-	-	-	-	-	-	311
Business and central support services	-	-	13,050	-	448,363	-	-	461,413
Food service operations	-	-	-	-	-	-	199,792	199,792
Unassigned:	11,066	-	4,235,681	-	-	-	-	4,246,747
Total Fund Balances	\$ 356,101	\$ 20,261,052	\$ 4,328,173	\$ 15,482,240	\$ 28,409,950	\$ 109,312,909	\$ 19,882,595	\$ 198,033,020

**J. Net Position**

In the government-wide financial statements, equity is displayed in three components as follows:

*Net Investment in Capital Assets* - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted* - This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Restricted net position includes \$20,261,052 for debt service.

*Unrestricted* - This consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

**K. 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 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.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

Kansas statutes require that an operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute) and debt service funds. The General Fund and Supplemental General Fund are subject to budgetary limitation by state statute.

Other funds are not subject to statutory limitation. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

Management may not amend the budget without the approval of the board of education. However, state statutes permit management to transfer budgeted amounts between line items within an individual fund without this approval. In addition, the District has policies that require that department heads obtain business office approval prior to making any such transfers. The legal level of budgetary control is at the fund level.

If the board of education elects to amend the budget, it must publish a notice of public hearing in the local newspaper. At least ten days after publication the hearing may be held and the budget may be amended at that time. The budget was not amended for the year ended June 30, 2017.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations lapse at year end, except for capital project funds which are carried forward until such time as the project is completed or terminated. Encumbered appropriations (encumbrances) are reported as expenditures in the current year's budgetary presentation and as reservations of fund balances in the governmental fund financial statements prepared in conformity with accounting principles generally accepted in the United States of America. Accordingly, the actual expenditure data presented in the budgetary comparison statements differ from the data presented in the governmental fund financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

A legal operating budget is not required for capital projects funds, agency funds, and the following special revenue funds: Gate Receipts, Textbook, Contingency Reserve, Health Care Reserve, and Student Material Revolving.

Spending in funds which are not subject to the legal annual operating budget requirements are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the board of education.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Concluded)**

The actual data presented in the budgetary comparison statements differs from the data presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The following is a summary of the effects on the ending fund balances caused by the difference in accounting between the budgetary basis and GAAP.

	Major Governmental Funds						Other	Total
	General	Debt	Supplemental	Special	Capital	Capital	Nonmajor	Governmental
	Fund	Service	General	Education	Outlay	Project	Funds	Funds
GAAP FUND BALANCE June 30, 2017	\$ 356,101	\$ 20,261,052	\$ 4,328,173	\$ 15,482,240	\$ 28,409,950	\$ 109,312,909	\$ 19,882,595	\$ 198,033,020
Adjustments:								
Unreserved fund balances not subject to the Kansas Budget Law:								
Textbook	-	-	-	-	-	-	[3,611,571]	[3,611,571]
Contingency Reserve	-	-	-	-	-	-	[5,638,052]	[5,638,052]
Health Care Reserve	-	-	-	-	-	-	[32,148]	[32,148]
Student Material Revolving	-	-	-	-	-	-	[316,229]	[316,229]
Gate Receipts	-	-	-	-	-	-	[359,672]	[359,672]
Capital Projects	-	-	-	-	-	[110,175,391]	-	[110,175,391]
Interest receivable	-	[25,941]	-	-	-	[252,838]	-	[278,779]
Accounts payable - retainage	-	-	-	-	133,744	1,115,320	-	1,249,064
Reserve for encumbrances	[8,505]	-	[92,492]	-	[1,550,472]	-	[283,157]	[1,934,626]
Reserve for material and supplies inventory	[336,530]	-	-	-	-	-	[8,770]	[345,300]
Total deductions	[345,035]	[25,941]	[92,492]	-	[1,416,728]	[109,312,909]	[10,249,599]	[121,442,704]
BUDGETARY FUND BALANCE June 30, 2017	\$ 11,066	\$ 20,235,111	\$ 4,235,681	\$ 15,482,240	\$ 26,993,222	\$ -	\$ 9,632,996	\$ 76,590,316

**B. Property Taxes**

The assessed valuation of tangible district property (excluding motor vehicles) for taxes billed November 1, 2016 was as follows:

Real estate	\$ 3,324,246,170
Personal property	35,524,582
Utilities	60,017,876
Total assessed valuation	<u>\$ 3,419,788,628</u>

The tax levy per \$1,000 of the assessed valuation of tangible taxable property was as follows:

Fund	Levy (\$ per thousand)
General	\$ 20.000
Special revenue:	
Supplemental General	16.824
Capital Outlay	8.000
Declining Enrollment	0.928
Cost of Living	1.750
Bond and Interest	7.438
Total tax levy	<u>\$ 54.940</u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Concluded)**

**B. Property Taxes (Concluded)**

Taxes are assessed on a calendar year basis, and are levied and become a lien on the property on November 1st in the year of assessment.

The taxes are due upon receipt of the billing, although taxpayers may elect to pay installments on December 20 and May 10. Taxes are distributed to the District as collected by the Johnson County Treasurer five times per year. As of June 30, 2017, the District has received property tax amounting to approximately 100% of the November 1, 2016, property tax levy.

Motor vehicles are assessed at 20% on January 1 of the current year, and the tax is due and payable prior to the renewal of license plates.

**Note 3. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The District's cash is considered to be active funds by management and is invested according to KSA 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county in which the District is located or in an adjacent county and that the bank provide an acceptable rate for active funds.

The District's investments are considered to be idle funds by management and are invested according to KSA 12-1675. The statute requires that the District invest its idle funds in only temporary notes of the District, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury Bills or Notes and the Municipal Investment Pool (KMIP). Maturities of the above investments may not exceed two years by statute.

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the obligations of the Federal National Mortgage Association, federal home loan banks or the Federal Home Loan Mortgage Corporation, repurchase agreements collateralized by direct obligations of the United States government or any agency thereof, investment agreements with a financial institution, which at the time of investment are rated in either of the three highest rating categories by Moody's Investors Service or Standard and Poors Corporation, investments in shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities in direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, federal home loan banks or Federal Home Loan Mortgage Corporation, receipts evidencing ownership interests in securities or portions thereof in direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, federal home loan banks or the Federal Home Loan Mortgage Corporation, and municipal bonds or other obligations issued by a municipality of the State of Kansas. K.S.A. 10-131 prohibits investment in derivatives.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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

At June 30, 2017, the District had the following investments:

	<u>6/30/2017</u>	<u>Rating</u>	Weighted Average <u>Maturity</u>
<b>Investments measured at the net asset value (NAV)</b>			
Kansas Municipal Investments Pool	<u>\$ 76,424,300</u>	S&P AAf/S1+	1 Day
Total investments measured at fair value	<u>\$ 76,424,300</u>		

The Kansas Municipal Investment Pool investments are measured at the net asset value, have an ongoing redemption frequency and liquidity fees or redemption gates are not imposed on any of the investments.

At June 30, 2017, the District had certificates of deposit account registry service balances in the amount of \$38,000,000, as well as traditional certificates of deposit account balances in the amount of \$18,500,000.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 3. DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2017, was as follows:

	Balance June 30, 2016	Restatement*	Balance June 30, 2016 Restated	Additions/ Adjustments	Impairments**	Retirements	Balance June 30, 2017
Governmental activities:							
Nondepreciable assets:							
Land	\$ 9,974,542	\$ -	\$ 9,974,542	\$ 1,803,174	\$ -	\$ [36,595]	\$ 11,741,121
Artwork	384,858	-	384,858	-	-	[29,681]	355,177
Construction in progress	84,043,699	[78,866]	83,964,833	89,723,960	-	[42,984,189]	130,704,604
Depreciable assets:							
Buildings and improvements	548,979,970	-	548,979,970	39,661,768	[6,880,895]	[2,569,501]	579,191,342
Equipment	77,966,374	[11,946,563]	66,019,811	2,670,654	-	[31,353,443]	37,337,022
Totals at historical cost	721,349,443	[12,025,429]	709,324,014	133,859,556	[6,880,895]	[76,973,409]	759,329,266
Less accumulated depreciation for:							
Buildings and improvements	124,587,319	-	124,587,319	12,094,605	-	[962,763]	135,719,161
Equipment	48,780,150	[8,666,676]	40,113,474	3,016,829	-	[17,031,834]	26,098,469
Totals accumulated depreciation	173,367,469	[8,666,676]	164,700,793	15,111,434	-	[17,994,597]	161,817,630
Governmental activities capital assets, net	\$ 547,981,974	\$ [3,358,753]	\$ 544,623,221	\$ 118,748,122	\$ [6,880,895]	\$ [58,978,812]	\$ 597,511,636

\* See explanation for restatement on page 40.

\*\* See explanation for impairments on page 49.

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,448,222
Instructional support	22,394
Student support	61,711
School administration	5,015
Operations and maintenance	13,384,300
Food service	35,976
Business services and central support services	91,638
Student activities	62,178
Total depreciation	\$ 15,111,434

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 3. DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Long - Term Liabilities**

The changes in the District's long-term obligations during the year consisted of the following:

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Amounts Due Within One Year
Governmental activities					
General Obligation Bonds	\$ 315,184,987	\$ 191,311,044	\$ [75,653,136]	\$ 430,842,895	\$ 24,140,154
Temporary Notes	9,144,798	-	[4,558,169]	4,586,629	4,586,629
Capital Leases	-	12,349,110	[4,116,370]	8,232,740	4,116,370
Total governmental activities					
Long-term liabilities	<u>\$ 324,329,785</u>	<u>\$ 203,660,154</u>	<u>\$ [84,327,675]</u>	<u>\$ 443,662,264</u>	<u>\$ 32,843,153</u>

Long-term obligations of the District consist of the following:

	Date Issued	Date Matures	Interest Rate	Original Amount	Outstanding June 30, 2017
General Obligation Bonds					
Debt Service Fund:					
Advance refunding bonds	2/01/96	10/1/19	3.70% to 5.15%	\$ 23,380,000	\$ 5,320,000
General obligation bonds	7/8/08	10/1/19	3.00% to 5.00%	16,441,126	5,311,216
General obligation bonds	11/1/12	10/1/25	1.25% to 5.00%	85,836,627	69,336,126
General obligation and refunding and improvement bonds	6/17/15	10/1/35	3.00% to 5.00%	130,875,378	124,873,675
General obligation and refunding and improvement bonds	10/13/16	10/1/38	3.00% to 5.00%	<u>164,122,286</u>	<u>171,426,936</u>
Subtotal debt service fund				<u>420,655,417</u>	<u>376,267,953</u>
Capital Outlay Fund:					
General obligation bonds	11/13/14	10/1/19	1.25% to 5.00%	21,175,534	10,752,767
General obligation bonds	4/13/16	10/1/20	1.50% to 5.00%	30,095,083	23,938,066
General obligation bonds	6/14/17	4/1/22	2.00 to 5.00%	<u>19,884,109</u>	<u>19,884,109</u>
Subtotal capital outlay fund				<u>71,154,726</u>	<u>54,574,942</u>
Total general obligation bonds payable				<u>\$ 491,810,143</u>	<u>\$ 430,842,895</u>
Temporary Notes					
Capital outlay temporary notes	4/21/14	4/1/18	0.623%	<u>\$ 18,182,739</u>	<u>\$ 4,586,629</u>
Total temporary notes payable				<u>\$ 18,182,739</u>	<u>\$ 4,586,629</u>
Capital Leases					
Computer hardware	5/29/17	5/29/19	0.00%	<u>\$ 12,349,110</u>	<u>\$ 8,232,740</u>
Total capital leases payable				<u>\$ 12,349,110</u>	<u>\$ 8,232,740</u>



SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 3. DETAILED NOTES ON ALL FUNDS (Continued)**

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

The annual debt service requirements to maturity for general obligation bonds, including interest, are as follows:

Year Ending June 30	Principal Due	Interest Due	Totals
2018	\$ 24,140,154	\$ 14,789,077	\$ 38,929,231
2019	26,871,913	13,906,444	40,778,357
2020	27,716,616	12,904,691	40,621,307
2021	24,826,955	12,096,575	36,923,530
2022	25,134,938	11,407,913	36,542,851
2023-2027	76,921,051	49,962,750	126,883,801
2028-2032	89,160,551	35,397,656	124,558,207
2033-2037	108,307,199	15,135,225	123,442,424
2038-2039	27,763,518	524,249	28,287,767
Total	<u>\$ 430,842,895</u>	<u>\$ 166,124,580</u>	<u>\$ 596,967,475</u>

The annual debt service requirements to maturity for capital outlay temporary notes, including interest, are as follows:

Year Ending June 30	Principal Due	Interest Due	Totals
2018	\$ 4,586,629	\$ 21,456	\$ 4,608,085
Total	<u>\$ 4,586,629</u>	<u>\$ 21,456</u>	<u>\$ 4,608,085</u>

The annual debt service requirements to maturity for capital leases, including interest, are as follows:

Year Ending June 30	Principal Due	Interest Due	Totals
2018	\$ 4,116,370	\$ -	\$ 4,116,370
2019	4,116,370	-	4,116,370
Total	<u>\$ 8,232,740</u>	<u>\$ -</u>	<u>\$ 8,232,740</u>

On October 13, 2016, the District issued \$152,385,000, in general obligation refunding and improvement bonds with interest ranging from 3.00% to 5.00%, \$48,394,074 of which was used to current refund the remaining \$48,050,000 balance of the Series 2007-A General Obligation Bonds with interest rates ranging from 4.00% to 5.00%. The transaction resulted in an economic gain of \$7,949,848 and a reduction of \$9,357,933 in future debt payments

The District is subject to Kansas statutes and may issue general obligation bonds for capital improvements upon the approval of a majority of the voters. Remaining debt service requirements for general obligation bonds will be repaid from the Debt Service Fund and Capital Outlay Fund with future tax assessments. Such general obligation indebtedness may not exceed the amount allowed for the District under K.S.A. 72-6761. The District's statutory limit for such bonded indebtedness was about \$524 million at June 30, 2017.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 3. DETAILED NOTES ON ALL FUNDS (Concluded)**

**D. Operating Leases**

The District leases copiers under a noncancelable operating lease. Total costs for this lease was \$629,589 for the year ended June 30, 2017. The future minimum lease payments for the lease are as follows:

Year ending <u>June 30</u>	<u>Amount</u>
2018	\$ 629,589
2019	629,589
2020	<u>52,466</u>
Total	<u>\$ 1,311,645</u>

**E. Net Position**

The amount reported on the statement of net position identified as net investment in capital assets is comprised of the following:

	<u>Governmental Activities</u>
Total net capital assets	\$ 597,511,636
Less:	
Current portion of general obligation bonds, temporary notes and capital leases	[32,843,153]
Noncurrent portion of general obligation bonds, temporary notes and capital leases	[410,819,111]
Add:	
Unspent general obligation bonds proceeds	<u>109,312,909</u>
Net position - net investment in capital assets	<u>\$ 263,162,281</u>

**F. Restatement**

During the year ended June 30, 2017, the District modified its capitalization threshold for individual items from \$1,000 to \$2,500, retroactively applied the modification to capital assets below the threshold placed in service in previous years, and removed them from capital assets. Additionally, the District determined that certain items capitalized as of June 30, 2016 should not have been capitalized. Accordingly, the beginning net position was restated, the effects of which are as follows:

	<u>Governmental Activities</u>
Net Position, June 30, 2016	\$ 76,130,902
Prior Period Adjustment	<u>[3,358,754]</u>
Net Position June 30, 2016, Restated	<u>\$ 72,772,148</u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 4. OTHER INFORMATION**

**A. Defined Benefit Pension Plan**

*Description of Pension Plan.* The District participates in a cost-sharing multiple-employer 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 District are included in the State/School employee group.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at [www.kpers.org](http://www.kpers.org).

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

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

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. 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 10 years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

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

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 4. OTHER INFORMATION (Continued)**

**A. Defined Benefit Pension Plan (Continued)**

*Contributions (Continued).* For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.0% of total payroll for the fiscal year ended June 30, 2016.

The actuarially determined employer contribution rate for school employees was 16.00%. The statutory contribution rate for school employees began at 10.91%. Member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2016 were 6.00% for State/School employees.

Legislature in the 2015 session authorized issuance of \$1.0 billion in net bond proceeds to improve the funding of the State/School group. The bonds were issued in August 2015 and deposited in the trust fund on August 20, 2015.

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

- State/School
- Local
- Police and 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 allocation percentages for the District's share of the collective pension amounts as of June 30, 2016 and 2015 was based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2016 and 2015, respectively.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2016, the School District's proportion was 3.36%, which was an decrease of .37% from its proportion measured at June 30, 2015.

*Net Pension Liability.* At June 30, 2017 and 2016, the District reported a liability of \$225,850,028 and \$258,252,228, respectively, for its proportionate share of the net pension liability.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

<u>Assumption</u>	<u>Rate</u>
Price inflation	3.00%
Wage inflation	4.00%
Salary increases, including wage increases	4.00 to 16.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	8.00%

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 4. OTHER INFORMATION (Continued)**

**A. Defined Benefit Pension Plan (Continued)**

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

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study conducted for three years ending December 31, 2012.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset</u>	<u>Long-Term Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	47.00%	6.80%
Fixed income	13.00%	1.25%
Yield return	8.00%	6.55%
Real return	11.00%	1.71%
Real estate	11.00%	5.05%
Alternatives	8.00%	9.85%
Short-term investments	<u>2.00%</u>	-0.25%
Total	<u>100.00%</u>	

**Discount Rate.** The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State, School and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups 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 Police & Firemen, and Judges. Future employer contribution rates were also modeled for Police & Firemen and Judges, 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 District's proportionate share of the net pension liability to changes in the discount rate.** The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.00%) or 1-percentage point higher (9.00%) than the current rate:

<u>1% Decrease (7.00%)</u>	<u>Discount rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
\$293,676,085	\$225,850,028	\$168,236,321

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 4. OTHER INFORMATION (Continued)**

**A. Defined Benefit Pension Plan (Concluded)**

*Pension Expense.* For the year ended June 30, 2017, the District recognized pension expense of \$12,204,918, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$ -	\$ 10,662,711
Net differences between projected and actual earnings on investments	20,398,921	-
Pension contributions subsequent to the measurement date	14,766,230	-
Changes in assumptions	-	408,363
Changes in proportion	-	30,337,016
Total	<u>\$ 35,165,151</u>	<u>\$ 41,408,090</u>

\$14,766,230 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Deferred [Inflows] Outflows Amount
2016	\$ [7,753,969]
2017	[7,753,969]
2018	[841,237]
2019	[1,329,977]
2020	[3,330,017]
Total	<u>\$ [21,009,169]</u>

During the last quarter of the 2017 fiscal year, the governor, using the budgetary allotment process, did not make one of the quarterly payments in the amount of \$4,438,094, due to budgetary constraint. When the payment is made, it will be paid directly from the State of Kansas to KPERS and not recorded by the District.

**B. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the District carries commercial insurance. No significant reductions in insurance coverage from that of the prior year have occurred. Settlements have not exceeded insurance coverage for each of the past three years.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 4. OTHER INFORMATION (Continued)**

**B. Risk Management (Concluded)**

The District has established a limited risk management program for workers' compensation. Premiums are paid into the Workers' Compensation Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditure reported in the Workers' Compensation Fund, an internal service fund. As of June 30, 2017, such interfund premiums did not exceed reimbursable expenditures.

Claims liabilities are based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported (IBNR). Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims over a certain amount.

Changes in the balances of claims liabilities for the years ended June 30, 2017 and 2016 are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Unpaid claims, beginning of year	\$ 1,166,440	\$ 1,219,851
Incurred claims (including IBNR)	1,238,875	669,001
Claim payments	<u>[913,108]</u>	<u>[722,412]</u>
Unpaid claims, end of year	<u>\$ 1,492,207</u>	<u>\$ 1,166,440</u>

**C. Interfund Transfers**

K.S.A. 72-6478 allows the transfer of monies between funds. Interfund transfers occurred during the year and were made between the funds identified in the following table to provide sufficient resources to pay the expenditures in the funds receiving the transfer.

<u>Transfers Out:</u>	<u>Transfers In:</u>		
	<u>Special Education</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Supplemental General	<u>\$ 14,232,325</u>	<u>\$ 231,470</u>	<u>\$ 14,463,795</u>
Total	<u>\$ 14,232,325</u>	<u>\$ 231,470</u>	<u>\$ 14,463,795</u>

**D. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 4. OTHER INFORMATION (Continued)**

**D. Contingent Liabilities (Concluded)**

The District's general obligation bond issues are subject to the arbitrage provisions of Section 148 of the Internal Revenue Code. These provisions include the potential for rebates to the Federal Government of the earnings on the bond proceeds in excess of the yield on the bonds. The amounts of any future rebates due on other bonds or temporary notes have not been determined.

The District is a defendant in various lawsuits. The outcome of these lawsuits is not presently determinable. However the resolution of these matters will not likely have a material adverse effect on the financial condition of the District.

**E. Comparative Data/Reclassifications**

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**F. Postemployment Healthcare Plan**

**Plan Description.** The District operates a single employer defined benefit healthcare plan administered by the District. The Employee Benefit Plan (the Plan) provides medical and pharmacy benefits to eligible retirees and their dependents. KSA12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches Medicare eligibility (i.e. age 65). No separate financial report is issued for the Plan.

**Funding Policy.** The contribution requirements of plan participants and the District are established and amended by the District. The required contribution is based on projected pay-as-you-go financing requirements. For the fiscal year ended June 30, 2017, plan participants contributed \$1,106,000 to the Plan (100% of total premiums) through the following required annual contributions:

<u>Coverage</u>	<u>Retiree Contributions</u>		<u>Spousal Contributions</u>	
	<u>Pre-65</u>	<u>Post-65</u>	<u>Pre-65</u>	<u>Post-65</u>
Medical - HMO Plan	\$ 8,968	\$ 6,297	\$ 9,402	\$ 6,351
Medical - PCB PPO Plan	\$ 8,968	\$ 6,297	\$ 9,402	\$ 6,351
Medical - Blue Saver HDHP	\$ 6,578	\$ 4,723	\$ 6,900	\$ 4,791
Medical - BSP PPO Plan	\$ 8,038	\$ 5,688	\$ 8,428	\$ 5,744
Medical - BSP HDHP	\$ 5,935	\$ 4,303	\$ 6,227	\$ 4,371

**Annual OPEB Cost and Net OPEB Obligation.** The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 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 (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the Plan for the year, the amount actually contributed to the plan, and the changes in the District's net OPEB obligation to the Plan:



SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 4. OTHER INFORMATION (Continued)**

**F. Postemployment Healthcare Plan (Continued)**

Annual required contribution	\$ 2,658,427
Interest on Net OPEB Obligation	475,972
ARC Adjustment	<u>[714,403]</u>
Annual OPEB cost (expense)	2,419,996
Benefit payments	<u>1,106,000</u>
Change in net OPEB obligation	1,313,996
Net OPEB obligation - beginning of year	<u>13,599,213</u>
Net OPEB obligation - end of year	<u>\$ 14,913,209</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year ended June 30, 2017 was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>	<u>Percentage Contributed</u>
June 30, 2008	\$ 2,286,858	\$ 842,000	\$ 1,444,858	36.8%
June 30, 2009	2,421,247	1,002,000	2,864,105	41.4%
June 30, 2010	2,420,532	831,000	4,453,637	34.3%
June 30, 2011	2,404,289	1,087,000	5,770,926	45.2%
June 30, 2012	2,964,809	1,036,000	7,699,735	34.9%
June 30, 2013	2,938,293	1,320,000	9,318,028	44.9%
June 30, 2014	2,465,149	925,000	10,858,177	37.5%
June 30, 2015	2,438,146	1,231,000	12,065,323	50.5%
June 30, 2016	2,446,890	913,000	13,599,213	37.3%
June 30, 2017	2,419,996	1,106,000	14,913,209	45.7%

*Funding Status and Funding Progress.* As of the year ended June 30, 2016, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$20,665,943 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$20,665,943. The covered payroll (annual payroll of active employees covered by the plan) was \$125,265,504, and the ratio of the UAAL to the covered payroll was 16.5%.

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 4. OTHER INFORMATION (Continued)**

**F. Postemployment Healthcare Plan (Concluded)**

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan participants 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 the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation for the year ended June 30, 2016, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.5% investment rate of return, which is the rate of the employer's own investments as there are no plan assets and an annual healthcare cost trend of 7% initially, reduced by decrements to an ultimate rate of 5% after six years. The UAAL is being amortized as a level dollar over an open thirty-year period.

**G. Capital Project Fund Expenditures - Budget and Actual (Budgetary Basis)**

The District prepares annual operating budgets for the majority of the governmental funds; however, for the capital projects fund, project-length budgets are prepared. The projects' approved budgets and cumulative expenditures, including encumbrances, as of June 30, 2017, are as follows:

<u>Project Name</u>	<u>Project Budget</u>	<u>Cumulative expenditures through June 30, 2017</u>
Construction Projects	\$ 247,000,000	\$ 136,020,506
Total	<u>\$ 247,000,000</u>	<u>\$ 136,020,506</u>

The \$247 million project was approved by voters in January, 2015 and is intended to address long-term capital improvement needs. Currently, work is underway on many projects included in the plan designed to provide the following enhancements during a 5-year construction cycle:

- Districtwide maintenance projects including HVAC, roofs, flooring, and landscaping
- Equip schools with the District's new safety and security standards;
- Improve athletic facilities and auditoriums including a District aquatics center;
- Provide technology infrastructure improvements to enhance and support the District's digital learning initiative;
- Reconstruct an elementary school in each of the five feeder areas that will also include early childhood classrooms.

**H. Related Party Transaction**

The District contracts with CBIZ, Inc. to provide risk management services, broker services for property and liability insurance and broker services for health insurance. During the fiscal year ended June 30, 2017, a child of a board member worked as the Benefits Coordinator within the District's administrative offices as an employee of CBIZ, Inc. The Benefits Coordinator position is part of the District's agreement with CBIZ, Inc. The District does not consider this to be a conflict of interest per their policies and does not consider the transaction to be material to the audit.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

**Note 4. OTHER INFORMATION (Concluded)**

**I. Tax Abatements**

*Tax Increment Financing (TIF) and Industrial Revenue Bonds (IRB).* Tax revenues for the District are impacted by property tax abatements authorized by outside governmental entities. The District is made up of 14 cities that have statutory authority to use tax abatements. Listed below are the cities' tax abatements that affect the District's tax revenue for the fiscal year ending June 30, 2017. Tax abatements reduce ad valorem property taxes by reducing the assessed value of the property.

<u>Outside Governmental Entity</u>	<u>Abatement Type</u>		<u>Tax Revenue</u>
	<u>TIF</u>	<u>IRB</u>	<u>Reduction for the</u> <u>Fiscal Year</u>
City of Lenexa	\$ 2,594,013	\$ 145,950	\$ 2,739,963
City of Merriam	1,310,355	-	1,310,355
City of Mission	16,026	-	16,026
City of Overland Park	391,721	-	391,721
City of Prairie Village	118,749	-	118,749
City of Roeland Park	445,796	-	445,796
City of Shawnee	99,473	68,186	167,659
City of Westwood	92,030	22,475	114,505
Total			<u>\$ 5,304,774</u>

**J. Special Items & Subsequent Event**

Subsequent to June 30, 2017, the District is scheduled to demolish three former school buildings; Brookwood Elementary, Benninghoven Elementary and Trailwood Elementary, in order to establish space for construction of new school buildings. At June 30, 2017, the book values of the buildings which are scheduled to be demolished were written down to the zero. The write down in the values of these capital assets is shown as an impairment loss of \$6,880,895 on the Statement of Activities.

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SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2017

OTHER POST-EMPLOYMENT BENEFITS

Schedule of Employer Contributions:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation	Percentage Contributed
June 30, 2008	\$ 2,286,858	\$ 842,000	\$ 1,444,858	36.8%
June 30, 2009	2,421,247	1,002,000	2,864,105	41.4%
June 30, 2010	2,420,532	831,000	4,453,637	34.3%
June 30, 2011	2,404,289	1,087,000	5,770,926	45.2%
June 30, 2012	2,964,809	1,036,000	7,699,735	34.9%
June 30, 2013	2,938,293	1,320,000	9,318,028	44.9%
June 30, 2014	2,465,149	925,000	10,858,177	37.5%
June 30, 2015	2,438,146	1,231,000	12,065,323	50.5%
June 30, 2016	2,446,890	913,000	13,599,213	37.3%
June 30, 2017	2,419,996	1,106,000	14,913,209	45.7%

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percent of Payroll (b-a)/(c)
1/1/2007	\$ -	\$ 18,711,048	\$ 18,711,048	0.00%	\$ 153,195,846	12.2%
7/1/2009	-	19,748,645	19,748,645	0.00%	153,410,213	12.9%
7/1/2011	-	23,002,636	23,002,636	0.00%	138,397,176	16.6%
7/1/2013	-	20,818,213	20,818,213	0.00%	130,671,503	15.9%
7/1/2015	-	20,665,943	20,665,943	0.00%	125,265,504	16.5%

KPERS PENSION PLAN:

Schedule of the District's Proportionate Share of the Net Pension Liability  
Last Ten Fiscal Years\*

	June 30, 2017	June 30, 2016
District's proportion of the net pension liability	3.360%	3.730%
District's proportionate share of the net pension liability	\$ 225,850,028	\$ 258,252,228
District's covered employee payroll	\$ 166,944,696	\$ 165,185,936
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	135.28%	156.34%
Plan fiduciary net position as a percentage of the total pension liability	63.27%	61.32%

\* - The amounts presented for each fiscal year were determined as of 12/31.  
Data became available with the inception of GASB 68 during fiscal year  
2015, therefore 10 years of data is unavailable.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512  
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
June 30, 2017

KPERS PENSION PLAN (CONCLUDED):

Schedule of the District's Contributions  
Last Ten Fiscal Years\*

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Contractually required contribution	\$ 14,766,230	\$ 11,038,945
Contributions in relation to the contractually required contribution	<u>14,766,230</u>	<u>11,038,945</u>
Contribution deficiency [excess]	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 166,944,696	\$ 165,185,936
Contributions as a percentage of covered employee payroll	8.84%	6.68%

\* - Data became available with the inception of GASB 68 during fiscal year 2015, therefore 10 years of data is unavailable.

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**COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES**

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SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

**COMBINING STATEMENTS - NONMAJOR SPECIAL REVENUE FUNDS**

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

**BUDGETED FUNDS:**

**Vocational Education Fund:** This fund is used to account for revenues received and expenditures incurred for state and federal vocational education programs, administered in accordance with established guidelines and statutes.

**Declining Enrollment Fund:** This fund is to generate additional revenues for Districts with extraordinary declining enrollment. The District levies a local tax rate and all proceeds are forwarded to the state. In turn, the state adds to the amount of the District's allocation. Approval must be received from the state board of tax appeals.

**Professional Development Fund:** This fund is used to account for state aid revenues received to provide teacher inservice training programs.

**Special Assessment Fund:** This fund is used to account for tax monies collected and expended to other taxing municipalities to pay the District's portion of special assessment taxes on District owned property. The fund is established and maintained in accordance with applicable state statutes.

**Food Service Fund:** This fund is established pursuant to state law to account for all monies received and expended attributable to the food program. The program is administered according to the state plan of child nutrition operations under which federal funds and commodities are received pursuant to federal acts relating to child nutrition. The programs are administered and meals are served on a nonprofit basis.

**Adult Supplemental Education Fund:** This fund is used to account for tuition and fees received which are utilized to offset the cost of an adult education program.

**Bilingual Education Fund:** This fund is used to account for monies received and expended to operate an English Language Learners (ELL) program.

**Summer School Fund:** This fund is used to account for user fees derived from summer school education programs and the expenditures necessary to carry out these programs.

**Parent Education Program Fund:** This fund is used to account for state aid revenues which are used to provide educational training and assistance programs to parents in the District regarding pre-school and selected educational problems of students.

**Extraordinary School Program Fund:** This fund is used to account for monies received and expended for the District's Night School Program, E-School Program, and All Day Kindergarten Program. The Night School Program is used to assist high school students in attaining credits for graduation. This All Day Kindergarten Program is used to account for tuition collected and disbursed by the District for the all-day kindergarten program that it provides. The E-School Program is used by the District for distance learning services that it provides.

**Special Liability Fund:** This fund is used to account for the costs of providing for the District's defense and the defense of employees pursuant to KSA 75-6110 and for the payment of claims and other costs.

**At Risk (4 Year-Old) Fund:** This fund is used to account for the expenditures associated with at-risk 4 year-old students to provide them with additional educational opportunities and instructional services to assist in closing the achievement gap.

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SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

**COMBINING STATEMENTS - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

**BUDGETED FUNDS: (Continued)**

**Cost of Living Fund:** The cost of living fund provides additional budget authority for Districts having high housing costs. Funding is limited to 5% of the general fund. All proceeds from this fund are forwarded to the state and the additional authority is added to the District's general fund budget.

**Federal and Local Grants Fund:** This fund is used to account for revenues and expenditures of programs administered in conjunction with the Education Consolidation and Improvement Act of 1981, Chapter 1, Financial Assistance to Local Agencies to Meet Special Educational Needs of Disadvantaged Children and Chapter 2, Financial Assistance to Local Agencies for Educational Improvement. This fund is also used to account for revenues and expenditures of programs administered in conjunction with the Drug Free Schools and Communities Act and shall be used for drug and alcohol abuse prevention and education programs. Additionally this fund is used to account for revenues and expenditures of programs administered in conjunction with the Elementary and Secondary Education Act of 1965, Title II, Part B, as amended; and shall be used to ensure teachers, staff, and administrators have access to sustained and intensive high-quality professional development. This fund is also used to account for revenues and expenditures of various other federal and local grants and programs.

**NON - BUDGETED FUNDS:**

**Gate Receipts Fund:** This fund is used to account for monies received from athletic and other events, and expended on those events.

**Textbook Fund:** This fund is used to account for textbook fees collected and expenditures incurred in conjunction with the purchase and maintenance of textbooks.

**Contingency Reserve Fund:** This fund is used to account for monies transferred from the general fund in accordance with Kansas statutes (limited to 10% of general fund budget) and expended for contingency purposes.

**Health Care Reserve Fund:** This fund is used to hold in reserve a portion of health insurance premiums paid in accordance with the District's modified cost plus health plan.

**Student Material Revolving Fund:** This fund is used to account for monies collected for materials and supplies purchased by students.

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2017

	Vocational Education	Declining Enrollment	Professional Development	Special Assessment	Food Service	Adult Supplemental Education	Bilingual Education	Summer School	Parent Education Program
<b>ASSETS</b>									
Cash and cash equivalents	\$ 234,820	\$ 278,598	\$ -	\$ 535,549	\$ 3,869,268	\$ 35,421	\$ 101,899	\$ 929,409	\$ 303
Investments	-	-	-	-	-	-	-	-	-
Receivables									
Taxes	-	44,393	-	-	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	8,770	-	-	-	-
<b>Total assets</b>	<b>\$ 234,820</b>	<b>\$ 322,991</b>	<b>\$ -</b>	<b>\$ 535,549</b>	<b>\$ 3,878,038</b>	<b>\$ 35,421</b>	<b>\$ 101,899</b>	<b>\$ 929,409</b>	<b>\$ 303</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 1,889	\$ -	\$ -	\$ -	\$ 13,503	\$ -	\$ 156	\$ 1,290	\$ 303
Health care reserve	-	-	-	-	-	-	-	-	-
Accrued payroll, payroll withholdings and taxes	230,489	-	-	-	32,181	-	101,070	4,642	-
Due to other funds	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>232,378</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,684</b>	<b>-</b>	<b>101,226</b>	<b>5,932</b>	<b>303</b>
<b>Deferred inflows of resources:</b>									
Unavailable revenue - student fees	-	-	-	-	-	-	-	-	-
Unavailable revenue - property taxes	-	44,393	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>44,393</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>232,378</b>	<b>44,393</b>	<b>-</b>	<b>-</b>	<b>45,684</b>	<b>-</b>	<b>101,226</b>	<b>5,932</b>	<b>303</b>
<b>Fund balances:</b>									
Nonspendable	-	-	-	-	8,770	-	-	-	-
Restricted	-	278,598	-	535,549	3,623,792	35,421	-	919,722	-
Assigned	2,442	-	-	-	199,792	-	673	3,755	-
<b>Total fund balances</b>	<b>2,442</b>	<b>278,598</b>	<b>-</b>	<b>535,549</b>	<b>3,832,354</b>	<b>35,421</b>	<b>673</b>	<b>923,477</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 234,820</b>	<b>\$ 322,991</b>	<b>\$ -</b>	<b>\$ 535,549</b>	<b>\$ 3,878,038</b>	<b>\$ 35,421</b>	<b>\$ 101,899</b>	<b>\$ 929,409</b>	<b>\$ 303</b>

See independent auditor's report on the financial statements.

Extraordinary School Program	Special Liability	At Risk (4 Year-Old)	Cost of Living	Federal and Local Grants	Gate Receipts	Textbook	Contingency Reserve	Health Care Reserve	Student Material Revolving	Total Nonmajor Special Revenue Funds
\$ 338,824	\$ -	\$ 39,808	\$ 746,076	\$ 1,720,050	\$ 359,672	\$ 3,612,291	\$ 138,052	\$ 225,930	\$ 321,687	\$ 13,487,657
-	2,000,000	-	-	-	-	-	5,500,000	2,500,000	-	10,000,000
-	-	-	82,148	-	-	-	-	-	-	126,541
-	-	-	-	-	-	-	-	-	-	8,770
<u>\$ 338,824</u>	<u>\$ 2,000,000</u>	<u>\$ 39,808</u>	<u>\$ 828,224</u>	<u>\$ 1,720,050</u>	<u>\$ 359,672</u>	<u>\$ 3,612,291</u>	<u>\$ 5,638,052</u>	<u>\$ 2,725,930</u>	<u>\$ 321,687</u>	<u>\$ 23,622,968</u>
\$ -	\$ -	\$ 2,231	\$ -	\$ 23,170	\$ -	\$ 720	\$ -	\$ -	\$ 3,152	\$ 46,414
-	-	-	-	-	-	-	-	2,693,782	-	2,693,782
1,023	-	37,577	-	431,225	-	-	-	-	-	838,207
-	32,979	-	-	-	-	-	-	-	-	32,979
<u>1,023</u>	<u>32,979</u>	<u>39,808</u>	<u>-</u>	<u>454,395</u>	<u>-</u>	<u>720</u>	<u>-</u>	<u>2,693,782</u>	<u>3,152</u>	<u>3,611,382</u>
144	-	-	-	-	-	-	-	-	2,306	2,450
-	-	-	82,148	-	-	-	-	-	-	126,541
<u>144</u>	<u>-</u>	<u>-</u>	<u>82,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,306</u>	<u>128,991</u>
<u>1,167</u>	<u>32,979</u>	<u>39,808</u>	<u>82,148</u>	<u>454,395</u>	<u>-</u>	<u>720</u>	<u>-</u>	<u>2,693,782</u>	<u>5,458</u>	<u>3,740,373</u>
-	-	-	-	-	-	-	-	-	-	8,770
337,657	1,967,021	-	746,076	1,189,160	359,672	3,611,030	5,638,052	32,148	315,671	19,589,569
-	-	-	-	76,495	-	541	-	-	558	284,256
<u>337,657</u>	<u>1,967,021</u>	<u>-</u>	<u>746,076</u>	<u>1,265,655</u>	<u>359,672</u>	<u>3,611,571</u>	<u>5,638,052</u>	<u>32,148</u>	<u>316,229</u>	<u>19,882,595</u>
<u>\$ 338,824</u>	<u>\$ 2,000,000</u>	<u>\$ 39,808</u>	<u>\$ 828,224</u>	<u>\$ 1,720,050</u>	<u>\$ 359,672</u>	<u>\$ 3,612,291</u>	<u>\$ 5,638,052</u>	<u>\$ 2,725,930</u>	<u>\$ 321,687</u>	<u>\$ 23,622,968</u>

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2017

	Vocational Education	Declining Enrollment	Professional Development	Special Assessment	Food Service	Adult Supplemental Education	Bilingual Education	Summer School	Parent Education Program
REVENUES:									
Taxes	\$ -	\$ 3,469,529	\$ -	\$ 110,118	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,148,474	-	61,854	-	6,048,615	-	2,111,545	-	351,747
Charges for services	3,630	-	-	-	5,072,842	-	-	484,632	-
Investment revenue	-	-	-	-	5,192	-	-	-	-
Other local sources	-	-	-	-	-	-	-	340	-
Total revenues	<u>3,152,104</u>	<u>3,469,529</u>	<u>61,854</u>	<u>110,118</u>	<u>11,126,649</u>	<u>-</u>	<u>2,111,545</u>	<u>484,972</u>	<u>351,747</u>
EXPENDITURES:									
Current									
Instruction	2,669,466	-	-	-	-	-	2,070,821	305,217	-
Student support services	-	-	-	-	-	-	40,610	242	535,817
Instructional support staff	98,671	-	63,052	-	-	-	-	-	47,400
General administration	-	-	-	-	-	-	-	-	-
School administration	29,289	-	-	-	-	-	-	89,547	-
Operations and maintenance	-	-	-	-	650,000	-	-	-	-
Student transportation services	255,731	-	-	-	-	-	-	-	-
Food service operations	-	-	-	-	10,147,710	-	-	-	-
Student activities	96,531	-	-	-	-	-	-	-	-
Business and central support services	-	-	-	-	-	-	-	-	-
State payment	-	3,187,219	-	-	-	-	-	-	-
Capital outlay									
Facility acquisition and construction	-	-	-	680,099	-	-	-	-	-
Total expenditures	<u>3,149,688</u>	<u>3,187,219</u>	<u>63,052</u>	<u>680,099</u>	<u>10,797,710</u>	<u>-</u>	<u>2,111,431</u>	<u>395,006</u>	<u>583,217</u>
Excess [deficiency] of revenues over [under] expenditures	<u>2,416</u>	<u>282,310</u>	<u>[1,198]</u>	<u>[569,981]</u>	<u>328,939</u>	<u>-</u>	<u>114</u>	<u>89,966</u>	<u>[231,470]</u>
OTHER FINANCING SOURCES [USES]:									
Transfers in	-	-	-	-	-	-	-	-	231,470
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231,470</u>
Net change in fund balances	2,416	282,310	[1,198]	[569,981]	328,939	-	114	89,966	-
Fund balance - Beginning of year	<u>26</u>	<u>[3,712]</u>	<u>1,198</u>	<u>1,105,530</u>	<u>3,503,415</u>	<u>35,421</u>	<u>559</u>	<u>833,511</u>	<u>-</u>
Fund balance - End of year	<u>\$ 2,442</u>	<u>\$ 278,598</u>	<u>\$ -</u>	<u>\$ 535,549</u>	<u>\$ 3,832,354</u>	<u>\$ 35,421</u>	<u>\$ 673</u>	<u>\$ 923,477</u>	<u>\$ -</u>

Extraordinary School Program	Special Liability	At Risk (4 Year-Old)	Cost of Living	Federal and Local Grants	Gate Receipts	Textbook	Contingency Reserve	Health Care Reserve	Student Material Revolving	Total Nonmajor Special Revenue Funds
\$ -	\$ 22,382	\$ -	\$ 6,463,762	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,065,791
-	-	304,606	-	5,582,485	-	-	-	-	-	17,609,326
73,464	-	-	-	-	-	940,042	-	-	735,864	7,310,474
-	9,046	-	-	-	-	-	-	16,431	-	30,669
<u>1,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,223,808</u>	<u>689,821</u>	<u>-</u>	<u>-</u>	<u>218,206</u>	<u>-</u>	<u>2,133,195</u>
<u>74,484</u>	<u>31,428</u>	<u>304,606</u>	<u>6,463,762</u>	<u>6,806,293</u>	<u>689,821</u>	<u>940,042</u>	<u>-</u>	<u>234,637</u>	<u>735,864</u>	<u>37,149,455</u>
21,866	-	304,606	-	3,403,876	-	697,277	-	-	440,040	9,913,169
-	-	-	-	820,237	-	-	-	-	-	1,396,906
-	-	-	-	2,111,812	466	-	-	-	10,526	2,331,927
-	158,926	-	-	178,978	-	-	-	-	-	337,904
4,985	-	-	-	-	-	-	-	-	-	123,821
-	-	-	-	113	-	-	-	-	-	650,113
-	-	-	-	16,126	-	-	-	-	-	271,857
-	-	-	-	-	-	-	-	-	-	10,147,710
-	-	-	-	29,966	860,556	-	-	-	251,266	1,238,319
-	275,157	-	-	12,500	-	-	-	218,206	-	505,863
-	-	-	5,963,513	-	-	-	-	-	-	9,150,732
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>41,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>733,860</u>
<u>26,851</u>	<u>434,083</u>	<u>304,606</u>	<u>5,963,513</u>	<u>6,585,608</u>	<u>902,783</u>	<u>697,277</u>	<u>-</u>	<u>218,206</u>	<u>701,832</u>	<u>36,802,181</u>
<u>47,633</u>	<u>[402,655]</u>	<u>-</u>	<u>500,249</u>	<u>220,685</u>	<u>[212,962]</u>	<u>242,765</u>	<u>-</u>	<u>16,431</u>	<u>34,032</u>	<u>347,274</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231,470</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231,470</u>
47,633	[402,655]	-	500,249	220,685	[212,962]	242,765	-	16,431	34,032	578,744
<u>290,024</u>	<u>2,369,676</u>	<u>-</u>	<u>245,827</u>	<u>1,044,970</u>	<u>572,634</u>	<u>3,368,806</u>	<u>5,638,052</u>	<u>15,717</u>	<u>282,197</u>	<u>19,303,851</u>
\$ <u>337,657</u>	\$ <u>1,967,021</u>	\$ <u>-</u>	\$ <u>746,076</u>	\$ <u>1,265,655</u>	\$ <u>359,672</u>	\$ <u>3,611,571</u>	\$ <u>5,638,052</u>	\$ <u>32,148</u>	\$ <u>316,229</u>	\$ <u>19,882,595</u>

See independent auditor's report on the financial statements.

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 VOCATIONAL EDUCATION FUND  
 For the Year Ended June 30, 2017  
 (With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016		June 30, 2017				Variance with
	GAAP	GAAP	Adjustments	Budgetary	Budgeted Amounts		Final Budget
	Basis	Basis	to Budgetary	Basis	Original	Final	Positive
			Basis				[Negative]
REVENUES:							
Intergovernmental:							
State and local	\$ 3,186,527	\$ 3,148,474	\$ [3,148,474]	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	202,025	202,025	[202,025]
Total intergovernmental	3,186,527	3,148,474	[3,148,474]	-	202,025	202,025	[202,025]
Charges for services	10,890	3,630	-	3,630	11,000	11,000	[7,370]
Total revenues	3,197,417	3,152,104	[3,148,474]	3,630	213,025	213,025	[209,395]
EXPENDITURES:							
Instruction	2,739,160	2,669,466	2,201	2,671,667	3,087,238	3,087,238	415,571
Instructional support staff	84,065	98,671	-	98,671	123,147	123,147	24,476
School administration	6,209	29,289	-	29,289	32,460	32,460	3,171
Operations and maintenance	21,857	-	-	-	10,074	10,074	10,074
Student transportation services	273,263	255,731	218	255,949	-	-	[255,949]
Other support services	83,503	96,531	-	96,531	235,300	235,300	138,769
Total expenditures	3,208,057	3,149,688	2,419	3,152,107	3,488,219	3,488,219	336,112
Excess [deficiency] of revenues over [under] expenditures	[10,640]	2,416	[3,150,893]	[3,148,477]	[3,275,194]	[3,275,194]	126,717
OTHER FINANCING SOURCES [USES]:							
Transfers in	-	-	3,148,474	3,148,474	3,275,734	3,275,734	[127,260]
Total other financing sources [uses]	-	-	3,148,474	3,148,474	3,275,734	3,275,734	[127,260]
Net change in fund balance	[10,640]	2,416	[2,419]	[3]	\$ 540	\$ 540	\$ [543]
FUND BALANCE - Beginning of year	7,762	26	[26]	-			
Prior year cancelled encumbrances	2,904	-	3	3			
FUND BALANCE - End of year	\$ 26	\$ 2,442	\$ [2,442]	\$ -			

See independent auditor's report on the financial statements.



SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
DECLINING ENROLLMENT FUND  
For the Year Ended June 30, 2017  
(With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016			June 30, 2017			
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 65,786	\$ 84,800	\$ -	\$ 84,800	\$ 34,994	\$ 34,994	\$ 49,806
Current	2,602,557	2,988,344	-	2,988,344	2,761,258	2,761,258	227,086
Delinquent	30,341	19,939	-	19,939	13,096	13,096	6,843
Motor vehicle	<u>366,237</u>	<u>376,446</u>	<u>-</u>	<u>376,446</u>	<u>381,583</u>	<u>381,583</u>	<u>[5,137]</u>
Total taxes	<u>3,064,921</u>	<u>3,469,529</u>	<u>-</u>	<u>3,469,529</u>	<u>3,190,931</u>	<u>3,190,931</u>	<u>278,598</u>
Total revenues	<u>3,064,921</u>	<u>3,469,529</u>	<u>-</u>	<u>3,469,529</u>	<u>3,190,931</u>	<u>3,190,931</u>	<u>278,598</u>
EXPENDITURES:							
State payment	<u>3,187,219</u>	<u>3,187,219</u>	<u>-</u>	<u>3,187,219</u>	<u>3,187,219</u>	<u>3,187,219</u>	<u>-</u>
Total expenditures	<u>3,187,219</u>	<u>3,187,219</u>	<u>-</u>	<u>3,187,219</u>	<u>3,187,219</u>	<u>3,187,219</u>	<u>-</u>
Net change in fund balance	[122,298]	282,310	-	282,310	<u>\$ 3,712</u>	<u>\$ 3,712</u>	<u>\$ 278,598</u>
FUND BALANCE - Beginning of year	<u>118,586</u>	<u>[3,712]</u>	<u>-</u>	<u>[3,712]</u>			
FUND BALANCE - End of year	<u>\$ [3,712]</u>	<u>\$ 278,598</u>	<u>\$ -</u>	<u>\$ 278,598</u>			

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
PROFESSIONAL DEVELOPMENT FUND  
For the Year Ended June 30, 2017  
(With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016	June 30, 2017					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
State and local	\$ 102,321	\$ 61,854	\$ [61,854]	\$ -	\$ -	\$ -	\$ -
Total revenues	102,321	61,854	[61,854]	-	-	-	-
EXPENDITURES:							
Instructional support staff	105,848	63,052	[1,198]	61,854	429,444	429,444	367,590
Total expenditures	105,848	63,052	[1,198]	61,854	429,444	429,444	367,590
Excess [deficiency] of revenues over [under] expenditures	[3,527]	[1,198]	[60,656]	[61,854]	[429,444]	[429,444]	367,590
OTHER FINANCING SOURCES [USES]:							
Transfers in	-	-	61,854	61,854	429,444	429,444	[367,590]
Total other financing sources [uses]	-	-	61,854	61,854	429,444	429,444	[367,590]
Net change in fund balance	[3,527]	[1,198]	1,198	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	4,455	1,198	[1,198]	-			
Prior year cancelled encumbrances	270	-	-	-			
FUND BALANCE - End of year	\$ 1,198	\$ -	\$ -	\$ -			

See independent auditor's report on the financial statements.

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SPECIAL ASSESSMENT FUND  
For the Year Ended June 30, 2017  
(With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016	June 30, 2017						Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts			
					Original	Final		
REVENUES:								
Taxes:								
In process	\$ 14,858	\$ 8,807	\$ -	\$ 8,807	\$ 4,314	\$ 4,314	\$	4,493
Current	324,661	466	-	466	-	-		466
Delinquent	11,747	5,612	-	5,612	1,633	1,633		3,979
Motor vehicle	125,718	93,124	-	93,124	91,807	91,807		1,317
Rental excise	2,212	2,109	-	2,109	-	-		2,109
Total revenues	479,196	110,118	-	110,118	97,754	97,754		12,364
EXPENDITURES:								
Facility acquisition and construction	493,499	680,099	-	680,099	800,000	800,000		119,901
Total expenditures	493,499	680,099	-	680,099	800,000	800,000		119,901
Net change in fund balance	[14,303]	[569,981]	-	[569,981]	\$ [702,246]	\$ [702,246]	\$	132,265
FUND BALANCE - Beginning of year	1,119,833	1,105,530	-	1,105,530				
FUND BALANCE - End of year	\$ 1,105,530	\$ 535,549	\$ -	\$ 535,549				

See independent auditor's report on the financial statements.

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
FOOD SERVICE FUND

For the Year Ended June 30, 2017  
(With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016	June 30, 2017					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
Federal	\$ 6,019,597	\$ 5,937,017	\$ -	\$ 5,937,017	\$ 5,840,143	\$ 5,840,143	\$ 96,874
State and local	112,111	111,598	-	111,598	95,881	95,881	15,717
Total intergovernmental	6,131,708	6,048,615	-	6,048,615	5,936,024	5,936,024	112,591
Charges for services	5,190,902	5,072,842	-	5,072,842	5,051,255	5,051,255	21,587
Investment revenue	1,077	5,192	-	5,192	-	-	5,192
Total revenues	11,323,687	11,126,649	-	11,126,649	10,987,279	10,987,279	139,370
EXPENDITURES:							
Operations and maintenance	629,645	650,000	-	650,000	650,000	650,000	-
Food service operations	10,266,424	10,147,710	[3,915]	10,143,795	12,693,726	12,693,726	2,549,931
Total expenditures	10,896,069	10,797,710	[3,915]	10,793,795	13,343,726	13,343,726	2,549,931
Net change in fund balance	427,618	328,939	3,915	332,854	\$ [2,356,447]	\$ [2,356,447]	\$ 2,689,301
FUND BALANCE - Beginning of year	2,964,754	3,503,415	[544,475]	2,958,940			
Prior year cancelled encumbrances	111,043	-	331,998	331,998			
FUND BALANCE - End of year	\$ 3,503,415	\$ 3,832,354	\$ [208,562]	\$ 3,623,792			

See independent auditor's report on the financial statements.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
ADULT SUPPLEMENTAL EDUCATION FUND  
For the Year Ended June 30, 2017  
(With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016	June 30, 2017					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-	-	-
EXPENDITURES:							
Instruction	[49]	-	-	-	35,241	35,241	35,241
Total expenditures	[49]	-	-	-	35,241	35,241	35,241
Net change in fund balance	49	-	-	-	\$ [35,241]	\$ [35,241]	\$ 35,241
FUND BALANCE - Beginning of year	35,372	35,421	-	35,421			
FUND BALANCE - End of year	\$ 35,421	\$ 35,421	\$ -	\$ 35,421			

See independent auditor's report on the financial statements.

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 BILINGUAL EDUCATION FUND  
 For the Year Ended June 30, 2017  
 (With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016	June 30, 2017						Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts			
					Original	Final		
REVENUES:								
Intergovernmental:								
State and local	\$ 2,369,998	\$ 2,111,545	\$ [2,111,545]	\$ -	\$ -	\$ -	\$ -	-
Total revenues	2,369,998	2,111,545	[2,111,545]	-	-	-	-	-
EXPENDITURES:								
Instruction	2,048,925	2,070,821	572	2,071,393	2,138,973	2,138,973	67,580	
Student support services	33,802	40,610	-	40,610	40,037	40,037	[573]	
Student transportation services	293,807	-	-	-	-	-	-	-
Total expenditures	2,376,534	2,111,431	572	2,112,003	2,179,010	2,179,010	67,007	
Excess [deficiency] of revenues over [under] expenditures	[6,536]	114	[2,112,117]	[2,112,003]	[2,179,010]	[2,179,010]	67,007	
OTHER FINANCING SOURCES [USES]:								
Transfers in	-	-	2,111,545	2,111,545	2,179,010	2,179,010	[67,465]	
Total other financing sources [uses]	-	-	2,111,545	2,111,545	2,179,010	2,179,010	[67,465]	
Net change in fund balance	[6,536]	114	[572]	[458]	\$ -	\$ -	\$ [458]	
FUND BALANCE - Beginning of year	6,899	559	[559]	-				
Prior year cancelled encumbrances	196	-	458	458				
FUND BALANCE - End of year	\$ 559	\$ 673	\$ [673]	\$ -				

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## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SUMMER SCHOOL FUND

For the Year Ended June 30, 2017  
(With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016		June 30, 2017				Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Charges for services	\$ 449,658	\$ 484,632	\$ -	\$ 484,632	\$ 497,300	\$ 497,300	\$ [12,668]
Other local sources	-	340	-	340	-	-	340
Total revenues	449,658	484,972	-	484,972	497,300	497,300	[12,328]
EXPENDITURES:							
Instruction	317,087	305,217	167	305,384	659,877	659,877	354,493
Student support services	754	242	-	242	2,300	2,300	2,058
School administration	82,733	89,547	-	89,547	95,334	95,334	5,787
Operations and maintenance	-	-	-	-	1,000	1,000	1,000
Total expenditures	400,574	395,006	167	395,173	758,511	758,511	363,338
Net change in fund balance	49,084	89,966	[167]	89,799	\$ [261,211]	\$ [261,211]	\$ 351,010
FUND BALANCE - Beginning of year	782,626	833,511	[4,843]	828,668			
Prior year cancelled encumbrances	1,801	-	1,255	1,255			
FUND BALANCE - End of year	\$ 833,511	\$ 923,477	\$ [3,755]	\$ 919,722			

See independent auditor's report on the financial statements.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
PARENT EDUCATION PROGRAM FUND  
For the Year Ended June 30, 2017  
(With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016	June 30, 2017					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
State and local	\$ 345,255	\$ 351,747	\$ -	\$ 351,747	\$ 367,936	\$ 367,936	\$ [16,189]
Total revenues	345,255	351,747	-	351,747	367,936	367,936	[16,189]
EXPENDITURES:							
Student support services	523,030	535,817	-	535,817	528,181	528,181	[7,636]
Instructional support staff	55,896	47,400	-	47,400	55,036	55,036	7,636
Total expenditures	578,926	583,217	-	583,217	583,217	583,217	-
Excess [deficiency] of revenues over [under] expenditures	[233,671]	[231,470]	-	[231,470]	[215,281]	[215,281]	[16,189]
OTHER FINANCING SOURCES [USES]:							
Transfers in	230,315	231,470	-	231,470	215,281	215,281	16,189
Total other financing sources [uses]	230,315	231,470	-	231,470	215,281	215,281	16,189
Net change in fund balance	[3,356]	-	-	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	2,712	-	-	-			
Prior year cancelled encumbrances	644	-	-	-			
FUND BALANCE - End of year	\$ -	\$ -	\$ -	\$ -			



SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
EXTRAORDINARY SCHOOL PROGRAM FUND  
For the Year Ended June 30, 2017  
(With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016	June 30, 2017					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Charges for services	\$ 79,120	\$ 73,464	\$ -	\$ 73,464	\$ 86,200	\$ 86,200	\$ [12,736]
Other local sources	-	1,020	-	1,020	-	-	1,020
Total revenues	79,120	74,484	-	74,484	86,200	86,200	[11,716]
EXPENDITURES:							
Instruction	75,526	21,866	-	21,866	116,770	116,770	94,904
School administration	3,589	4,985	-	4,985	-	-	[4,985]
Total expenditures	79,115	26,851	-	26,851	116,770	116,770	89,919
Excess [deficiency] of revenues over [under] expenditures	5	47,633	-	47,633	\$ [30,570]	\$ [30,570]	\$ 78,203
FUND BALANCE - Beginning of year	290,019	290,024	-	290,024			
FUND BALANCE - End of year	\$ 290,024	\$ 337,657	\$ -	\$ 337,657			

See independent auditor's report on the financial statements.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SPECIAL LIABILITY FUND  
For the Year Ended June 30, 2017  
(With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016		June 30, 2017				Variance with
	GAAP	GAAP	Adjustments	Budgetary	Budgeted Amounts		Final Budget
	<u>Basis</u>	<u>Basis</u>	<u>to Budgetary</u>	<u>Basis</u>	<u>Original</u>	<u>Final</u>	<u>Positive</u>
			<u>Basis</u>				<u>[Negative]</u>
REVENUES:							
Intergovernmental:							
Taxes	\$ 309,935	\$ 22,382	\$ -	\$ 22,382	\$ 34,020	\$ 34,020	\$ [11,638]
Investment revenue	10,553	9,046	-	9,046	-	-	9,046
Total revenues	<u>320,488</u>	<u>31,428</u>	<u>-</u>	<u>31,428</u>	<u>34,020</u>	<u>34,020</u>	<u>[2,592]</u>
EXPENDITURES:							
General administration	56,645	158,926	-	158,926	1,255,500	1,255,500	1,096,574
Business and central support services	<u>375,511</u>	<u>275,157</u>	<u>-</u>	<u>275,157</u>	<u>-</u>	<u>-</u>	<u>[275,157]</u>
Total expenditures	<u>432,156</u>	<u>434,083</u>	<u>-</u>	<u>434,083</u>	<u>1,255,500</u>	<u>1,255,500</u>	<u>821,417</u>
Net change in fund balance	[111,668]	[402,655]	-	[402,655]	\$ [1,221,480]	\$ [1,221,480]	\$ 818,825
FUND BALANCE - Beginning of year	<u>2,481,344</u>	<u>2,369,676</u>	<u>-</u>	<u>2,369,676</u>			
FUND BALANCE - End of year	<u>\$ 2,369,676</u>	<u>\$ 1,967,021</u>	<u>\$ -</u>	<u>\$ 1,967,021</u>			

See independent auditor's report on the financial statements.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
AT RISK (4 YEAR-OLD) FUND  
For the Year Ended June 30, 2017  
(With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016		June 30, 2017				Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
State and local	\$ 280,594	\$ 304,606	\$ [304,606]	\$ -	\$ -	\$ -	\$ -
Total revenues	280,594	304,606	[304,606]	-	-	-	-
EXPENDITURES:							
Instruction	280,594	304,606	-	304,606	332,900	332,900	28,294
Total expenditures	280,594	304,606	-	304,606	332,900	332,900	28,294
Excess [deficiency] of revenues over [under] expenditures	-	-	[304,606]	[304,606]	[332,900]	[332,900]	28,294
OTHER FINANCING SOURCES [USES]:							
Transfers in	-	-	304,606	304,606	332,900	332,900	[28,294]
Total other financing sources [uses]	-	-	304,606	304,606	332,900	332,900	[28,294]
Net change in fund balance	-	-	-	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	-	-	-	-			
FUND BALANCE - End of year	\$ -	\$ -	\$ -	\$ -			

See independent auditor's report on the financial statements.

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
COST OF LIVING FUND

For the Year Ended June 30, 2017  
(With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016	June 30, 2017						Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts			
					Original	Final		
REVENUES:								
Taxes:								
In process	\$ 77,726	\$ 141,250	\$ -	\$ 141,250	\$ 70,418	\$ 70,418	\$	70,832
Current	5,246,764	5,659,700	-	5,659,700	5,757,516	5,757,516		[97,816]
Delinquent	58,574	43,016	-	43,016	26,296	26,296		16,720
Motor vehicle	536,031	619,796	-	619,796	630,778	630,778		[10,982]
Total taxes	5,919,095	6,463,762	-	6,463,762	6,485,008	6,485,008		[21,246]
Total revenue	5,919,095	6,463,762	-	6,463,762	6,485,008	6,485,008		[21,246]
EXPENDITURES:								
State payment	5,998,237	5,963,513	-	5,963,513	6,730,835	6,730,835		767,322
Total expenditures	5,998,237	5,963,513	-	5,963,513	6,730,835	6,730,835		767,322
Net change in fund balance	[79,142]	500,249	-	500,249	\$ [245,827]	\$ [245,827]	\$	746,076
FUND BALANCE - Beginning of year	324,969	245,827	-	245,827				
FUND BALANCE - End of year	\$ 245,827	\$ 746,076	\$ -	\$ 746,076				

See independent auditor's report on the financial statements.

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
FEDERAL AND LOCAL GRANTS FUND  
For the Year Ended June 30, 2017  
(With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016	June 30, 2017					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
Federal	\$ 4,469,762	\$ 5,582,485	\$ -	\$ 5,582,485	\$ 6,180,905	\$ 6,180,905	\$ [598,420]
Total intergovernmental	4,469,762	5,582,485	-	5,582,485	6,180,905	6,180,905	[598,420]
Other local sources	1,358,855	1,223,808	-	1,223,808	-	-	1,223,808
Total revenues	5,828,617	6,806,293	-	6,806,293	6,180,905	6,180,905	625,388
EXPENDITURES:							
Instruction	3,122,789	3,403,876	[96,888]	3,306,988	2,301,730	2,301,730	[1,005,258]
Student support services	865,890	820,237	[720]	819,517	823,988	823,988	4,471
Instructional support staff	1,652,245	2,111,812	[37,039]	2,074,773	2,698,789	2,698,789	624,016
General administration	54,994	178,978	[267]	178,711	122,570	122,570	[56,141]
Operations and maintenance	1,887	113	-	113	113	-	[113]
Student transportation services	10,479	16,126	-	16,126	-	-	[16,126]
Student activities	51,868	29,966	[3,023]	26,943	13,000	13,000	[13,943]
Business and central support services	-	12,500	-	12,500	-	-	[12,500]
Capital outlay	-	12,000	2,800	14,800	-	-	[14,800]
Total expenditures	5,760,152	6,585,608	[135,137]	6,450,471	5,960,190	5,960,077	[490,394]
Net change in fund balance	68,465	220,685	135,137	355,822	\$ 220,715	\$ 220,828	\$ 134,994
FUND BALANCE - Beginning of year	973,978	1,044,970	[214,329]	830,641			
Prior year cancelled encumbrances	2,527	-	2,697	2,697			
FUND BALANCE - End of year	\$ 1,044,970	\$ 1,265,655	\$ [76,495]	\$ 1,189,160			

See independent auditor's report on the financial statements.

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
DEBT SERVICE FUND  
For the Year Ended June 30, 2017  
(With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016			June 30, 2017			
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 340,651	\$ 599,244	\$ -	\$ 599,244	\$ 298,671	\$ 298,671	\$ 300,573
Current	22,168,389	23,953,880	-	23,953,880	23,404,422	23,404,422	549,458
Delinquent	272,128	187,636	-	187,636	111,554	111,554	76,082
Motor vehicle	2,660,843	2,742,262	-	2,742,262	2,731,504	2,731,504	10,758
Rental excise	45,141	48,388	-	48,388	-	-	48,388
Total taxes	25,487,152	27,531,410	-	27,531,410	26,546,151	26,546,151	985,259
Investment revenue	9,456	29,467	[25,941]	3,526	10,000	10,000	[6,474]
Total revenues	25,496,608	27,560,877	[25,941]	27,534,936	26,556,151	26,556,151	978,785
EXPENDITURES:							
Debt Service							
Principal	17,990,000	15,130,000	-	15,130,000	15,130,000	15,130,000	-
Interest and other charges	9,541,467	11,654,074	-	11,654,074	12,762,977	12,762,977	1,108,903
Total expenditures	27,531,467	26,784,074	-	26,784,074	27,892,977	27,892,977	1,108,903
Excess [deficiency] of revenues over [under] expenditures	[2,034,859]	776,803	[25,941]	750,862	[1,336,826]	[1,336,826]	2,087,688
OTHER FINANCING SOURCES [USES]:							
Refunding bonds issued	-	428,764	-	428,764	-	-	428,764
Total other financing sources [uses]	-	428,764	-	428,764	-	-	428,764
Net change in fund balance	[2,034,859]	1,205,567	[25,941]	1,179,626	\$ [1,336,826]	\$ [1,336,826]	\$ 2,516,452
FUND BALANCE - Beginning of year	21,090,344	19,055,485	-	19,055,485			
FUND BALANCE - End of year	\$ 19,055,485	\$ 20,261,052	\$ [25,941]	\$ 20,235,111			

See independent auditor's report on the financial statements.

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 CAPITAL OUTLAY FUND  
 For the Year Ended June 30, 2017  
 (With Comparative Amounts for the Year Ended June 30, 2016)

	June 30, 2016			June 30, 2017			Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 366,587	\$ 643,916	\$ -	\$ 643,916	\$ 321,249	\$ 321,249	\$ 322,667
Current	23,820,979	25,763,605	-	25,763,605	25,187,148	25,187,148	576,457
Delinquent	288,904	198,969	-	198,969	119,871	119,871	79,098
Motor vehicle	2,864,712	2,949,600	-	2,949,600	2,938,348	2,938,348	11,252
Rental excise	48,610	52,072	-	52,072	-	-	52,072
Total taxes	27,389,792	29,608,162	-	29,608,162	28,566,616	28,566,616	1,041,546
Investment revenue	-	6,998	-	6,998	2,231,156	2,231,156	[2,224,158]
Other local sources	483,415	2,225,397	-	2,225,397	2,231,156	2,231,156	[5,759]
Total revenues	27,873,207	31,840,557	-	31,840,557	33,028,928	33,028,928	[1,188,371]
EXPENDITURES:							
Instruction	2,420,276	2,044,947	[100,613]	1,944,334	2,643,384	2,643,384	699,050
Student support services	36,959	52,811	-	52,811	54,097	54,097	1,286
Instructional support staff	[3,267]	47,114	-	47,114	53,200	53,200	6,086
General administration	-	25,480	4,782	30,262	50,000	50,000	19,738
Operations and maintenance	3,543,937	3,869,217	-	3,869,217	140,607	140,607	[3,728,610]
Other support services	107,594	204,677	-	204,677	1,922,957	1,922,957	1,718,280
Business and central support services	3,288,674	2,503,274	445,851	2,949,125	5,796,384	5,796,384	2,847,259
Facility acquisition and construction	39,129,237	27,810,157	[10,363,971]	17,446,186	19,735,317	19,735,317	2,289,131
Debt Service							
Principal	8,429,886	18,439,539	-	18,439,539	14,323,169	14,323,169	[4,116,370]
Interest and other charges	693,362	1,588,017	-	1,588,017	1,593,018	1,593,018	5,001
Total expenditures	57,646,658	56,585,233	[10,013,951]	46,571,282	46,312,133	46,312,133	[259,149]
OTHER FINANCING SOURCES [USES]:							
General obligation bonds issued	30095083	19,884,109	-	19,884,109	-	-	19,884,109
Total other financing sources [uses]	30,095,083	19,884,109	-	19,884,109	-	-	19,884,109
Net change in fund balance	321,632	[4,860,567]	10,013,951	5,153,384	\$ [13,283,205]	\$ [13,283,205]	\$ 18,436,589
FUND BALANCE - Beginning of year, as originally stated	32,126,821	33,270,517	[17,756,156]	15,514,361			
Prior year cancelled encumbrances	822,064	-	6,325,477	6,325,477			
FUND BALANCE - End of year	\$ 33,270,517	\$ 28,409,950	\$ [1,416,728]	\$ 26,993,222			

See independent auditor's report on the financial statements.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND

For the Year Ended June 30, 2017

	Balance June 30, <u>2016</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2017</u>
Assets - cash and investments	<u>\$ 2,259,443</u>	<u>\$ 3,085,749</u>	<u>\$ 3,319,560</u>	<u>\$ 2,025,632</u>
Liabilities - due to student organizations	<u>\$ 2,259,443</u>	<u>\$ 3,085,749</u>	<u>\$ 3,319,560</u>	<u>\$ 2,025,632</u>

See independent auditor's report on the financial statements.



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## STATISTICAL SECTION

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The Statistical Section is intended to provide a broader and more complete understanding of the physical, economic, social and political characteristics of the District than is possible from the financial statements, notes and supporting schedules presented in the Financial Section. In addition, this section is used, in part, to comply with the continuing disclosure requirements of SEC Rule 15c2-12.

The information presented in this section does not provide full and adequate disclosure of financial information in accordance with accounting principles generally accepted in the United States of America, but is designed to be useful in identifying trends and evaluating the credit worthiness of the District.

<b><u>Contents</u></b>	<b>Page</b>
<b>Financial Trends</b>	<b>75 - 83</b>
These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time	
<b>Revenue Capacity</b>	<b>84 - 90</b>
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	<b>91 - 95</b>
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>96 - 98</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
<b>Operating Information</b>	<b>99 - 101</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

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**SHAWNEE MISSION USD #512, KANSAS**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
<b>Net investment in capital assets</b>										
<b>Restricted</b>	\$ 131,691,815	\$ 202,148,601	\$ 209,641,065	\$ 209,665,197	\$ 231,300,400	\$ 253,330,501	\$ 251,367,186	\$ 267,252,105	\$ 275,444,373	\$ 263,162,281
<b>Unrestricted</b>	16,781,531	18,472,417	18,266,209	18,721,274	18,911,711	20,447,422	19,408,056	21,090,344	19,055,485	20,261,052
<b>Total Net Position</b>	<u>137,679,779</u>	<u>77,939,314</u>	<u>71,341,002</u>	<u>68,426,450</u>	<u>58,173,988</u>	<u>48,372,632</u>	<u>61,443,636</u>	<u>[215,924,714]</u>	<u>[218,368,956]</u>	<u>[180,894,387]</u>
	\$ 286,153,125	\$ 298,560,332	\$ 299,248,276	\$ 296,812,921	\$ 308,386,099	\$ 322,150,555	\$ 332,218,878	\$ 72,417,735	\$ 76,130,902	\$ 102,528,946

Source: Shawnee Mission USD #512 Basic Financial Statements

**TABLE 1**  
**(UNAUDITED)**

TABLE 2  
(UNAUDITED)

**SHAWNEE MISSION USD #512, KANSAS**  
**EXPENSE, PROGRAM REVENUES, AND NET [EXPENSE]/REVENUE**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction	\$ 175,567,231	\$ 184,559,961	\$ 188,221,804	\$ 171,080,693	\$ 172,548,326	\$ 172,142,399	\$ 169,492,144	\$ 169,510,423	\$ 166,460,156	\$ 155,970,852
Student Support Services	15,299,110	16,343,687	15,282,973	14,438,322	14,928,047	15,069,611	14,857,615	14,526,934	15,090,880	14,580,344
Instructional Support	10,293,743	10,565,365	9,610,299	8,574,949	8,115,624	8,085,874	8,702,701	8,574,463	9,239,934	9,688,922
General Administration	1,869,740	1,927,114	2,153,630	2,039,379	1,984,847	2,013,862	2,087,528	2,534,990	2,648,589	2,760,096
School Administration	13,409,796	14,162,217	14,315,622	13,931,653	13,511,466	13,396,373	13,266,480	13,375,735	14,548,696	13,713,788
Operations and Maintenance	36,562,784	38,686,737	36,443,274	43,126,239	44,860,538	41,744,327	43,261,815	43,144,632	45,457,779	68,745,764
Student Transportation Services	9,560,271	9,106,631	8,601,794	8,469,021	9,201,370	9,335,869	9,547,268	8,450,726	9,061,959	10,445,501
Food Service	11,007,453	11,450,798	11,031,971	10,677,553	11,102,506	11,457,954	11,055,516	10,881,124	10,659,695	10,411,807
Student Activities	4,229,698	4,417,319	4,426,435	3,981,855	4,007,704	4,007,889	4,061,388	4,706,058	4,173,907	4,221,791
Business and Central Support Services	13,272,667	13,568,008	13,878,967	11,023,101	10,479,838	9,762,803	10,775,348	12,471,248	13,705,857	12,761,937
State payment	3,788,310	3,307,073	9,714,502	8,554,660	7,202,108	5,911,332	8,532,644	8,319,740	9,185,456	9,150,732
Interest on Long-Term Debt	12,739,612	11,785,703	11,119,808	10,582,206	9,939,082	8,012,807	7,108,025	7,027,298	11,358,782	13,982,644
<b>Total Primary Government Expenses</b>	<b>307,600,415</b>	<b>319,880,613</b>	<b>324,801,079</b>	<b>306,479,631</b>	<b>307,881,456</b>	<b>300,941,100</b>	<b>302,748,472</b>	<b>303,523,371</b>	<b>311,591,690</b>	<b>326,434,178</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for services										
Instruction	5,020,007	6,318,533	6,338,216	6,521,015	7,143,365	7,220,599	7,620,150	6,707,859	6,368,357	4,232,886
Food service operations	7,037,063	7,214,232	6,679,202	6,226,654	5,964,766	5,621,203	5,458,129	5,020,144	5,190,902	5,072,842
Operating grants and contributions	55,096,431	59,515,109	54,171,000	52,599,532	58,708,274	55,814,517	54,960,389	52,691,736	49,750,447	85,981,016
<b>Total Primary Government Program Revenues</b>	<b>67,153,501</b>	<b>73,047,874</b>	<b>67,188,418</b>	<b>65,347,201</b>	<b>71,816,395</b>	<b>68,656,319</b>	<b>68,038,668</b>	<b>64,419,739</b>	<b>61,309,706</b>	<b>95,286,744</b>
<b>Total Primary Government Net [Expense]</b>	<b>\$ [240,446,914]</b>	<b>\$ [246,832,739]</b>	<b>\$ [257,612,661]</b>	<b>\$ [241,132,430]</b>	<b>\$ [236,065,061]</b>	<b>\$ [232,284,781]</b>	<b>\$ [234,709,804]</b>	<b>\$ [239,103,632]</b>	<b>\$ [250,281,984]</b>	<b>\$ [231,147,434]</b>

Source: Shawnee Mission USD #512 Basic Financial Statements

**SHAWNEE MISSION USD #512, KANSAS**  
**GENERAL SCHOOL SYSTEM REVENUES AND TOTAL CHANGE IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Total Primary Government Net [Expense]</b>	<u>\$[240,446,914]</u>	<u>\$[246,832,739]</u>	<u>\$[257,612,661]</u>	<u>\$[241,132,430]</u>	<u>\$[236,065,061]</u>	<u>\$[232,284,781]</u>	<u>\$[234,709,804]</u>	<u>\$[239,103,632]</u>	<u>\$[250,281,984]</u>	<u>\$[231,147,434]</u>
General Revenues and Other Changes in Net Position:										
Property Taxes	171,308,502	173,273,499	174,637,862	172,144,938	168,798,265	166,773,703	166,746,918	120,997,886	120,366,048	130,956,402
Grants and Entitlements not Restricted to										
Specific Programs	82,545,730	84,596,362	81,854,702	81,964,106	76,441,368	77,982,462	80,367,156	132,870,804	133,219,087	133,184,363
Investment Earnings	6,020,733	1,427,724	228,674	44,357	44,892	95,308	23,647	16,013	211,106	757,057
Miscellaneous	1,193,397	1,197,559	1,571,344	1,745,847	2,353,714	1,910,593	1,944,037	2,105,826	3,122,371	2,887,305
Special Items										
Capital asset impairment losses	-	-	-	[7,481,919]	-	[718,519]	[4,287,468]	[7,624,061]	-	[6,880,895]
<b>Total Primary Government</b>	<u>261,068,362</u>	<u>260,495,144</u>	<u>258,292,582</u>	<u>248,417,329</u>	<u>247,638,239</u>	<u>246,043,547</u>	<u>244,794,290</u>	<u>248,366,468</u>	<u>256,918,612</u>	<u>260,904,232</u>
<b>Total Primary Government Change in Net Position</b>	<u>\$ 20,621,448</u>	<u>\$ 13,662,405</u>	<u>\$ 679,921</u>	<u>\$ 7,284,899</u>	<u>\$ 11,573,178</u>	<u>\$ 13,758,766</u>	<u>\$ 10,084,486</u>	<u>\$ 9,262,836</u>	<u>\$ 6,636,628</u>	<u>\$ 29,756,798</u>

Source: Shawnee Mission USD #512 Basic Financial Statements

**TABLE 3**  
**(UNAUDITED)**

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**SHAWNEE MISSION USD #512, KANSAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved	\$ 2,383,284	\$ 2,122,870	\$ 1,963,346	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	62,301	42,193	25,182	-	-	-	-	-	-	-
Nonspendable	-	-	-	905,582	888,847	780,738	688,792	397,155	413,152	336,530
Assigned	-	-	-	329,853	317,516	334,857	559,760	398,215	216,216	8,505
Unassigned	-	-	-	29,262	21,352	26,277	13,971	19,417	9,969	11,066
<b>Total General Fund</b>	<b>\$ 2,445,585</b>	<b>\$ 2,165,063</b>	<b>\$ 1,988,528</b>	<b>\$ 1,264,697</b>	<b>\$ 1,227,715</b>	<b>\$ 1,141,872</b>	<b>\$ 1,262,523</b>	<b>\$ 814,787</b>	<b>\$ 639,337</b>	<b>\$ 356,101</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 82,220,499	\$ 45,910,160	\$ 36,694,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	74,461,770	77,904,670	59,551,483	-	-	-	-	-	-	-
Capital project funds	[1,171,447]	[3,806,001]	455,542	-	-	-	-	-	-	-
Nonspendable	-	-	-	107,725	96,722	189,521	198,557	224,487	183,037	8,770
Restricted	-	-	-	74,713,707	64,056,743	55,705,031	63,221,353	163,838,447	66,788,527	191,505,248
Assigned	-	-	-	17,646,655	19,977,946	15,356,317	24,149,575	30,044,581	72,681,245	1,927,220
Unassigned	-	-	-	1,528,813	1,623,281	2,733,230	1,713,483	2,307,373	246,837	4,235,681
<b>Total All Other Governmental Funds</b>	<b>\$ 155,510,822</b>	<b>\$ 120,008,829</b>	<b>\$ 96,701,479</b>	<b>\$ 93,996,900</b>	<b>\$ 85,754,692</b>	<b>\$ 73,984,099</b>	<b>\$ 89,282,968</b>	<b>\$ 196,414,888</b>	<b>\$ 139,899,646</b>	<b>\$ 197,676,919</b>

Source: Shawnee Mission USD #512 Basic Financial Statements

**TABLE 4**  
**(UNAUDITED)**

**TABLE 5**  
**1 of 2**  
**(UNAUDITED)**

**SHAWNEE MISSION USD #512, KANSAS**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Taxes, Net</b>	\$ 171,308,502	\$ 173,273,500	\$ 174,637,862	\$ 156,898,392	\$ 154,520,287	\$ 153,082,847	\$ 153,155,103	\$ 107,781,277	\$ 107,042,177	\$ 118,305,600
<b>Intergovernmental</b>	130,581,232	138,631,527	135,091,776	148,876,864	148,343,210	146,310,175	147,832,128	197,676,322	194,934,550	196,989,043
<b>Charges for Services</b>	12,057,070	13,532,765	13,017,418	12,747,669	13,108,121	12,841,802	13,078,279	11,728,003	11,559,259	9,305,728
<b>Investment Revenue</b>	6,005,919	1,424,896	228,674	44,357	44,892	95,308	23,647	16,013	211,106	757,057
<b>Other Local Sources</b>	8,254,326	6,677,503	2,505,270	2,086,708	9,171,456	2,593,885	3,577,850	2,413,915	2,629,026	4,439,521
<b>Total revenues</b>	<u>\$ 328,207,049</u>	<u>\$ 333,540,191</u>	<u>\$ 325,481,000</u>	<u>\$ 320,653,990</u>	<u>\$ 325,187,966</u>	<u>\$ 314,924,017</u>	<u>\$ 317,667,007</u>	<u>\$ 319,615,530</u>	<u>\$ 316,376,118</u>	<u>\$ 329,796,949</u>

Source: Shawnee Mission USD #512 Basic Financial Statements



# Shawnee Mission USD #512, Kansas Governmental Funds Revenues Last Ten Fiscal Years

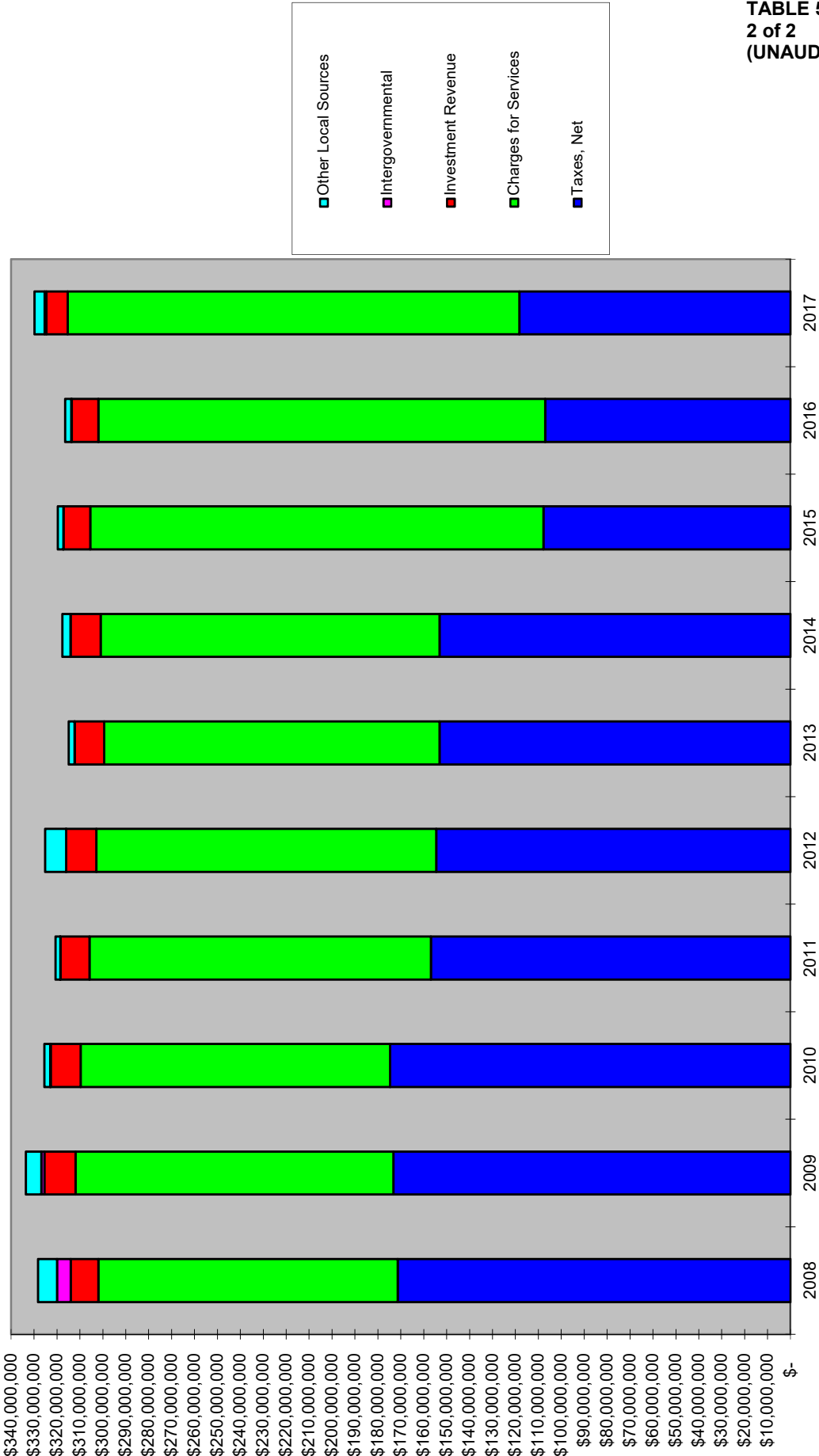


TABLE 6  
1 of 2  
(UNAUDITED)

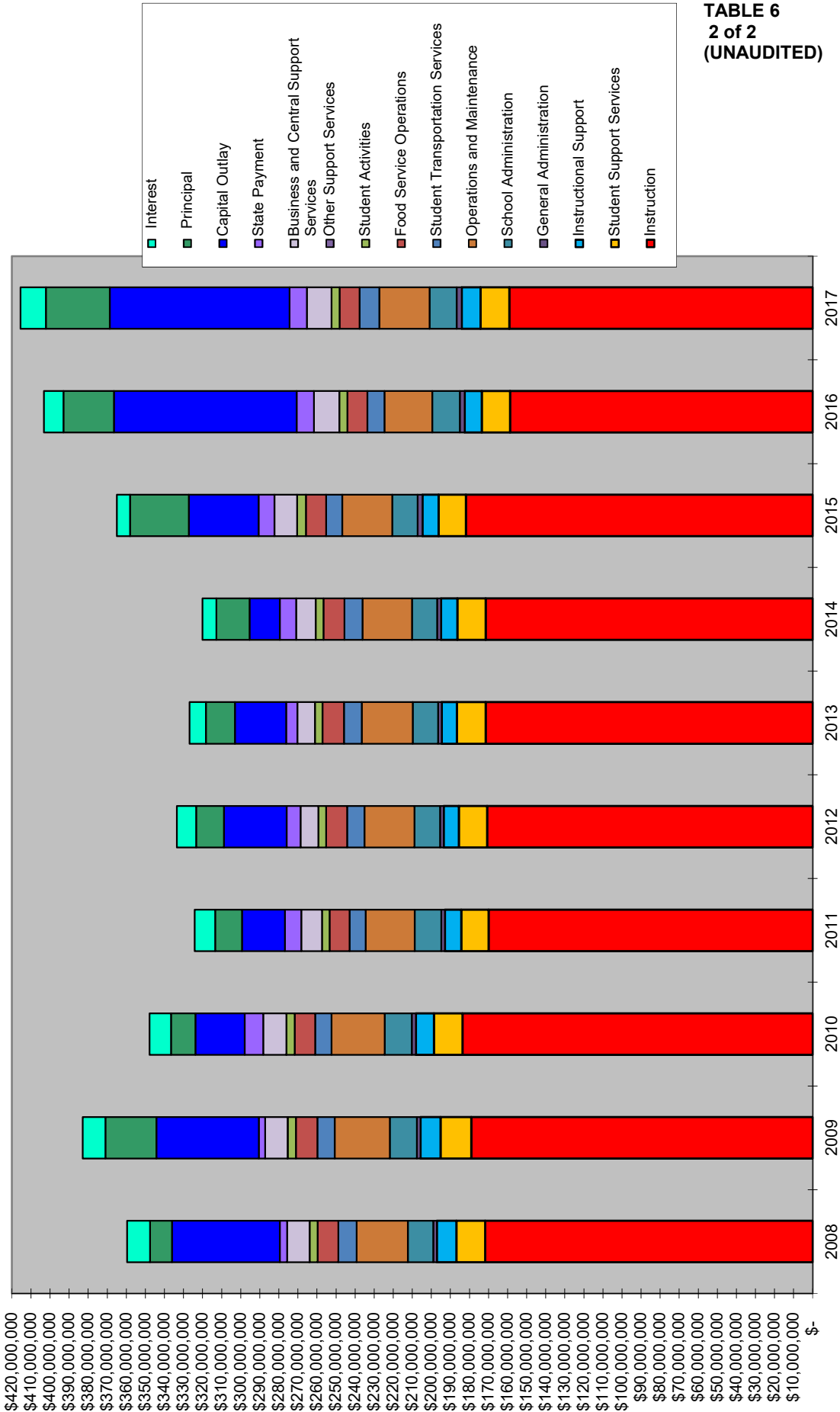
**SHAWNEE MISSION USD #512, KANSAS**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction	\$ 171,761,657	\$ 179,099,075	\$ 183,663,116	\$ 170,035,873	\$ 170,698,148	\$ 171,551,301	\$ 171,537,752	\$ 181,848,205	\$ 158,742,135	\$ 159,133,077
Student Support Services	15,064,105	16,043,234	14,907,675	14,328,515	14,823,074	14,999,984	14,795,635	14,412,548	14,810,979	14,999,279
Instructional Support	10,279,311	10,532,980	9,527,550	8,458,957	7,933,945	7,946,317	8,544,077	8,401,044	8,962,083	9,858,013
General Administration	1,867,757	1,925,137	2,139,955	2,028,624	1,968,731	2,000,570	2,073,598	2,518,982	2,606,039	2,801,339
School Administration	13,406,017	14,158,547	14,219,532	13,850,145	13,408,456	13,305,285	13,189,585	13,281,219	14,383,717	14,120,866
Operations and Maintenance	26,832,220	28,917,435	27,874,077	25,724,246	26,241,335	26,726,684	25,963,619	26,274,155	25,106,830	26,406,940
Student Transportation Services	9,558,892	9,102,841	8,551,345	8,426,838	9,135,585	9,280,101	9,493,104	8,413,928	9,007,923	10,396,167
Food Service Operations	10,913,472	11,219,447	10,789,495	10,488,324	11,016,334	11,319,129	10,977,161	10,606,828	10,473,655	10,464,032
Student Activities	4,188,650	4,374,068	4,352,822	3,988,609	4,019,090	3,965,649	4,053,533	4,678,770	4,131,033	4,232,927
Other Support Services	10,088	76,951	3,525	-	-	-	-	-	-	-
Business and Central Support Services	11,822,134	11,740,136	12,129,445	10,872,718	9,432,974	9,169,886	10,313,205	11,872,352	13,316,763	12,859,765
State Payment	3,788,310	3,307,073	9,714,502	8,554,660	7,202,108	5,911,332	8,532,644	8,319,740	9,185,456	9,150,732
Capital Outlay	56,585,776	53,696,585	25,857,483	22,576,148	32,905,087	26,839,565	15,843,631	36,609,187	95,780,565	94,251,541
Debt Service										
Principal	11,420,000	26,725,000	12,830,000	14,030,000	14,575,000	15,235,000	17,495,000	30,803,056	26,419,886	33,569,539
Interest	12,056,615	11,899,014	11,245,693	10,718,743	10,107,289	8,529,650	7,286,249	6,942,244	10,234,829	13,242,091
Total Expenditures	\$ 359,555,004	\$ 382,817,523	\$ 347,806,215	\$ 324,082,400	\$ 333,467,156	\$ 326,780,453	\$ 320,098,793	\$ 364,982,258	\$ 403,161,893	\$ 415,486,308
Debt service as a percentage of noncapital expenditures	7.75%	11.74%	11.88%	7.66%	8.22%	7.92%	8.14%	11.49%	11.92%	14.57%

(1) Expenditures include General, Special Revenue, Debt Service and Capital Project Funds.

Source: Shawnee Mission USD #512 Basic Financial Statements

# Shawnee Mission USD #512, Kansas Governmental Funds Expenditures Last Ten Fiscal Years



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**SHAWNEE MISSION USD #512, KANSAS**  
**OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Excess of Revenues Over</b>										
<b>[Under] Expenditures</b>	\$ [31,347,955]	\$ [49,277,332]	\$ [22,325,215]	\$ [3,428,410]	\$ [8,279,190]	\$ [11,856,436]	\$ [2,431,786]	\$ [45,366,728]	\$ [86,785,775]	\$ [85,689,359]
<b>Other Financing Sources [Uses]</b>										
General long term debt issued	-	15,850,000	-	-	-	79,790,000	17,851,306	152,050,912	30,095,083	143,183,396
Bond premium	-	591,126	-	-	-	6,046,627	-	-	-	-
Bond issuance costs	-	-	-	-	-	[328,693]	-	-	-	-
Payment to escrow agent	-	-	-	-	-	[85,507,934]	-	-	-	-
Transfer in	78,542,019	88,749,676	76,962,367	14,289,170	14,969,513	13,541,172	17,421,443	18,656,841	19,122,673	14,463,795
Transfer out	[79,509,960]	[90,004,966]	[78,090,680]	[14,289,170]	[14,969,513]	[13,541,172]	[17,421,443]	[18,656,841]	[19,122,673]	[14,463,795]
<b>Total Other Financing Sources [Uses]</b>	[967,941]	15,185,836	[1,128,313]	-	-	-	17,851,306	152,050,912	30,095,083	143,183,396
<b>Net Change in Fund Balances</b>	\$ [32,315,896]	\$ [34,091,496]	\$ [23,453,528]	\$ [3,428,410]	\$ [8,279,190]	\$ [11,856,436]	\$ 15,419,520	\$ 106,684,184	\$ [56,690,692]	\$ 57,494,037

Source: Shawnee Mission USD #512 Basic Financial Statements

**TABLE 7**  
**(UNAUDITED)**

TABLE 8  
1 of 2  
(UNAUDITED)

SHAWNEE MISSION USD #512, KANSAS  
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN TAX YEARS

Tax Year	Real Property Assessed Value	Personal Property Assessed Value	Utilities Assessed Value	Total Assessed Value	Real Property Estimated Actual Value*	Personal Property Estimated Actual Value*	Utilities Estimated Actual Value*	Total Estimated Actual Value*	Ratio of Total Assessed to Total Estimated Act. Value		Total Direct Rate
									Estimated	Act. Value	
2007	\$ 2,959,813,634	\$ 182,203,665	\$ 88,462,141	\$ 3,230,479,440	\$ 23,429,430,242	\$ 716,667,749	\$ 288,045,146	\$ 24,434,143,138	13.22%		52.008
2008	3,001,456,336	134,371,767	82,202,286	3,218,030,389	23,790,562,536	528,528,950	268,834,452	24,587,925,938	13.09%		52.094
2009	2,909,353,163	105,615,934	82,591,287	3,097,560,384	22,337,602,208	415,422,674	272,118,097	23,025,142,978	13.45%		55.318
2010	2,773,580,553	86,570,989	78,644,838	2,938,796,380	21,412,868,757	373,807,140	263,785,935	22,050,461,833	13.33%		57.192
2011	2,776,280,449	74,640,374	69,955,160	2,920,875,983	21,432,899,400	293,585,471	237,674,822	21,964,159,693	13.30%		56.135
2012	2,746,861,974	63,945,359	63,547,939	2,874,355,272	21,365,569,428	251,518,412	217,553,756	21,834,641,596	13.16%		55.766
2013	2,779,828,747	55,941,640	61,825,124	2,897,595,511	22,648,783,320	220,037,117	210,228,673	23,079,049,110	12.56%		55.611
2014	2,922,318,939	43,932,416	57,124,913	3,023,376,268	23,782,953,680	206,397,221	204,379,547	24,193,730,448	12.50%		55.911
2015	3,096,353,437	38,005,162	58,518,268	3,192,876,867	25,175,807,400	181,558,136	212,583,155	25,569,948,691	12.49%		54.059
2016	3,324,246,170	35,524,582	60,017,876	3,419,788,628	26,900,263,560	170,996,146	216,243,752	27,287,503,458	12.53%		54.940

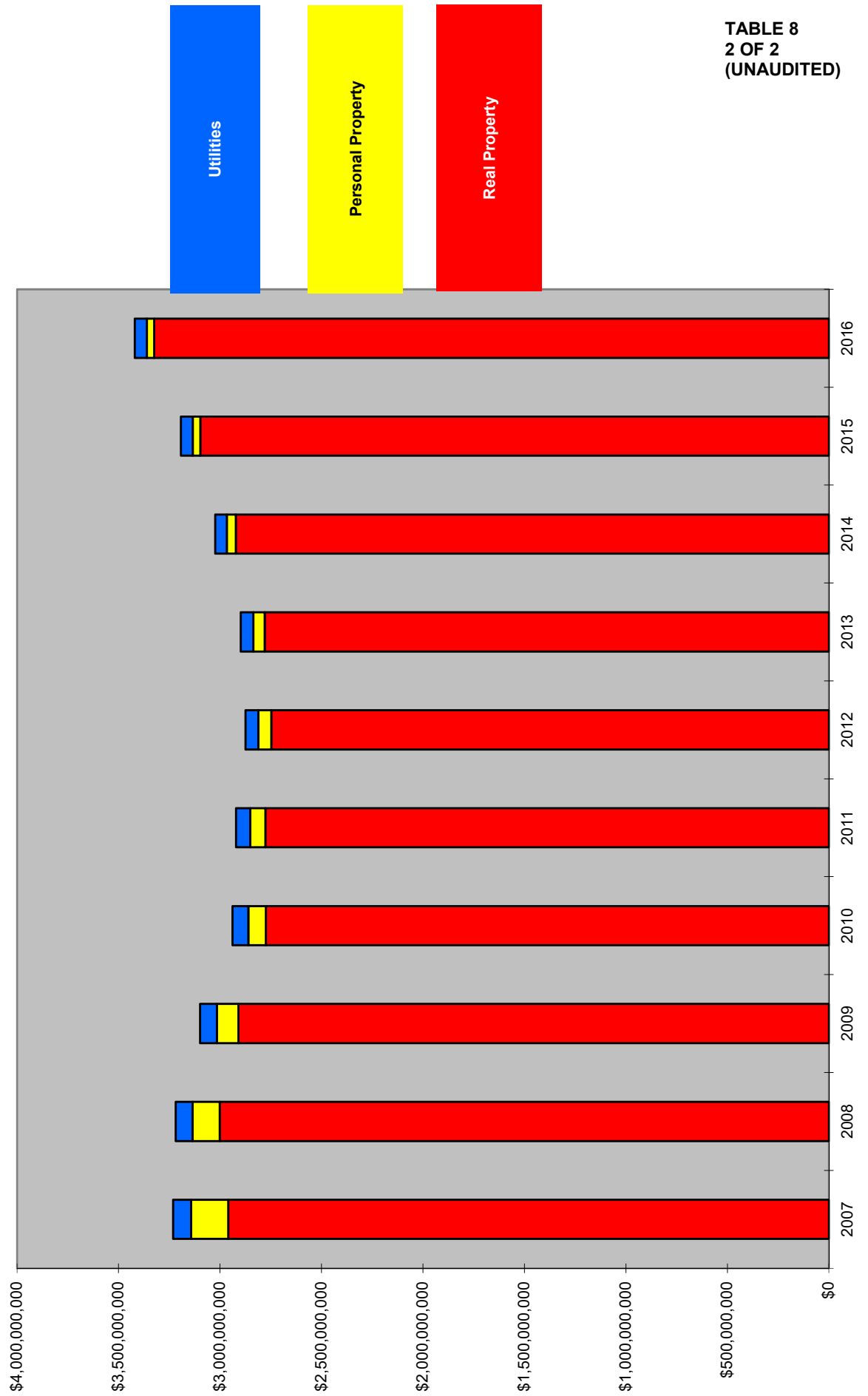
(1)

\* Actual values for property within the boundaries of Unified School District No. 512 for years 2007 through 2016 are not maintained within the County. Estimate is based on ratio of Unified School District No. 512 assessed value to Johnson County total assessed value multiplied by Estimated Actual Values for Johnson County. (County figures are from Johnson County, Kansas December 31, 2016 Comprehensive Annual Financial Report.)

(1) Per \$1,000 of Assessed Valuation

Source: Johnson County Clerk, Johnson County Appraiser and Shawnee Mission #512 records

# Shawnee Mission #512, Kansas Assessed Value of Taxable Property Last Ten Tax Years



SHAWNEE MISSION USD #512, KANSAS  
PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN TAX YEARS

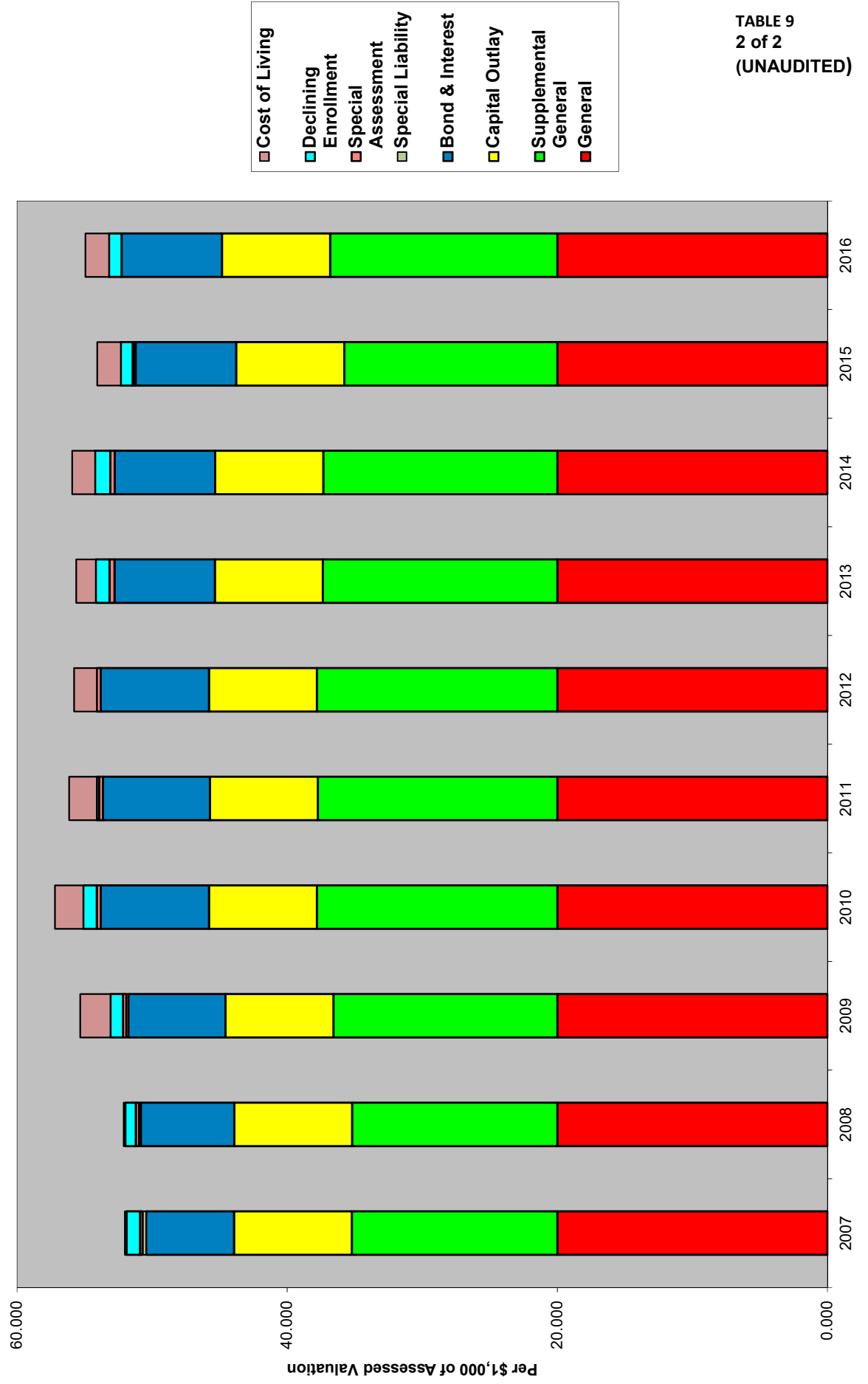
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Shawnee Mission USD #512										
General	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Supplemental General	15,208	15,187	16,566	17,795	17,727	17,796	17,357	17,333	15,772	16,824
Capital Outlay	8,720	8,737	8,000	8,000	7,997	8,000	8,000	8,000	8,000	8,000
Declining Enrollment	0.986	0.765	0.918	1.003	0.188	0.000	1.009	1.123	0.874	0.928
Bond & Interest	6,517	6,893	7,183	8,001	7,907	8,009	7,429	7,434	7,445	7,438
Special Assessment	0.207	0.248	0.245	0.299	0.281	0.292	0.364	0.324	0.109	0.000
Cost of Living	0.120	0.120	2.239	2.094	2.035	1.669	1.452	1.697	1.755	1.750
Special Liability	0.250	0.144	0.167	0.000	0.000	0.000	0.000	0.000	0.104	0.000
Total - Direct	52,008	52,094	55,318	57,192	56,135	55,766	55,611	55,911	54,059	54,940
State of Kansas	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Johnson County	19,985	17,767	17,716	17,748	17,700	17,717	17,745	17,764	19,582	19,590
Cities										
Fairway	12,979	12,752	12,853	18,617	18,617	18,621	18,619	18,629	18,629	19,862
Leawood*	24,241	24,251	24,259	24,382	24,393	24,393	24,477	24,492	24,508	24,513
Lenexa*	26,477	26,568	26,574	26,626	29,635	29,668	29,713	31,765	31,807	31,828
Merriam	21,186	27,360	27,352	27,474	27,412	27,522	27,625	27,605	27,676	27,673
Mission	13,198	13,215	13,217	11,213	11,371	11,410	11,413	11,354	18,225	18,019
Mission Hills	21,904	21,912	21,898	21,904	21,905	21,926	21,923	21,923	21,937	21,951
Mission Woods	13,149	13,259	13,311	13,000	11,723	12,084	12,084	12,084	15,528	15,528
Overland Park*	8,832	8,852	8,890	8,876	12,814	12,769	12,833	12,837	12,848	13,800
Prairie Village	18,166	18,182	18,179	18,877	19,491	19,478	19,490	19,493	19,500	33,463
Roeland Park	20,539	18,783	18,770	22,030	23,225	25,872	33,379	33,378	33,385	33,463
Shawnee*	24,652	24,693	24,699	24,717	24,732	24,914	24,959	24,520	24,536	26,611
Westwood	22,604	25,571	23,493	23,499	23,881	24,464	23,676	22,275	22,523	21,301
Westwood Hills	17,009	17,011	18,000	18,000	20,000	20,000	20,000	19,920	21,000	25,497
Merriam Drainage	3,934	2,488	2,615	2,849	3,038	3,091	3,127	3,088	2,002	2,002
Johnson County Consolidated Fire #2	9,356	8,992	8,991	18,336	18,045	10,187	11,004	11,003	11,757	11,769
Monticello Cemetery District*	2,941	0.033	0.032	0.051	0.041	0.040	0.027	0.031	0.028	0.040
Johnson County Community College*	8,749	8,768	8,784	8,799	8,776	8,785	9,551	9,461	9,469	9,473
Johnson County Parks and Recreation*	2,295	2,341	2,346	2,350	2,343	2,344	2,347	2,349	3,101	3,102
Johnson County Library Board*	2,962	3,057	3,151	3,158	3,145	3,149	3,155	3,157	3,912	3,915
	296,658	297,355	296,630	314,006	323,787	319,934	328,647	328,628	343,453	364,900

\* Located partially within and partially out of district boundaries.

Source: Johnson County Clerk's Office



# Shawnee Mission USD #512, Kansas District Mill Levy Rates Last Ten Tax Years



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**TABLE 10  
(UNAUDITED)**

**SHAWNEE MISSION USD #512, KANSAS  
PRINCIPAL TAXPAYERS  
JUNE 30, 2017 and Nine Years Ago**

<u>Name</u>	<u>Industry</u>	<u>2017 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>	<u>2008 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Oak Park Mall, LLC	Shopping Center	\$ 82,418,700	2.84%	\$ 50,383,986	1.56%
Kansas City Power & Light Co	Utility	28,231,919	0.97%		
Midwest Division - OPRMC, LLC	Pharmaceuticals	18,634,855	0.64%	10,674,980	0.33%
Tower Properties Company	Real Estate	17,627,838	0.61%	7,554,219	0.23%
LIT Industrial Limited	Real Estate	17,457,123	0.60%	7,272,100	0.23%
Perg Buildings, LLC	Shopping Center	16,992,206	0.59%	22,792,604	0.71%
Target Corporation	Shopping Center	13,450,208	0.46%		
Kansas Gas Service	Utility	13,356,840	0.46%		
Merriam Town Center	Shopping Center	11,900,780		12,304,954	0.38%
IKEA Property, Inc.	Shopping Center	11,380,674	0.39%		
Highwoods Realty Limited	Real Estate			20,065,008	0.62%
Newtower Trust Company	Real Estate			9,982,028	0.31%
HSM/WDC Regency, LLC	Real Estate			7,636,101	0.24%
RREEF America REIT II Corp	Real Estate			9,299,678	0.29%
		<u>\$ 231,451,143</u>	<u>7.56%</u>	<u>\$ 157,965,658</u>	<u>4.90%</u>

Source: Johnson County Clerk's Office

TABLE 11  
1 of 2  
(UNAUDITED)

SHAWNEE MISSION USD #512, KANSAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

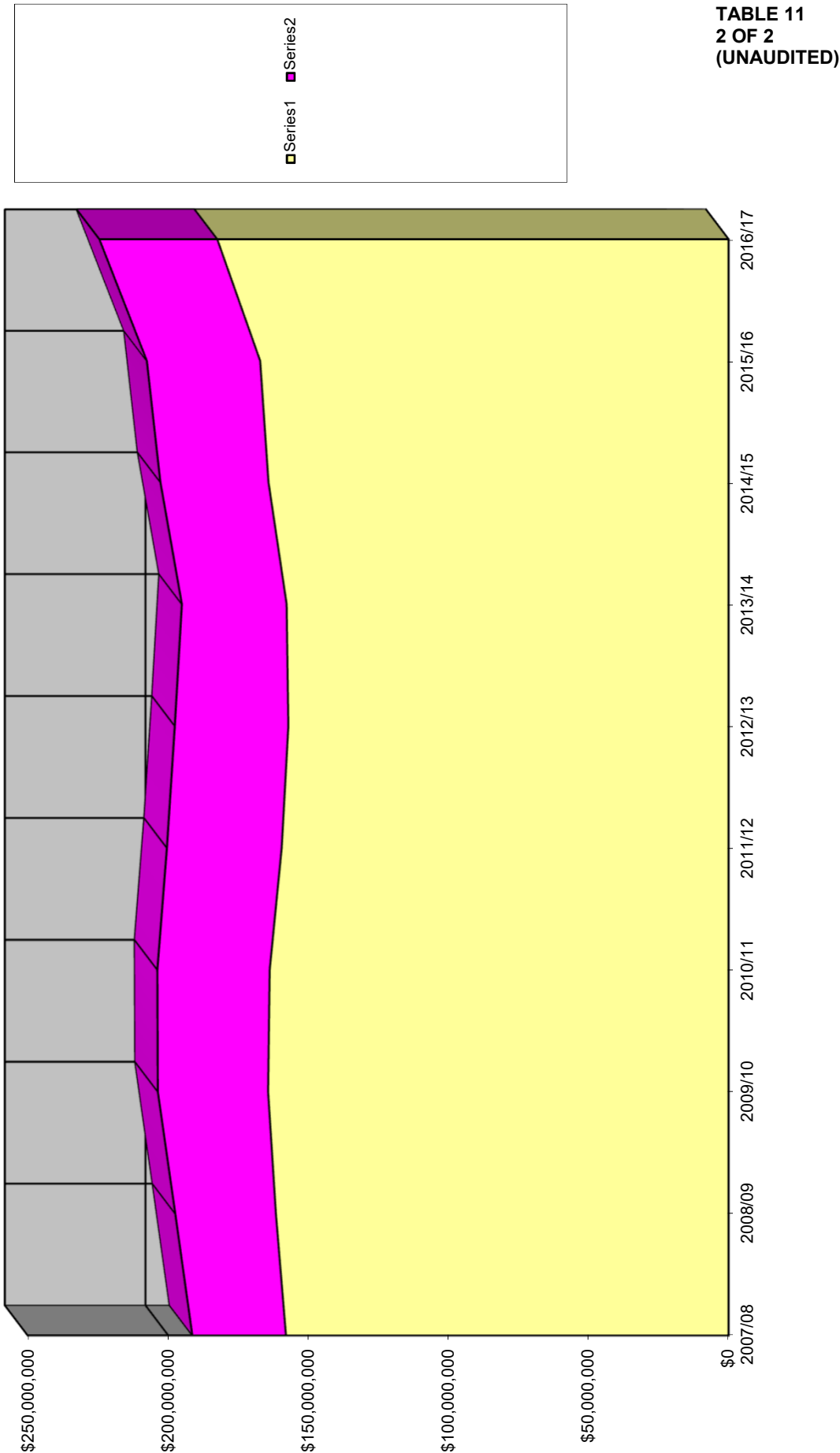
Tax Year/ Collection Year	Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections (Current & Delinquent)	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Outstanding Delinquent Taxes to Total Tax Levy
2007/08	\$ 164,620,480	\$ 156,934,811	95.33%	\$ 1,234,861	\$ 158,169,672	96.08%	\$ 33,271,779	20.21%
2008/09	164,246,789	160,075,199	97.46%	1,677,842	161,753,041	98.48%	35,765,527	21.78%
2009/10	167,958,547	163,237,526	97.19%	1,281,570	164,519,096	97.95%	39,204,978	23.34%
2010/11	164,677,469	161,881,668	98.30%	2,077,722	163,959,390	99.56%	39,923,057	24.24%
2011/12	160,564,255	157,970,454	98.38%	1,723,118	159,693,572	99.46%	40,793,740	25.41%
2012/13	156,889,939	155,571,680	99.16%	1,752,039	157,323,719	100.28%	40,359,960	25.73%
2013/14	154,807,802	156,398,674	101.03%	1,542,774	157,941,448	102.02%	37,226,314	24.05%
2014/15	165,582,481	163,126,121	98.52%	1,259,953	164,386,074	99.28%	38,422,721	23.20%
2015/16	169,214,854	165,472,378	97.79%	1,883,158	167,355,536	98.90%	40,282,039	23.81%
2016/17	184,219,307 (1)	181,810,148 (2)	98.69%	785,780 (2)	182,595,928 (2)	99.12%	41,905,418 (2)	22.75%

(1) Tax year balances.

(2) Collection year balances.

Source: Johnson County Treasurer's Office

# Shawnee Mission USD #512, Kansas Property Tax Levies and Collections Last Ten Years



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SHAWNEE MISSION USD #512, KANSAS  
OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Temporary Notes	Total	District Population	Personal Income	Per Capita	Percentage of Personal Income
				(1)	(2)		
2008	\$ 266,322,547	\$ -	266,322,547	221,595	\$ 7,333,319,700	1,202	3.63%
2009	255,599,839	-	255,599,839	224,838	7,333,319,700	1,137	3.49%
2010	242,277,267	-	242,277,267	223,000	7,333,319,700	1,086	3.30%
2011	227,754,694	-	227,754,694	221,000	8,248,383,000	1,031	2.76%
2012	212,687,122	-	212,687,122	230,000	8,050,000,000	925	2.64%
2013	202,490,416	-	202,490,416	233,250	8,327,025,000	868	2.43%
2014	184,042,742	18,182,739	202,225,481	233,317	8,232,123,711	867	2.46%
2015	308,422,078	13,674,683	322,096,761	236,760	8,966,811,480	1,360	3.59%
2016	315,184,987	9,144,798	324,329,785	223,033	8,322,030,329	1,454	3.90%
2017	430,842,895	4,586,629	435,429,524	225,374	8,646,924,258	1,932	5.04%

(1) Population for 2008 through 2010 based on 2000 census. Population for 2011 through 2015 is from the Johnson County Economic Institute. Population for 2016 through 2017 is from Business Information Services, LLC.

(2) The 2008 personal income information is from the 2007 Census American Community Survey, the 2009 personal income information is from the 2008 Census American Community Survey and the 2010 personal income information is from the 2009 Census American Community Survey. The 2011 through 2015 personal income information is from the Johnson County Economic Research Institute. The 2016 through 2017 personal income information is from Business Information Services, LLC.

Source: Johnson County Clerk and Shawnee Mission #512 records

TABLE 12  
(UNAUDITED)

TABLE 13  
1 of 2  
(UNAUDITED)

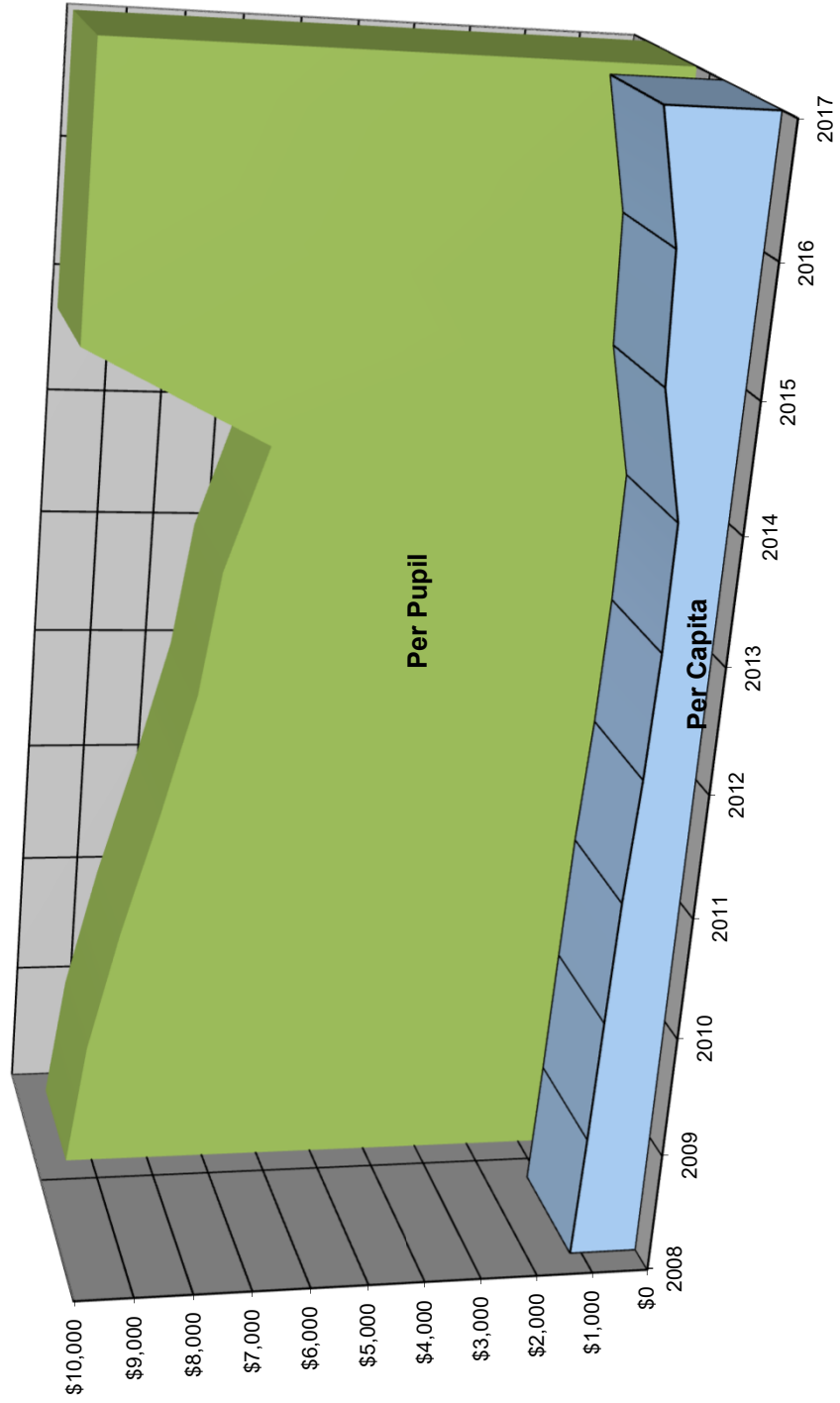
SHAWNEE MISSION USD #512, KANSAS  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Fiscal	Year	District Population	District Enrollment	Total Assessed Value	Bonded Debt	Ratio of Bonded Debt to Assessed Value	Bonded Debt Per Capita	Bonded Debt Per Pupil
2008		221,595	28,158	\$ 3,230,479,440	\$ 266,322,547	8.24%	1,202	9,458
2009		224,838	27,776	3,218,030,389	255,599,839	7.94%	1,137	9,202
2010		223,000	27,744	3,097,560,384	242,277,267	7.82%	1,086	8,733
2011		221,000	27,870	2,938,796,380	227,754,694	7.75%	1,031	8,172
2012		230,000	27,766	2,920,875,983	212,687,122	7.28%	925	7,660
2013		233,250	27,437	2,874,355,272	202,490,416	7.04%	868	7,380
2014		233,317	27,412	2,897,595,511	184,042,742	6.35%	867	6,714
2015		236,760	27,464	3,023,376,268	308,422,078	10.20%	1,360	11,230
2016		223,033	27,651	3,192,876,867	315,184,987	9.87%	1,454	11,399
2017		225,374	27,516	3,419,788,628	430,842,895	12.60%	1,932	15,658

Source: Johnson County Clerk and Shawnee Mission USD #512 records



**Shawnee Mission USD #512, Kansas**  
**Ratio of District Net Bonded Debt Per Capita and Per Pupil**  
**Last Ten Fiscal Years**



**TABLE 13**  
**2 of 2**  
**(UNAUDITED)**

**TABLE 14**  
**(UNAUDITED)**

**SHAWNEE MISSION USD #512, KANSAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
June 30, 2017

		<b>Principal Amount of Outstanding Debt</b>	<b>Percent Applicable to School District</b>	<b>Amount Applicable to School District</b>
<b>Direct</b>				
	Shawnee Mission USD #512	\$ 430,842,895	100.00%	\$ 430,842,895
<b>Overlapping</b>				
	Johnson County	\$ 368,395,000	36.96%	\$ 136,158,792
	Johnson County Park & Recreation	1,595,000	36.96%	589,512
	City of Fairway	9,330,000	100.00%	9,330,000
	City of Leawood	81,065,000	17.76%	14,397,144
	City of Lenexa	163,505,000	53.87%	88,080,144
	City of Merriam	5,165,000	100.00%	5,165,000
	City of Mission	32,775,000	100.00%	32,775,000
	City of Mission Hills	2,824,702	100.00%	2,824,702
	City of Overland Park	136,860,000	26.91%	36,829,026
	City of Prairie Village	15,925,000	100.00%	15,925,000
	City of Roeland Park	6,793,000	100.00%	6,793,000
	City of Shawnee	52,545,000	48.34%	25,400,253
	Johnson County Fire Department #2	365,000	100.00%	365,000
	<b>Total Overlapping Debt</b>			<u>\$ 374,632,573</u>
<b>Total Direct and Overlapping Debt</b>				<u><u>\$ 805,475,468</u></u>

**Source: Johnson County Clerk's Office**

**Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the overlapping debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District'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.**

SHAWNEE MISSION USD #512, KANSAS  
COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Assessed Valuation of Taxable Property	\$ 3,230,479,440	\$ 3,218,030,389	\$ 3,097,560,384	\$ 2,938,796,380	\$ 3,207,842,957	\$ 3,158,978,055	\$ 3,185,373,843	\$ 3,321,340,656	\$ 3,502,318,099	\$ 3,743,994,445
Debt Limit Percent of Assessed Value	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Debt Limit	452,267,122	450,524,254	433,658,454	411,431,493	449,098,014	442,256,928	445,952,338	464,987,692	490,324,534	524,159,222
Total net debt applicable to limit	266,322,547	255,599,839	242,277,267	227,754,694	212,687,122	202,490,416	202,225,481	322,096,761	324,329,785	380,854,582
Legal Debt Margin	\$ 185,944,575	\$ 194,924,415	\$ 191,381,187	\$ 183,676,799	\$ 236,410,892	\$ 239,766,512	\$ 243,726,857	\$ 142,890,931	\$ 165,994,749	\$ 143,304,640
Total Net Debt Applicable To The Limit										
As A Percentage of Debt Limit	58.89%	56.73%	55.87%	55.36%	47.36%	45.79%	45.35%	69.27%	66.15%	72.66%

Source: Assessed valuation from Johnson County Clerk.  
Statutory limits per K.S.A. 72-6761.

TABLE 15  
(UNAUDITED)

TABLE 16  
1 of 2  
(UNAUDITED)

SHAWNEE MISSION USD #512, KANSAS  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	Elementary School	Middle School	High School	Special Education & Other	Total Student Enrollment (1)	Average Daily Attendance	Total District Population	Personal Income	Per Capita Personal Income	Unemployment Rate (2)
2008	14,192	4,125	9,108	733	28,158	95.2%	221,595	\$ 7,333,319,700	\$ 33,093	3.9%
2009	14,127	4,055	8,800	789	27,771	94.9%	224,838	7,333,319,700	32,616	4.4%
2010	14,311	3,956	8,679	798	27,744	93.9%	223,000	7,333,319,700	32,885	6.8%
2011	14,595	3,912	8,597	766	27,870	95.4%	221,000	8,248,383,000	37,323	6.4%
2012	14,699	3,960	8,404	704	27,766	95.7%	230,000	8,050,000,000	35,000	5.8%
2013	14,656	3,873	8,211	697	27,437	95.7%	233,250	8,327,025,000	35,700	5.0%
2014	14,727	3,972	8,019	694	27,412	95.9%	233,317	8,232,123,711	35,283	4.7%
2015	14,713	3,981	8,076	694	27,464	94.8%	236,760	8,966,811,480	37,873	3.8%
2016	14,719	3,928	8,294	710	27,651	92.5%	223,033	8,322,030,329	37,313	2.9%
2017	14,478	3,914	8,162	962	27,516	92.3%	225,374	8,646,924,258	38,367	3.1%

Projected Enrollment

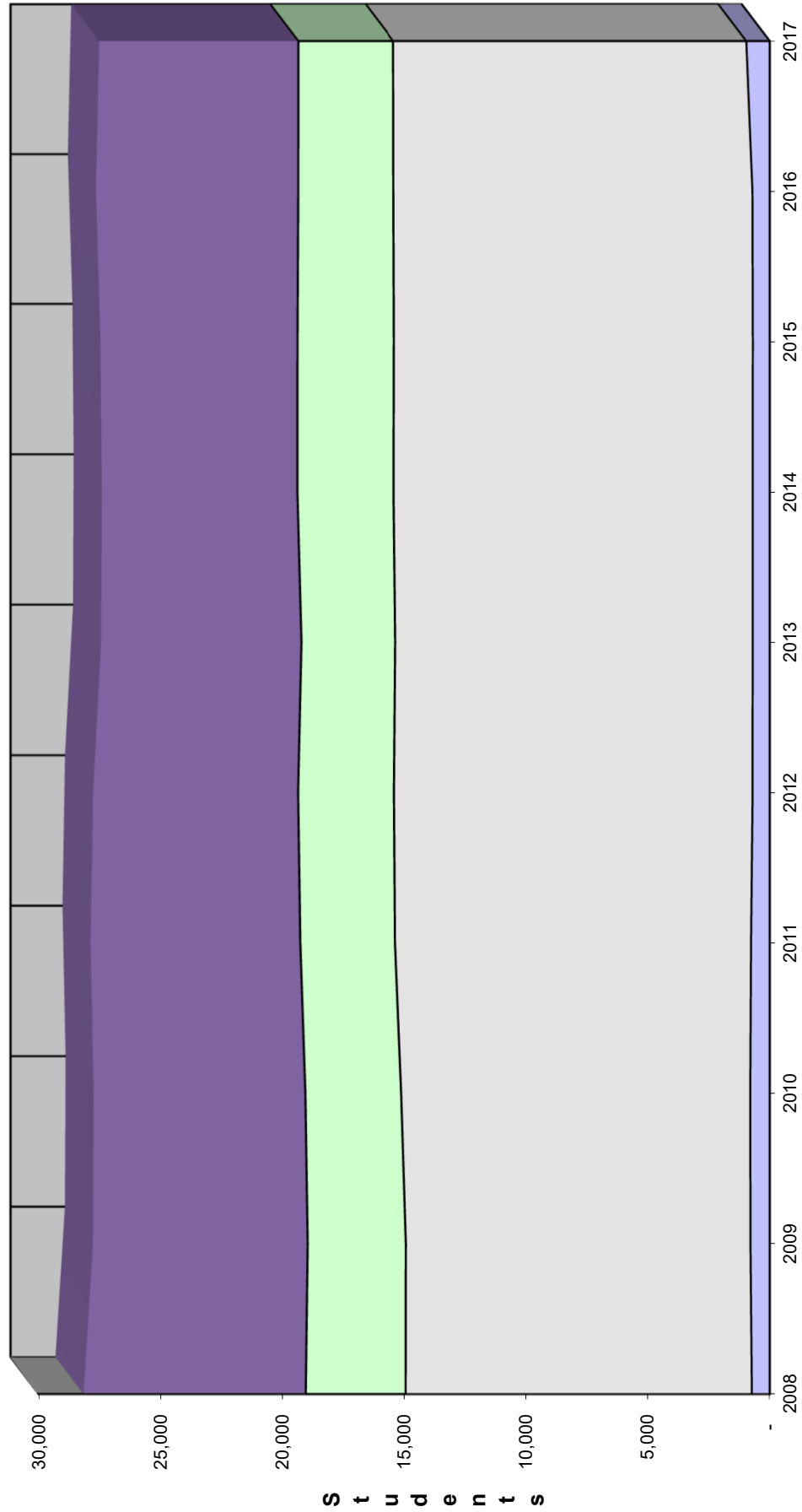
Fiscal Year	Elementary School	Middle School	High School	Special Education & Other	Total Projected Student Enrollment
2018	14,381	3,984	8,116	1,058	27,539
2019	14,249	4,060	8,140	1,058	27,507
2020	14,155	4,032	8,186	1,058	27,431
2021	13,962	4,079	8,272	1,058	27,371
2022	13,849	4,051	8,291	1,058	27,249

(1) Enrollment counts as of September 20th.

(2) Unemployment rates are for all of Johnson County.

Source: 2017 Johnson County CAFR and Shawnee Mission USD #512 records

**Shawnee Mission USD #512, Kansas**  
**Demographic Statistics**  
**Enrollment - Last Ten Fiscal Years**



**TABLE 16**  
**2 of 2**  
**(UNAUDITED)**

**TABLE 17**  
**(UNAUDITED)**

**SHAWNEE MISSION USD #512, KANSAS**  
**PRINCIPAL EMPLOYERS**  
**JUNE 30, 2017 AND 2008**

<u>Employer</u> (1)	June 30, 2017			June 30, 2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Deffenbaugh Industries, Inc	1,520	1	5.20%			
FedEx Ground Package System	900	2	3.08%	575	2	1.67%
Bayer HealthCare, LLC-Animal Div	515	3	1.76%	600	1	1.74%
Wal-Mart	510	4	1.75%	380	3	1.10%
Harte-Hanks	399	5	1.37%	300	5	0.87%
DeSoto USD #232	310	6	1.06%			
Perceptive Software, Inc.	307	7	1.05%			
USD #512 (Shawnee Mission)	280	8	0.96%			
City of Shawnee	274	9	0.94%	340	4	0.99%
McLane Food Service	229	10	0.78%			
Hy-Vee Food Stores				245	6	0.71%
Sweet Life at Rosehill				221	7	0.64%
Price Chopper				200	8	0.58%
Target Super Store				190	9	0.55%
EC Manufacturing				180	10	0.52%
<b>Total</b>	<u>5,244</u>		<u>17.95%</u>	<u>3,231</u>		<u>9.37%</u>
City of Shawnee	<u>29,205</u>			<u>34,513</u>		

(1) Principal employers are for the City of Shawnee.

Source: 2016 City of Shawnee CAFR

**TABLE 18**  
**(UNAUDITED)**

**SHAWNEE MISSION USD #512, KANSAS**  
**DIRECTORY OF SCHOOL FACILITIES**  
**AS OF JUNE 30, 2017**

<u>School</u>	<u>Year Opened</u>	<u>Current Capacity</u>	<u>Enrollment As Of Sept. 20, 2016</u>	<u>Percent of Student Capacity</u>
Shawnee Mission East High School	1958	2,388	1,744	73.03%
Shawnee Mission North High School	1921	2,256	1,476	65.43%
Shawnee Mission Northwest High School	1969	2,376	1,704	71.72%
Shawnee Mission South High School	1966	2,232	1,509	67.61%
Shawnee Mission West High School	1962	2,424	1,768	72.94%
Shawnee Mission Horizons	2001	456	118	25.88%
Hocker Grove Middle School	1955	1,188	788	66.33%
Indian Hills Middle School	1955	1,176	834	70.92%
Indian Woods Middle School	1961	1,110	726	65.41%
Trailridge Middle School	1967	1,167	756	64.78%
Westridge Middle School	1962	1,434	860	59.97%
Apache Elementary	2011	592	565	95.44%
Belinder Elementary	1952	592	487	82.26%
Benninghoven Elementary	1966	832	566	68.03%
Bluejacket-Flint Elementary	1996	736	415	56.39%
Briarwood Elementary	2016	604	560	92.72%
Broken Arrow Elementary	1990	714	442	61.90%
Brookridge Elementary	1967	688	524	76.16%
Brookwood Elementary	1960	500	368	73.60%
Comanche Elementary	2008	618	465	75.24%
Corinth Elementary	1996	620	548	88.39%
Crestview Elementary	2017	510	344	67.45%
Diemer Elementary	1964	476	425	89.29%
East Antioch Elementary	1958	450	384	85.33%
Highlands Elementary	2010	640	318	49.69%
Marsh Elementary	2006	546	537	98.35%
McAuliffe Elementary	1987	642	395	61.53%
Merriam Park Elementary	2007	568	472	83.10%
Mill Creek Elementary	1978	568	379	66.73%
Nieman Elementary	2008	616	509	82.63%
Oak Park-Carpenter Elementary	2007	546	496	90.84%
Overland Park Elementary	1998	522	382	73.18%
Pawnee Elementary	1965	618	455	73.62%
Prairie Elementary	1993	498	440	88.35%
Rising Star Elementary	1991	714	576	80.67%
Roesland Elementary	2008	568	393	69.19%
Rosehill Elementary	1966	812	561	69.09%
Rushton Elementary	1954	428	359	83.88%
Santa Fe Trail Elementary	1953	642	279	43.46%
Shawano Elementary	2016	550	440	80.00%
Sunflower Elementary	1994	620	534	86.13%
Tomahawk Elementary	1954	498	297	59.64%
Trailwood Elementary	2016	510	435	85.29%
Westwood View Elementary	1968	404	299	74.01%
Preschool & Other Enrollment			584	
Total			27,516	

Source: Shawnee Mission USD #512 records

TABLE 19  
(UNAUDITED)

SHAWNEE MISSION USD #512, KANSAS  
MISCELLANEOUS STATISTICAL DATA  
AS OF JUNE 30, 2017

<b>Year of Incorporation</b>	1969
<b>Form of Government</b>	Elected Board
<b>Area of District</b>	72 Square Miles
<b>Population of District</b>	225,374
<b>Ending Enrollment 2016/2017</b>	27,516
<b>Number of Schools</b>	
Elementary Schools	33
Middle Schools	5
High Schools	5
<b>Total</b>	<b>43</b>
<b>Average Class Size (1)</b>	
Elementary	22
Secondary	N/A
<b>Number of Full-Time Equivalent Employees</b>	
Classified	1,313.6
Certified	2,012.4
<b>Total</b>	<b>3,326.0</b>

<b>Teacher Summary</b>				
<b>Degree</b>	<b>Number of Teachers</b>	<b>% of Total</b>	<b>Salary Range</b>	
			<b>Low</b>	<b>High</b>
Bachelors	166	8.4%	\$ 40,515	\$ 45,425
Bachelors + 10	61	3.1%	41,436	48,737
Bachelors + 20	129	6.5%	42,362	54,789
Masters	841	42.4%	47,099	63,298
Masters + 15	160	8.1%	48,453	66,434
Masters + 30	134	6.8%	49,842	70,347
Masters + 45	85	4.3%	51,339	74,375
Masters + 60	382	19.3%	52,799	78,538
Doctorate	26	1.3%	55,257	81,099

<b>Certified Employee Allocation</b>					
	<b>Elementary</b>			<b>Total</b>	
	<b>District Office</b>	<b>School</b>	<b>Middle School</b>	<b>High School</b>	
Superintendent	1.0	-	-	-	1.0
Asst. Superintendent	5.0	-	-	-	5.0
Principals	-	34.0	5.0	6.0	45.0
Asst. Principals	-	3.0	7.0	15.0	25.0
Directors Special Ed.	1.0	-	-	-	1.0
Directors Health	1.0	-	-	-	1.0
Instructional Coordinators	11.0	-	-	-	11.0
Other Directors	7.4	-	-	5.0	12.4
Vocational Arts Teachers	-	-	15.0	41.2	56.2
Special Ed. Teachers	-	112.0	37.0	92.6	241.6
Pre-Kindergarten	-	10.0	-	-	10.0
Kindergarten	-	102.0	-	-	102.0
Other Teachers	-	733.8	181.8	390.1	1,305.7
Library Media	-	28.0	5.0	5.0	38.0
Counselors	-	0.5	9.0	20.0	29.5
School Psychologists	18.0	-	-	-	18.0
Nurses	-	34.0	5.0	6.0	45.0
Speech Pathologists	-	40.0	2.1	1.9	44.0
Audiologists	-	1.0	-	-	1.0
Social Workers	1.0	26.2	3.5	10.5	41.2
Reading	-	45.5	1.0	-	46.5
Other	7.5	-	-	9.6	17.1
	52.9	1,170.0	271.4	602.9	2,097.2

(1) Average class size is only shown for elementary students. These students are typically served by one teacher and are pulled out of the classroom for physical education, music, art and extra reading. The average class size does not consider the additional staff for these pull-out programs. Secondary students are served by multiple teachers and average class size could vary widely depending on the number of students interested in a given course and the student load limits placed on each course. Therefore, an average class size is not computed for secondary schools.

Source: Shawnee Mission USD #512 records



SHAWNEE MISSION USD #512, KANSAS  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating		Cost Per		Expenses	Cost Per		Teaching Staff	Pupil - Teacher Ratio	Percentage of Students	
		Expenditures		Pupil			Pupil	Reduced Meals				
2008	28,158	\$	279,492,613	\$	9,926	\$	307,600,415	\$	10,924	2,257	12	21.72%
2009	27,771		290,496,924		10,460		319,880,613		11,519	2,225	12	23.82%
2010	27,744		297,873,039		10,736		324,801,079		11,707	2,275	12	30.85%
2011	27,870		276,757,509		9,930		306,479,631		10,997	2,179	13	33.25%
2012	27,766		275,879,780		9,936		307,881,456		11,088	2,059	13	35.53%
2013	27,437		276,176,238		10,066		300,941,100		10,968	2,036	13	35.80%
2014	27,412		279,473,913		10,195		302,748,472		11,044	2,023	14	37.84%
2015	27,464		290,627,771		10,582		303,523,371		11,052	2,010	14	36.96%
2016	27,651		270,726,613		9,791		311,591,690		11,269	1,998	14	36.96%
2016	27,516		274,423,137		9,973		326,434,178		11,863	2,012	14	36.17%

(1) Enrollment counts as of September 20th.

Source: Shawnee Mission USD #512 records

TABLE 20  
(UNAUDITED)

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**GOVERNMENTAL AUDIT SECTION**

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SHAWNEE MISSION UNIFIED SCHOOL DISTRICT 512

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Passed through Kansas Department of Education (KSDE):					
Special Education Cluster					
Title VI-B	84.027	\$ -	\$ 176,822	\$ 176,822	\$ -
Title VI-B Pass Thru	84.027	-	5,808,099	5,808,099	-
Early Childhood Flo Thru	84.173	-	120,807	120,807	-
Title I	84.010	[158,666]	4,186,750	4,093,766	[65,682]
Title I - Migrant Education	84.011	-	52,500	52,500	-
Test Fee Program	84.330	-	2,744	2,744	-
Title II-A Teacher Quality	84.367	[83,514]	698,149	623,729	[9,094]
Title III	84.365	21,351	232,717	236,979	17,089
Carl Perkins	84.048	[540]	207,025	206,485	-
Total Department of Education Passed Through KSDE			<u>11,485,613</u>	<u>11,321,931</u>	
U.S. Department of Health & Human Services					
Passed through Kansas Department of Education (KSDE):					
Youth Risk Behavior Survey	93.938	-	750	750	-
Temporary Assistance for Needy Families	93.558	-	<u>557,451</u>	<u>557,451</u>	-
Total Department of Health & Human Services Passed Through KSDE			<u>558,201</u>	<u>558,201</u>	
U.S. Department of Agriculture					
Passed through Kansas Department of Education (KSDE):					
Child Nutrition Cluster					
School Breakfast	10.553	-	870,385	870,385	-
National School Lunch Program	10.555	-	4,817,563	4,817,563	-
Summer Food Service Program for Children	10.559	-	105,959	105,959	-
Team Nutrition	10.574	-	2,370	2,370	-
Team Up for School Nutrition	10.547	-	401	401	-
State Administrative Expenses for Child Nutrition	10.560	-	150	150	-
Fresh Fruit & Vegetable Program	10.582	-	<u>143,689</u>	<u>143,689</u>	-
Total Department of Agriculture Passed Through KSDE			<u>5,940,517</u>	<u>5,940,517</u>	
Total			<u>\$ 17,984,331</u>	<u>\$ 17,820,649</u>	

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2017

1. Organization

Shawnee Mission Unified School District No. 512 (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The District elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2017.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants at June 30, 2017.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(s) identified that are not considered to be material weaknesses?        Yes   X   None reported

Noncompliance material to financial statements noted?        Yes   X   No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(s) identified that are not considered to be material weaknesses?        Yes   X   None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?        Yes   X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?   X   Yes        No

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended June 30, 2017

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

Prior Year Findings

**2016-1 – Title I – CFDA No. 84.010 – Year Ended June 30, 2016**

**Conditions and Criteria:**

The District does not have documentation to support the completion of a needs assessment for each Title I school that has a schoolwide plan. To operate a Title I schoolwide program, a school must include the following three core elements:

- a. Comprehensive needs assessment of the entire school (34 CFR section 200.26(a)).
- b. Comprehensive plan based on data from the needs assessment (34 CFR section 200.26(b)).
- c. Annual evaluation of the results achieved by the schoolwide program and revision of the schoolwide plan based on that evaluation (34 CFR section 200.26(c)).

**Context:**

In the year under audit, the District identified eleven schools in the District's Local Consolidated Plan as receiving Title I funding under a Title I Schoolwide Program. Supporting documentation proving a comprehensive needs assessment was completed for each school could not be provided to the audit team.

**Effect:**

The core elements needed to operate a Title I schoolwide program were not documented.

**Cause:**

This occurred because no procedure was in place to ensure that the needs assessment was completed and that proper supporting documentation of a needs assessment was retained.

**Auditor's Recommendation:**

The District should perform a needs assessment of each Title I school, a comprehensive plan based on the data from the needs assessment should be developed and an annual evaluation of the results achieved by the schoolwide program and revision of the schoolwide plan based on that evaluation should be documented.

**Views of Responsible Officials and Planned Corrective Actions:**

The district agrees with the recommendation. The district currently performs needs assessment of each Title I school and will document accordingly. In addition, a comprehensive school wide plan and evaluation will be performed and documented.

**Status**

Resolved





**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education  
Shawnee Mission Unified School District No. 512

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, budgetary comparison information, and the aggregate remaining fund information of the Shawnee Mission Unified School District No. 512, (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 11, 2017.

**Internal Control Over Financial Reporting**

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

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

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

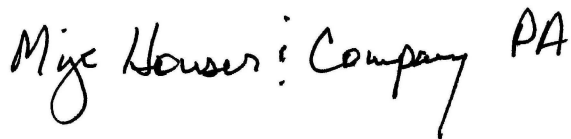
### **Compliance and Other Matters**

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

However, we noted certain other matters that we reported to management of the District in a separate letter dated October 11, 2017.

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "Mike Houser: Company PA". The signature is written in a cursive, flowing style.

Certified Public Accountants

Lawrence, Kansas  
October 11, 2017



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

Board of Education  
Shawnee Mission Unified School District No. 512

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

We have audited the compliance of Shawnee Mission Unified School District No. 512, (the District) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The District's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the Kansas Municipal Audit and Accounting Guide. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

### Report on Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

*Mike Houser: Company PA*

Certified Public Accountants

Lawrence, Kansas  
October 11, 2017