

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

**Howard D. McEachen Administrative Center  
7235 Antioch  
Shawnee Mission, Kansas 66204**

**For the Fiscal Year Ended  
June 30, 2015**

**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, 2015

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## INTRODUCTORY SECTION

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## Shawnee Mission School District

### Office of the Superintendent

McEachen Administrative Center • 7235 Antioch • Shawnee Mission, Kansas 66204 • Phone (913) 993-6401 • Fax (913) 993-6230 • [www.smsd.org](http://www.smsd.org)

October 29, 2015

**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, 2015, 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 consistently been ranked 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* 2015 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 91 percent. Shawnee Mission seniors in the class of 2015 earned more than \$32 million in scholarship offers. In the 2015-16 school year, the school district completed the launch of its digital learning initiative, which places a digital learning device in the hands of every student and teacher in order to provide more resources to help enhance student achievement.

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 2014-15 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 five administrative and support facilities. This represents a physical plant in excess of nearly 5.2 million square feet, having a replacement value in excess of \$1 billion.

On September 20, 2014, enrollment was 27,464, up 52 from the 27,412 students on September 20, 2013. This enrollment represented 14,713 elementary school students, 3,981 middle school students, 8,076 high school students, 694 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 3,400 of which approximately 2,000 were teachers and other certified staff. Approximately 80 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 4.3% to \$3.0 billion during 2014. The national mortgage crisis has had an impact on assessed valuation that will likely last a year or two. Beyond that, continued growth within the district is predicted for the next decade.

## **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 Shawnee Mission School District adopted a new strategic plan centered on seven themes: academic achievement, facilities, community/marketing, student/employee well-being, technology, resources, and safety and security. Our success will be measured by continuous improvement in all areas of the organization, but most importantly, as it relates to the effectiveness of teaching and learning.

Shawnee Mission continues to develop a comprehensive curriculum model that will help increase achievement among all students. While aligning state standards, curriculum resources will include researched-based instructional practices, digital tools, and common assessments to help measure student mastery.

Shawnee Mission offers an academic program that emphasizes strong basic education while providing opportunities for students to explore various subjects in which they may have an interest for future study. At the elementary level, students receive instruction to develop solid foundational skills in reading, language arts, science, mathematics, and social studies. Students at the middle school level receive rigorous academic instruction. In addition, they have the opportunity to enroll in a variety of fine arts courses, technical education courses, and Spanish and French classes. Schools offer activities to meet a broad range of student interests including sports, environmental awareness, robotics, art, science, and math.

Shawnee Mission high schools offer a broad range of academic opportunities to meet the individual education and career goals of students. The district offers a strong core curriculum, as well as courses in fine arts, business, family and consumer science, industrial technology, and world language. The district offers a large variety of honors, Advanced Placement, and International Baccalaureate courses through which students earn additional grade points and have the opportunity to earn college credit. Students may also participate in a number of co-curricular and extracurricular activities.

Shawnee Mission has been a leader in providing Signature Programs in which students can explore unique areas of study in preparation for specialized academic and future career opportunities. Classrooms are equipped with state-of-the-art technology and the professional tools necessary to create hands-on learning experiences unique to each program. Signature Programs include Medical Health Sciences, which provide hands-on instruction and shadowships in healthcare settings and gives students an opportunity to earn CNA certification; Biotechnology, offering students opportunities to perform original research and gain valuable experience in local laboratories to prepare them for biotechnology careers; International Baccalaureate, a rigorous college preparatory program; Legal Studies, which strengthens students' understanding of the law through work with local law firms and other legal professionals; and Project Lead the Way, which gives students a chance to explore engineering fields. The district offers specialized career and technical education including culinary arts instruction, which provides practical application in an on-site restaurant.

Twenty-one district students were named 2015 National Merit Scholarship finalists. On college entrance exams, our students are building on more than 40 years of tradition with regard to high achievement. In 2015, Shawnee Mission students posted scores that exceeded state and national composite scores on the ACT.

District students have won honors in competitions sponsored by the Intel International Science and Engineering Fair, the National Scholastic Press Association, I-SWEEP, National Reflections Contest, Family, Career, and Community Leaders of America, Kansas Academic Decathlon, and the Greater KC Science and Engineering Fair. Shawnee Mission students have been named U.S. Presidential Scholars, NCFL Policy Debate Champions, and have received numerous state team and individual championship titles in athletics.

District staff members earned professional recognition including a Kansas Master Teacher, a recipient of the Presidential Award for Excellence in Mathematics and Science Teaching, Kansas Art Education Association Outstanding Art Educator of the Year, Kansas String Teachers Hall of Fame inductee, and NSPA/JEA Yearbook Advisor recognition.

Contributing a significant number of PTA members in the state, our PTA units provide recognition programs, volunteers, financial support, and special events to enhance the educational experience. Multiple Shawnee Mission schools have been recognized by the national PTA organization for having strong family-school partnerships.

Shawnee Mission proudly partners with multiple businesses that offer varying levels of support in schools across the district. Community members are also actively involved in mentoring and tutoring programs through the district's My Volunteer Pal (MVP) volunteer program.

The Shawnee Mission Education Foundation is another organization whose commitment to Shawnee Mission's tradition of learning is evident in the financial support it offers to help provide district students of all ages with innovative educational opportunities. Since its inception, the Foundation has contributed more than \$4.2 million in total grants and gifts benefiting students at schools across the district.

### Technology in Education

The district is in the process of implementing a student 1:1 Digital Learning Initiative. This initiative will provide each teacher in the district with a portable computer and a tablet device. Each student K-6 in the district will receive a tablet device while each student 7-12 will receive a portable computer. This implementation will be happening in phases beginning in the spring of 2014 and will be fully implemented by the fall of 2015. When completed, there will be 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 is responsible for making sure 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. The district has undertaken 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 also evaluating moving new and remodeled classrooms to using a large flat panel display in place of projector/screen combinations.

All employees and certain student curriculum have electronic mail capability. An off-premise anti-SPAM application effectively blocks more than 85% of messages that are addressed to the SMSD domain annually. Anti-virus protection is provided at the enterprise level for email and on each and every notebook and workstation computer, ensuring that our users are protected and insulated from infections that could cause work stoppages. 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.

All students in the district have access to the collaborative platform Google Apps for Education. Additionally, all teachers and administrators have access to this suite of applications as well. Classified staff has access to email that is hosted internally by the district.

## **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, four assistant superintendents, and three 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 .213% in 2015. This is net of funds held in demand deposits and compensating balance requirements. In accordance with Kansas statutes, investment revenues for 2015 were recorded in the following funds:

|                     |                         |
|---------------------|-------------------------|
| Special Education   | \$ 9,924                |
| Health Care Reserve | 3,328                   |
| Food Service        | 263                     |
| Special Liability   | <u>2,498</u>            |
| <b>Total</b>        | <b><u>\$ 16,013</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/<br>Retention |
|--------------------------------|----------------------------|--------------------------|
| Property / Inland Marine /     | \$1,109,955,195            |                          |
| Automobile Physical Damage     | (\$450,000,000 loss limit) | \$100,000                |
| Boiler & Machinery             | \$10,000,000               | \$5,000                  |
| Liability (General, Employee   | \$5,000,000 each           |                          |
| Benefit, Law Enforcement,      | occurrence /\$5,000,000    |                          |
| Automobile)                    | annual aggregate           | \$500,000                |
|                                | \$5,000,000 each           |                          |
| Liability (School Leaders E&O, | occurrence /\$5,000,000    |                          |
| Employment Practices)          | annual aggregate           | \$500,000                |
| Crime / Employee Dishonesty    | \$2,750,000                | \$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.

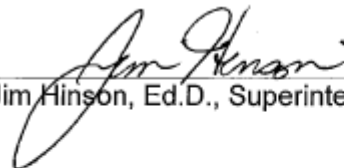
The district is occasionally involved in claims and lawsuits, including claims for unfair or discriminatory personnel practices and personal injury. While these cases may have future financial significance, district management, based on the advice of counsel, believes the ultimate outcome of those various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

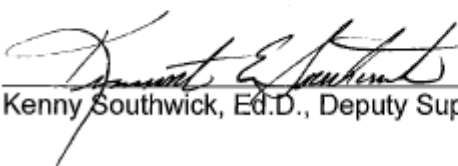
## INDEPENDENT AUDIT

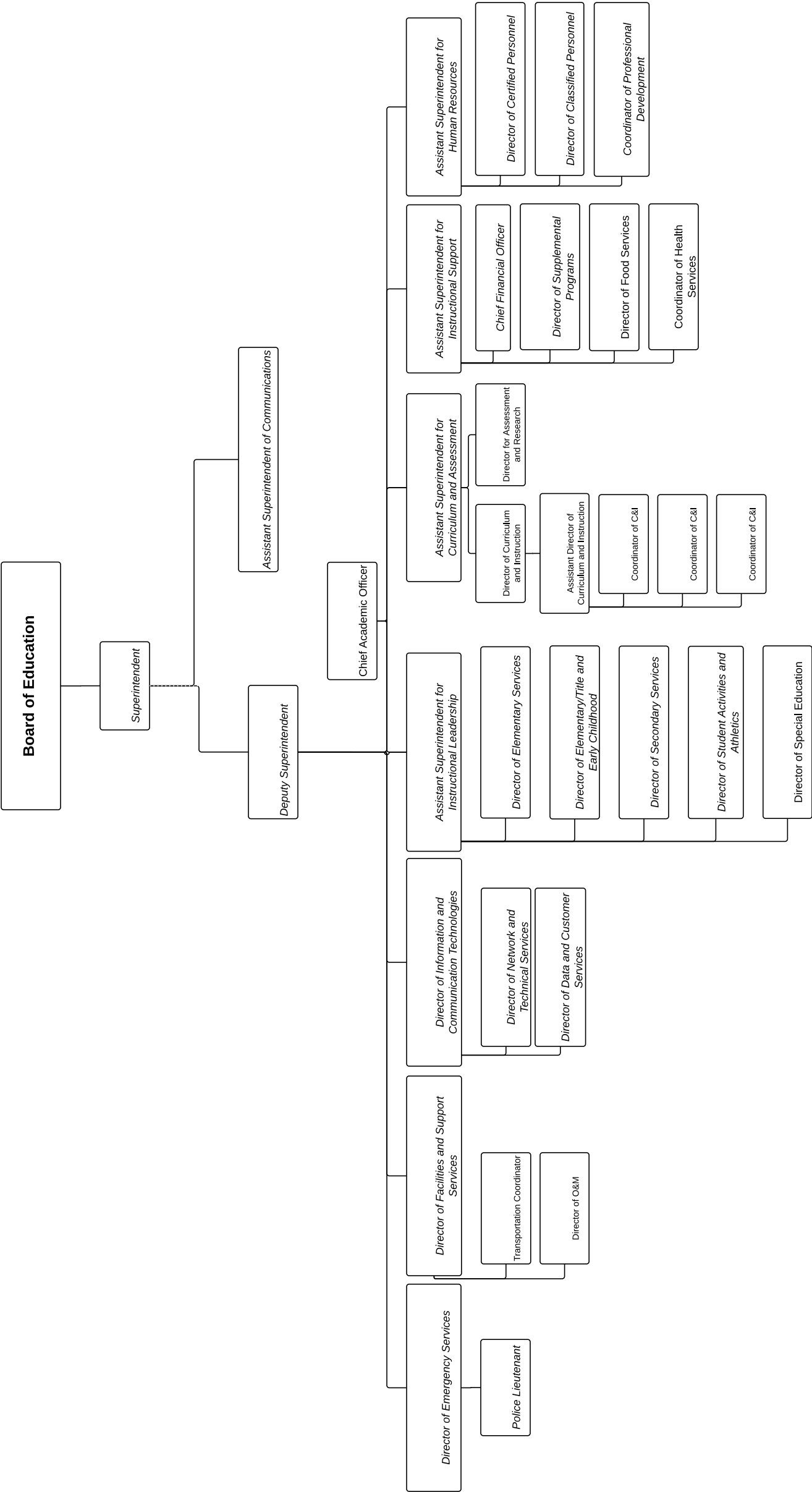
The district's policy is to require an annual, independent audit of the financial statements and in conjunction with that audit, a Single Audit is performed in accordance with federal requirements. For the fiscal year ended June 30, 2015, these audits were performed by the accounting firm of Mize Houser & 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.

  
Jim Hinson, Ed.D., Superintendent of Schools

  
Kenny Southwick, Ed.D., Deputy 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, 2015, 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, 2015, 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**

As described in Note 3.F. to the financial statements, on July 1, 2014, the District changed its method of accounting to adopt Government Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. As a result of the implementation, a restatement was made to the net position for the proportionate share of the District's net pension liability at June 30, 2014. 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, 2014, 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, 2014 and, in our report dated October 10, 2014, 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 funding progress on page 48, the schedule of employer contributions on page 48, the schedule of the District's proportionate share of the net pension liability on page 48, and the schedule of District contributions on page 49 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 29, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Mike Houser: Company PA*

Certified Public Accountants

Lawrence, Kansas  
October 29, 2015

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

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015**

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, 2015. 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, 2015). 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 and arbitration payable, 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 \$72.4 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, 2015. This statement answers the question, "How did the district do financially during fiscal year 2015?" 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, 2015**

#### **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 lower on June 30, 2015, than it was the year before, decreasing \$259.8 million to \$72.4 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, 2015

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

|   | Balance as<br>of 6/30/2015 | Balance as<br>of 6/30/2014 | Increase<br>(Decrease)<br>from 2014 |
|---|----------------------------|----------------------------|-------------------------------------|
| <b><u>Statement Classifications</u></b>         |                            |                            |                                     |
| Current Assets                                  | \$ 238.5                   | \$ 109.4                   | 118.01%                             |
| Non-Current Assets                              | 480.3                      | 453.6                      | 5.89%                               |
| Deferred Outflow of Resources                   | 16.8                       | 3.3                        | 409.09%                             |
| <b>Total Assets &amp; Deferred Outflow</b>      | <b>\$ 735.6</b>            | <b>\$ 566.3</b>            | <b>29.90%</b>                       |
| Current Liabilities                             | 64.1                       | 39.0                       | 64.36%                              |
| Non-Current Liabilities                         | 551.8                      | 193.8                      | 184.73%                             |
| Deferred Inflow of Resources                    | 47.3                       | 1.3                        | 3,538.46%                           |
| <b>Total Liabilities &amp; Deferred Inflow</b>  | <b>\$ 663.2</b>            | <b>\$ 234.1</b>            | <b>183.30%</b>                      |
| <b>Net Position</b>                             |                            |                            |                                     |
| Invested in capital assets, net of related debt | \$ 267.2                   | \$ 251.4                   | 6.28%                               |
| Restricted                                      | 21.1                       | 19.4                       | 8.76%                               |
| Unrestricted                                    | -215.9                     | 61.4                       | -451.63%                            |
| <b>Total Net Position</b>                       | <b>\$ 72.4</b>             | <b>\$ 332.2</b>            | <b>-78.21%</b>                      |

Total assets and deferred outflows increased \$169.3 million from fiscal year 2014 and total liabilities and deferred inflows increased \$429.1 million. The major changes in net position were due to the following:

1. The capital outlay balances decreased by \$8.3 million as digital learning devices were purchased in 2014-15 funded from \$17.9 million in temporary notes that were issued in 2013-14 to fund the district's digital learning initiative.
2. Capital projects increased \$109 million as the district issued \$118,625,000 in general obligation refunding and improvement bonds.
3. Issuance costs and escrow payments costs decreased \$2.5 million.
4. The fund balance of twenty-six other funds had a net increase of \$6.1 million. The majority of this increase is due to operating balances increasing \$2.5 million due to efficient use of limited resources and debt service balances increasing \$1.9 million due to refunding of bonds.
5. Capital assets increased \$26.7 million. The district had a recognize impairment loss of \$7.6 million due to Briarwood and Crestview Elementary Schools being scheduled to be demolished and rebuilt on site. This is referenced in footnote 4H. Asset additions exceeded retirements by \$34.3 million.
6. Deferred outflows of resources related to pensions increased by \$16.1 million and deferred inflows of resources related to pensions increased \$43.5 million. These changes are referenced in footnote 4A.
7. Pension liability increased \$242.3 million as the district changed its method of accounting to adopt Government Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions.
8. The net OPEB obligation liability increased \$1.2 million according to the District's OPEB actuarial study.
9. Bonds payable and related accrued interest payable increased by \$119.9 million as the district issued \$118,625,000 in general obligation refunding and improvement bonds.



## Shawnee Mission Unified School District No. 512

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

The total costs of all programs and services amounted to \$303.5 million. The following table shows the breakdown of total costs by functional area:

|                                 | Fiscal Year | Fiscal Year | Increase<br>(Decrease) |
|---------------------------------|-------------|-------------|------------------------|
|                                 | 2015        | 2014        | from 2014              |
| <b><u>Expense Function</u></b>  |             |             |                        |
| Instruction                     | 55.9%       | 55.9%       | 0.0%                   |
| Student Support Services        | 4.8%        | 4.9%        | -0.1%                  |
| Instructional Support           | 2.8%        | 2.9%        | -0.1%                  |
| General Administration          | 0.8%        | 0.7%        | 0.1%                   |
| School Administration           | 4.4%        | 4.4%        | 0.0%                   |
| Operations and Maintenance      | 14.2%       | 14.3%       | -0.1%                  |
| Student Transportation Services | 2.8%        | 3.2%        | -0.4%                  |
| Food Service Operations         | 3.6%        | 3.7%        | -0.1%                  |
| Student Activities              | 1.6%        | 1.3%        | 0.3%                   |
| Business Services               | 4.1%        | 3.6%        | 0.5%                   |
| State Payments                  | 2.7%        | 2.8%        | -0.1%                  |
| Interest on Long-Term Debt      | 2.3%        | 2.3%        | 0.0%                   |
| <b>Total</b>                    | <b>100%</b> | <b>100%</b> | <b>0%</b>              |

The district provided a salary increase in 2014-15 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. Additional savings occurred in student transportation due to moving a special education program to the high schools thus eliminating bus routes. The business services program increased 0.5% as the district entered into a lease agreement with Ricoh to operate the district's print shop.

Total receipts exceeded expenditures and the restatement of beginning net position due to GASB No. 68 pension reporting, decreased net position \$259.8 million over fiscal year 2014.

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

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015

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

|   | <b>Fiscal Year<br/>2015</b> | <b>Fiscal Year<br/>2014</b> | <b>Increase<br/>(Decrease)<br/>from 2014</b> |
|---|-----------------------------|-----------------------------|--|
| <b>Revenues:</b>  |                             |                             |  |
| Program revenues  |                             |                             |  |
| Charges for services  | \$11.7                      | \$13.1                      | -10.7%                                       |
| Operating grants and contributions                          | 52.7                        | 55.0                        | -4.2%  |
| General revenues  |                             |                             |  |
| Property taxes  | 121.0                       | 166.6                       | -27.4%                                       |
| Grants and entitlements not restricted to specific programs | 132.9                       | 80.4                        | 65.3%  |
| Investment earnings   | 0.0                         | 0.0                         | 0.0%   |
| Miscellaneous   | 2.1                         | 2.0                         | 5.0%   |
| <b>Total Revenues</b>                                       | <b>\$320.4</b>              | <b>\$317.1</b>              | <b>1.0%</b>                                  |
| <b>Expenses:</b>  |                             |                             |  |
| Instruction   | \$169.5                     | \$169.3                     | 0.1%   |
| Student Support Services                                    | 14.5                        | 14.9                        | -2.7%  |
| Instructional Support                                       | 8.6                         | 8.7                         | -1.1%  |
| General Administration                                      | 2.5                         | 2.1                         | 19.0%  |
| School Administration                                       | 13.4                        | 13.3                        | 0.8%   |
| Operations and Maintenance                                  | 43.1                        | 43.3                        | -0.5%  |
| Student Transportation Services                             | 8.5                         | 9.5                         | -10.5%                                       |
| Food Service Operations                                     | 10.9                        | 11.1                        | -1.8%  |
| Student Activities  | 4.7                         | 4.1                         | 14.6%  |
| Business and Central Support                                | 12.5                        | 10.8                        | 15.7%  |
| State Payment   | 8.3                         | 8.5                         | -2.4%  |
| Interest on Long-Term Debt                                  | 7.0                         | 7.1                         | -1.4%  |
| <b>Total Expenses</b>                                       | <b>\$303.5</b>              | <b>\$302.7</b>              | <b>0.3%</b>                                  |
| <b>Special item - Capital Asset Impairment</b>              | <b>(7.6)</b>                | <b>(4.3)</b>                |  |
| <b>Increase (decrease) in net position</b>                  | <b>\$9.3</b>                | <b>\$10.1</b>               |  |
| <b>Net Position – Beginning</b>                             | <b>\$332.2</b>              | <b>\$322.2</b>              |  |
| <b>Restatement</b>  | <b>(269.1)</b>              | <b>(0.1)</b>                |  |
| <b>Net Position - Ending</b>                                | <b>\$72.4</b>               | <b>\$332.2</b>              |  |

## Shawnee Mission Unified School District No. 512

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

The table, shown above, details the district's changes in net position for the year. The district's total revenues were \$320.4 million. Property taxes and grants and entitlements not restricted to specific programs accounted for most of the district's revenue, with property taxes contributing 37.8%, and unrestricted grants and entitlements contributing 41.5%. Another 16.4% came from operating grants and contributions, and the remaining 4.3% 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 decreased 27.4%. Beginning with 2014-15, the state reclassified the general fund 20 mill levy from local property tax to general state aid.
- Operating grants and contributions decreased 4.2%. This was caused by a decrease in federal grants.
- Grants and entitlements not restricted to specific programs increased 65.3%. Beginning with 2014-15, the state reclassified the general fund 20 mill levy from local property tax to general state aid.
- Charges for services decreased 10.7% as the district eliminated the textbook rental fee for per-kindergarten through 6<sup>th</sup> grade and also eliminated all day kindergarten fee.
- General administration expenditures increased 19.0% due to satisfying contractual obligations for personnel retirements and terminations.
- Student transportation decreased 10.5% as less bus routes were needed due to moving a special education program to the high schools and more efficient bus routing.
- Business and central support increased 15.7% as the district entered into a lease agreement with Ricoh to operate the district's print shop.

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)

| <b>Expense Function</b>         | <b>Total Cost of<br/>Services</b> | <b>Net<br/>Cost</b> |
|---------------------------------|-----------------------------------|---------------------|
| Instruction                     | \$169.5                           | \$132.8             |
| Student Support Services        | 14.5                              | 10.5                |
| Instructional Support           | 8.6                               | 7.7                 |
| General Administration          | 2.5                               | 2.2                 |
| School Administration           | 13.4                              | 13.3                |
| Operations and Maintenance      | 43.1                              | 42.7                |
| Student Transportation Services | 8.5                               | 4.7                 |
| Food Service Operations         | 10.9                              | -0.4                |
| Student Activities              | 4.7                               | 4.0                 |
| Business and Central Support    | 12.5                              | 12.3                |
| State Payment                   | 8.3                               | 2.3                 |
| Interest on Long-Term Debt      | 7.0                               | 7.0                 |
| <b>Total</b>                    | <b>\$303.5</b>                    | <b>\$239.1</b>      |

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

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015**

- ◆ Costs of \$11.7 million were financed by users of the district's programs.
- ◆ Federal and state governments subsidized certain programs with grants and contributions totaling \$52.7 million.
- ◆ Most of the district's net cost of services of \$239.1 million was financed by district and state taxpayers.
- ◆ The governmental activities portion was financed with \$121.0 million in property taxes, \$132.9 million of grants and entitlements not restricted to specific programs and \$2.1 million in miscellaneous sources.

#### **Financial Analysis of the District's Funds**

As the district completed the year, its governmental funds reported combined fund balances of \$197.2 million; an increase from last year's ending fund balance of \$90.5 million. Expenditures of \$365.0 million exceeded revenues of \$319.6 million

# Shawnee Mission Unified School District No. 512

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015

|                                 | Revenues       | Expenditures     | Other<br>Financing | End Bal        |
|---------------------------------|----------------|------------------|--------------------|----------------|
| General                         | \$99.3         | (\$99.8)         | \$0.0              | \$0.8          |
| Supplemental General            | 47.2           | (28.4)           | (18.6)             | 2.4            |
| AtRisk                          | 43.1           | (43.1)           | 0.0                | 0.0            |
| AtRisk 4 yr old                 | 0.3            | (0.3)            | 0.0                | 0.0            |
| Bilingual                       | 2.7            | (2.7)            | 0.0                | 0.0            |
| In-Service                      | 0.1            | (0.1)            | 0.0                | 0.0            |
| Special Education               | 24.5           | (40.4)           | 18.4               | 12.9           |
| Vocational                      | 3.5            | (3.5)            | 0.0                | 0.0            |
| Student Materials               | 0.6            | (0.6)            | 0.0                | 0.3            |
| Textbook Rental                 | 1.7            | (0.8)            | 0.0                | 3.2            |
| Special Liability               | 0.0            | (0.4)            | 0.0                | 2.5            |
| KPERS Retirement                | 17.6           | (17.6)           | 0.0                | 0.0            |
| Health Care Reserve             | 0.0            | 0.0              | 0.0                | 0.0            |
| Gate Receipts                   | 1.0            | (0.8)            | 0.0                | 0.7            |
| Contingency Reserve             | 0.0            | 0.0              | 0.0                | 5.6            |
| Cost of Living                  | 5.4            | (5.1)            | 0.0                | 0.3            |
| Federal and State Grants        | 5.3            | (5.3)            | 0.0                | 1.0            |
| <b>Total Basic Education</b>    | <b>\$252.3</b> | <b>(\$248.9)</b> | <b>(\$0.2)</b>     | <b>\$29.7</b>  |
| Parent education                | \$0.3          | (\$0.6)          | \$0.3              | \$0.0          |
| Summer School                   | 0.5            | (0.4)            | 0.0                | 0.8            |
| Adult Supplemental              | 0.0            | 0.0              | 0.0                | 0.0            |
| Declining Enrollment            | 3.3            | (3.2)            | 0.0                | 0.1            |
| Extraordinary School            | 0.1            | (0.0)            | 0.0                | 0.3            |
| <b>Total Expanded Education</b> | <b>\$4.2</b>   | <b>(\$4.2)</b>   | <b>\$0.3</b>       | <b>\$1.2</b>   |
| Capital Outlay                  | \$26.5         | (\$56.0)         | \$21.2             | \$32.1         |
| Capital Projects                | 0.0            | (13.8)           | 122.8              | 109.0          |
| Debt Service                    | 24.5           | (30.9)           | 8.0                | 21.1           |
| Special Assessments             | 1.1            | (0.5)            | 0.0                | 1.1            |
| <b>Total Capital</b>            | <b>\$52.1</b>  | <b>(\$101.2)</b> | <b>\$152.0</b>     | <b>\$163.3</b> |
| Food service                    | 11.0           | (10.7)           | 0.0                | 3.0            |
| <b>Total</b>                    | <b>\$319.6</b> | <b>(\$365.0)</b> | <b>\$152.1</b>     | <b>\$197.2</b> |

The major changes in fund balances were:

1. The capital outlay fund decreased \$8.3 million as the district purchased digital devices to support the district's digital learning initiative.
2. The capital projects increased \$109.0 million as the district issued \$118,625,000 in general obligation refunding and improvement bonds.
3. The special education fund balance increased \$2.5 million. The school finance law permits operating balances to be carried over in this fund. Operating revenue exceeded expenditures during 2015 primarily due to weighting increases in the funding formula and a reduction in operating expenditures.

## Shawnee Mission Unified School District No. 512

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

#### Analysis of Budget Variations

The original budget for general fund revenues was \$154.5 million, and the final budget was \$150.5 million. Actual general fund revenue matched the final budget.

The original general fund expenditure budget including transfers was \$154.5 million and the final budget was \$150.5 million. The actual expenditure matched the final budget.

#### Capital Asset and Debt Administration

##### Capital Assets

By the end of 2015, the district had invested \$480.3 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 \$26.7 million, net of depreciation. **See Notes to the Basic Financial Statements – Note 3B for further information.**

|                            | <b>Assets As Of<br/>June 30, 2015</b> |
|----------------------------|---------------------------------------|
| Land                       | \$ 6.9                                |
| Art work                   | 0.4                                   |
| Construction in progress   | 19.8                                  |
| Buildings and improvements | 534.4                                 |
| Equipment                  | 78.7                                  |
| Accumulated Depreciation   | [159.9]                               |
| Total                      | <u>\$ 480.3</u>                       |

##### Long-Term Debt

Moody's Investors Services had rated the Shawnee Mission School District effective May 20, 2015 at a rating of Aaa. Kansas law limits the amount of outstanding indebtedness. The current limit is approximately \$465 million, and the district has \$308.4 million outstanding at June 30, 2015. **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, Howard D. McEachen Administrative Center, 7235 Antioch, Shawnee Mission, Kansas 66204.

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF NET POSITION  
June 30, 2015

|   | Total<br>Governmental<br>Activities |
|---|-------------------------------------|
| Assets and Deferred Outflows of Resources                             |                                     |
| Current assets:   |                                     |
| Cash and cash equivalents   | \$ 101,727,270                      |
| Investments   | 125,191,845                         |
| Receivables   |                                     |
| Taxes   | 3,841,664                           |
| Other   | 7,098,758                           |
| Material and supplies inventory                                       | 621,642                             |
| Total current assets  | <u>238,481,179</u>                  |
| Noncurrent assets:  |                                     |
| Nondepreciable capital assets   | 27,102,237                          |
| Depreciable capital assets  | 613,105,491                         |
| Less: Accumulated depreciation  | <u>[159,896,515]</u>                |
| Total noncurrent assets   | <u>480,311,213</u>                  |
| Total assets  | <u>718,792,392</u>                  |
| Deferred outflows of resources  |                                     |
| Pension contributions subsequent to the measurement date              | 16,062,812                          |
| Deferred charge on bond issuance                                      | 775,024                             |
| Total deferred outflows of resources                                  | <u>16,837,836</u>                   |
| Total assets and deferred outflows of resources                       | <u>\$ 735,630,228</u>               |
| Liabilities and Deferred Inflows of Resources                         |                                     |
| Liabilities:  |                                     |
| Current liabilities:  |                                     |
| Accounts payable  | \$ 20,015,795                       |
| Accrued payroll, payroll withholdings and taxes                       | 13,616,015                          |
| Accrued interest payable  | 1,818,113                           |
| Claims payable  | 762,680                             |
| Long-term liabilities   |                                     |
| Due within one year   | <u>27,862,059</u>                   |
| Total current liabilities   | <u>64,074,662</u>                   |
| Noncurrent liabilities:   |                                     |
| Claims payable  | 457,171                             |
| Health care reserve   | 2,772,346                           |
| Net OPEB obligation   | 12,065,323                          |
| Net pension liability   | 242,287,546                         |
| Long-term liabilities   |                                     |
| Due in more than one year   | <u>294,234,702</u>                  |
| Total noncurrent liabilities  | <u>551,817,088</u>                  |
| Total liabilities   | <u>615,891,750</u>                  |
| Deferred Inflows of Resources   |                                     |
| Unavailable revenue - property taxes                                  | 3,841,664                           |
| Unavailable revenue - fees  | 5,684                               |
| Pension - changes in proportion                                       | 8,889,441                           |
| Pension - differences between expected and actual experience          | 5,738,860                           |
| Pension - difference between projected and actual investment earnings | <u>28,845,094</u>                   |
| Total deferred inflows of resources                                   | <u>47,320,743</u>                   |
| Total liabilities and deferred inflows of resources                   | <u>\$ 663,212,493</u>               |
| Net Position  |                                     |
| Net investment in capital assets                                      | \$ 267,252,105                      |
| Restricted for:   |                                     |
| Debt service  | 21,090,344                          |
| Unrestricted  | <u>[215,924,714]</u>                |
| Total net position  | <u>\$ 72,417,735</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, 2015

|   |                       | Program Revenues        |                             | Net [Expenses]<br>Revenue and<br>Changes in<br>Net Position |
|---|-----------------------|-------------------------|-----------------------------|---|
|   |                       |                         | Operating                   | Total   |
|   | Expenses              | Charges for<br>Services | Grants and<br>Contributions | Governmental<br>Activities                                  |
| <b>Governmental activities:</b>                             |                       |                         |                             |   |
| Instruction   | \$ 169,510,423        | \$ 6,707,859            | \$ 29,968,443               | \$ [132,834,121]  |
| Student support services                                    | 14,526,934            | -                       | 4,024,167                   | [10,502,767]  |
| Instructional support                                       | 8,574,463             | -                       | 822,637                     | [7,751,826]   |
| General administration                                      | 2,534,990             | -                       | 382,847                     | [2,152,143]   |
| School administration                                       | 13,375,735            | -                       | 82,062                      | [13,293,673]  |
| Operations and maintenance                                  | 43,144,632            | -                       | 459,476                     | [42,685,156]  |
| Student transportation services                             | 8,450,726             | -                       | 3,785,681                   | [4,665,045]   |
| Food service operations                                     | 10,881,124            | 5,020,144               | 6,211,765                   | 350,785   |
| Student activities  | 4,706,058             | -                       | 738,102                     | [3,967,956]   |
| Business and central support services                       | 12,471,248            | -                       | 184,667                     | [12,286,581]  |
| State payment   | 8,319,740             | -                       | 6,031,889                   | [2,287,851]   |
| Interest on long-term debt                                  | 7,027,298             | -                       | -                           | [7,027,298]   |
| Total school district                                       | <u>\$ 303,523,371</u> | <u>\$ 11,728,003</u>    | <u>\$ 52,691,736</u>        | <u>[239,103,632]</u>  |
| <b>General Revenues:</b>                                    |                       |                         |                             |   |
| Property taxes levied for                                   |                       |                         |                             |   |
| General purposes  |                       |                         |                             | 70,209,151  |
| Debt service  |                       |                         |                             | 24,539,095  |
| Capital outlay  |                       |                         |                             | 26,249,640  |
| Grants and entitlements not restricted to specific programs |                       |                         |                             | 132,870,804   |
| Investments earnings  |                       |                         |                             | 16,013  |
| Miscellaneous   |                       |                         |                             | <u>2,105,826</u>  |
| Subtotal general revenues                                   |                       |                         |                             | <u>255,990,529</u>  |
| Special items   |                       |                         |                             |   |
| Capital asset impairment losses                             |                       |                         |                             | <u>[7,624,061]</u>  |
| Total general revenues and special items                    |                       |                         |                             | <u>248,366,468</u>  |
| Change in net position                                      |                       |                         |                             | <u>9,262,836</u>  |
| Net position - beginning, as originally stated              |                       |                         |                             | 332,218,878   |
| Restatements to beginning net position                      |                       |                         |                             | <u>[269,063,979]</u>  |
| Net position - beginning, as restated                       |                       |                         |                             | <u>63,154,899</u>   |
| Net position - ending                                       |                       |                         |                             | <u>\$ 72,417,735</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, 2015

|   | General              | Debt<br>Service      | Supplemental<br>General | Special<br>Education | Capital<br>Outlay    | At Risk<br>(K-12) | KPERS<br>Special<br>Retirement<br>Contribution | Capital<br>Project    | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|----------------------|-------------------------|----------------------|----------------------|-------------------|--|-----------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>   |                      |                      |                         |                      |                      |                   |  |                       |                                |                                |
| Cash and cash equivalents   | \$ 10,010,467        | \$ 21,090,344        | \$ 2,447,780            | \$ 15,595,482        | \$ 38,250,934        | \$ 514,118        | \$ -   | \$ 147,611            | \$ 12,670,534                  | \$ 100,727,270                 |
| Investments   | -                    | -                    | -                       | -                    | -                    | -                 | -  | 115,191,845           | 10,000,000                     | 125,191,845                    |
| Receivables   |                      |                      |                         |                      |                      |                   |  |                       |                                |                                |
| Taxes   | -                    | 795,044              | 1,854,064               | -                    | 855,821              | -                 | -  | -                     | 336,735                        | 3,841,664                      |
| Other   | 145,000              | -                    | -                       | -                    | -                    | -                 | 6,953,758                                      | -                     | -                              | 7,098,758                      |
| Material and supplies inventory   | 397,155              | -                    | -                       | -                    | -                    | -                 | -  | -                     | 224,487                        | 621,642                        |
| Due from other funds  | 190                  | -                    | -                       | -                    | -                    | -                 | -  | -                     | -                              | 190                            |
| <b>Total assets</b>   | <b>\$ 10,552,812</b> | <b>\$ 21,885,388</b> | <b>\$ 4,301,844</b>     | <b>\$ 15,595,482</b> | <b>\$ 39,106,755</b> | <b>\$ 514,118</b> | <b>\$ 6,953,758</b>                            | <b>\$ 115,339,456</b> | <b>\$ 23,231,756</b>           | <b>\$ 237,481,369</b>          |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                      |                      |                         |                      |                      |                   |  |                       |                                |                                |
| <b>Liabilities:</b>   |                      |                      |                         |                      |                      |                   |  |                       |                                |                                |
| Accounts payable  | \$ 63,654            | \$ -                 | \$ 95,557               | \$ 43,099            | \$ 6,124,113         | \$ -              | \$ 6,953,758                                   | \$ 6,301,803          | \$ 433,811                     | \$ 20,015,795                  |
| Health care reserve   | -                    | -                    | -                       | -                    | -                    | -                 | -  | -                     | 2,772,346                      | 2,772,346                      |
| Accrued payroll,<br>payroll withholdings and taxes                        | 9,674,371            | -                    | 598                     | 2,631,049            | -                    | 514,044           | -  | -                     | 795,953                        | 13,616,015                     |
| Due to other funds  | -                    | -                    | -                       | -                    | -                    | -                 | -  | -                     | 190                            | 190                            |
| <b>Total liabilities</b>  | <b>9,738,025</b>     | <b>-</b>             | <b>96,155</b>           | <b>2,674,148</b>     | <b>6,124,113</b>     | <b>514,044</b>    | <b>6,953,758</b>                               | <b>6,301,803</b>      | <b>4,002,300</b>               | <b>36,404,346</b>              |
| <b>Deferred inflows of resources:</b>                                     |                      |                      |                         |                      |                      |                   |  |                       |                                |                                |
| Unavailable revenue - student fees  | -                    | -                    | -                       | -                    | -                    | -                 | -  | -                     | 5,684                          | 5,684                          |
| Unavailable revenue - property taxes                                      | -                    | 795,044              | 1,854,064               | -                    | 855,821              | -                 | -  | -                     | 336,735                        | 3,841,664                      |
| <b>Total deferred inflows of resources</b>                                | <b>-</b>             | <b>795,044</b>       | <b>1,854,064</b>        | <b>-</b>             | <b>855,821</b>       | <b>-</b>          | <b>-</b>                                       | <b>-</b>              | <b>342,419</b>                 | <b>3,847,348</b>               |
| <b>Total liabilities and deferred inflows of resources</b>                | <b>9,738,025</b>     | <b>795,044</b>       | <b>1,950,219</b>        | <b>2,674,148</b>     | <b>6,979,934</b>     | <b>514,044</b>    | <b>6,953,758</b>                               | <b>6,301,803</b>      | <b>4,344,719</b>               | <b>40,251,694</b>              |
| <b>Fund balance:</b>  |                      |                      |                         |                      |                      |                   |  |                       |                                |                                |
| Nonspendable  | 397,155              | -                    | -                       | -                    | -                    | -                 | -  | -                     | 224,487                        | 621,642                        |
| Restricted  | -                    | 21,090,344           | -                       | 12,752,176           | 22,467,627           | -                 | -  | 89,736,936            | 17,791,364                     | 163,838,447                    |
| Assigned  | 398,215              | -                    | 44,252                  | 169,158              | 9,659,194            | 74                | -  | 19,300,717            | 871,186                        | 30,442,796                     |
| Unassigned  | 19,417               | -                    | 2,307,373               | -                    | -                    | -                 | -  | -                     | -                              | 2,326,790                      |
| <b>Total fund balances</b>  | <b>814,787</b>       | <b>21,090,344</b>    | <b>2,351,625</b>        | <b>12,921,334</b>    | <b>32,126,821</b>    | <b>74</b>         | <b>-</b>                                       | <b>109,037,653</b>    | <b>18,887,037</b>              | <b>197,229,675</b>             |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$ 10,552,812</b> | <b>\$ 21,885,388</b> | <b>\$ 4,301,844</b>     | <b>\$ 15,595,482</b> | <b>\$ 39,106,755</b> | <b>\$ 514,118</b> | <b>\$ 6,953,758</b>                            | <b>\$ 115,339,456</b> | <b>\$ 23,231,756</b>           | <b>\$ 237,481,369</b>          |

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

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

June 30, 2015

|  |                    |                      |
|--|--------------------|----------------------|
| Total Governmental Fund Balances   |                    | \$ 197,229,675       |
| 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.  |                    | 775,024              |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds   |                    |                      |
| The cost of capital assets is  | 640,207,728        |                      |
| Accumulated depreciation is  | <u>159,896,515</u> | 480,311,213          |
| 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. |                    | [219,851]            |
| 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.  |                    | 16,062,812           |
| 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.   |                    | [43,473,395]         |
| The following liabilities, including bonds 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 payable  | 322,096,761        |                      |
| Net OPEB obligation  | 12,065,323         |                      |
| Net pension liability  | 242,287,546        |                      |
| Accrued interest on the bonds  | <u>1,818,113</u>   | <u>[578,267,743]</u> |
| Net Position of Governmental Activities  |                    | <u>\$ 72,417,735</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, 2015

|   | General           | Debt<br>Service      | Supplemental<br>General | Special<br>Education | Capital<br>Outlay    | At Risk<br>(K-12) | KPERS<br>Special<br>Retirement<br>Contribution | Capital<br>Project    | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|-------------------|----------------------|-------------------------|----------------------|----------------------|-------------------|--|-----------------------|--------------------------------|--------------------------------|
| REVENUES:   |                   |                      |                         |                      |                      |                   |  |                       |                                |                                |
| Taxes   | \$ -              | \$ 24,539,095        | \$ 47,154,533           | \$ -                 | \$ 26,249,640        | \$ -              | \$ -   | \$ -                  | \$ 9,838,009                   | \$ 107,781,277                 |
| Intergovernmental   | 95,543,164        | -                    | -                       | 24,455,514           | -                    | 43,020,342        | 17,553,577                                     | -                     | 17,103,725                     | 197,676,322                    |
| Charges for services  | 3,758,525         | -                    | -                       | -                    | -                    | -                 | -  | -                     | 7,969,478                      | 11,728,003                     |
| Investment revenue  | -                 | -                    | -                       | 9,924                | -                    | -                 | -  | -                     | 6,089                          | 16,013                         |
| Other local sources   | -                 | -                    | -                       | 168                  | 291,118              | 49,283            | -  | -                     | 2,073,346                      | 2,413,915                      |
| Total revenues  | <u>99,301,689</u> | <u>24,539,095</u>    | <u>47,154,533</u>       | <u>24,465,606</u>    | <u>26,540,758</u>    | <u>43,069,625</u> | <u>17,553,577</u>                              | <u>-</u>              | <u>36,990,647</u>              | <u>319,615,530</u>             |
| EXPENDITURES:   |                   |                      |                         |                      |                      |                   |  |                       |                                |                                |
| Current   |                   |                      |                         |                      |                      |                   |  |                       |                                |                                |
| Instruction   | 48,334,960        | -                    | 16,284,763              | 31,629,391           | 20,780,411           | 42,195,994        | 12,535,970                                     | -                     | 10,086,716                     | 181,848,205                    |
| Student support services                                    | 7,516,269         | -                    | 5,769                   | 4,103,902            | 39,134               | 222,779           | 993,246  | -                     | 1,531,449                      | 14,412,548                     |
| Instructional support staff                                 | 6,434,114         | -                    | 7,845                   | -                    | 37,782               | 139               | 582,248  | -                     | 1,338,916                      | 8,401,044                      |
| General administration                                      | 1,785,679         | -                    | 202,267                 | 60,161               | 194                  | -                 | 85,625   | 132,752               | 252,304                        | 2,518,982                      |
| School administration                                       | 11,833,138        | -                    | 13,043                  | -                    | -                    | 291,104           | 1,010,371                                      | -                     | 133,563                        | 13,281,219                     |
| Operations and maintenance                                  | 10,549,685        | -                    | 9,223,767               | -                    | 4,308,879            | 193,701           | 1,250,121                                      | 164                   | 747,838                        | 26,274,155                     |
| Student transportation services                             | 3,065,435         | -                    | -                       | 4,598,324            | -                    | 194,332           | 17,125   | -                     | 538,712                        | 8,413,928                      |
| Food service operations                                     | -                 | -                    | -                       | -                    | -                    | -                 | 496,623  | -                     | 10,110,205                     | 10,606,828                     |
| Student activities  | 3,212,360         | -                    | -                       | -                    | 265,083              | -                 | -  | -                     | 1,201,327                      | 4,678,770                      |
| Business and central support services                       | 7,017,785         | -                    | 2,619,004               | 4,300                | 1,178,250            | -                 | 582,248  | 175,460               | 295,305                        | 11,872,352                     |
| State payment   | -                 | -                    | -                       | -                    | -                    | -                 | -  | -                     | 8,319,740                      | 8,319,740                      |
| Capital outlay  | -                 | -                    | -                       | -                    | 22,574,002           | -                 | -  | 13,495,816            | 539,369                        | 36,609,187                     |
| Debt service  |                   |                      |                         |                      |                      |                   |  |                       |                                |                                |
| Principal retirement  | -                 | 24,340,000           | -                       | -                    | 6,463,056            | -                 | -  | -                     | -                              | 30,803,056                     |
| Interest and other charges                                  | -                 | 6,550,340            | -                       | -                    | 391,904              | -                 | -  | -                     | -                              | 6,942,244                      |
| Total expenditures  | <u>99,749,425</u> | <u>30,890,340</u>    | <u>28,356,458</u>       | <u>40,396,078</u>    | <u>56,038,695</u>    | <u>43,098,049</u> | <u>17,553,577</u>                              | <u>13,804,192</u>     | <u>35,095,444</u>              | <u>364,982,258</u>             |
| Excess [deficiency] of revenue<br>over [under] expenditures | <u>[447,736]</u>  | <u>[6,351,245]</u>   | <u>18,798,075</u>       | <u>[15,930,472]</u>  | <u>[29,497,937]</u>  | <u>[28,424]</u>   | <u>-</u>                                       | <u>[13,804,192]</u>   | <u>1,895,203</u>               | <u>[45,366,728]</u>            |
| OTHER FINANCING SOURCES [USES]                              |                   |                      |                         |                      |                      |                   |  |                       |                                |                                |
| Transfers in  | -                 | -                    | -                       | 18,405,102           | -                    | -                 | -  | -                     | 251,739                        | 18,656,841                     |
| Transfers out   | -                 | -                    | [18,656,841]            | -                    | -                    | -                 | -  | -                     | -                              | [18,656,841]                   |
| General obligation bonds issued                             | -                 | 8,033,533            | -                       | -                    | 21,175,534           | -                 | -  | 122,841,845           | -                              | 152,050,912                    |
| Total other financing sources [uses]                        | <u>-</u>          | <u>8,033,533</u>     | <u>[18,656,841]</u>     | <u>18,405,102</u>    | <u>21,175,534</u>    | <u>-</u>          | <u>-</u>                                       | <u>122,841,845</u>    | <u>251,739</u>                 | <u>152,050,912</u>             |
| Net change in fund balance                                  | <u>[447,736]</u>  | <u>1,682,288</u>     | <u>141,234</u>          | <u>2,474,630</u>     | <u>[8,322,403]</u>   | <u>[28,424]</u>   | <u>-</u>                                       | <u>109,037,653</u>    | <u>2,146,942</u>               | <u>106,684,184</u>             |
| FUND BALANCE - Beginning of year                            | <u>1,262,523</u>  | <u>19,408,056</u>    | <u>2,210,391</u>        | <u>10,446,704</u>    | <u>40,449,224</u>    | <u>28,498</u>     | <u>-</u>                                       | <u>-</u>              | <u>16,740,095</u>              | <u>90,545,491</u>              |
| FUND BALANCE - End of year                                  | <u>\$ 814,787</u> | <u>\$ 21,090,344</u> | <u>\$ 2,351,625</u>     | <u>\$ 12,921,334</u> | <u>\$ 32,126,821</u> | <u>\$ 74</u>      | <u>\$ -</u>                                    | <u>\$ 109,037,653</u> | <u>\$ 18,887,037</u>           | <u>\$ 197,229,675</u>          |

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, 2015

|   |                     |                     |
|---|---------------------|---------------------|
| Total Net Change In Fund Balances - Governmental Funds  |                     | \$ 106,684,184      |
| 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.   |                     | [1,140,721]         |
| 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   | 53,443,982          |                     |
| Depreciation expense  | <u>[18,279,626]</u> | 35,164,356          |
| 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  | [163,113]           |                     |
| Loss on sale of capital assets  | <u>[658,636]</u>    | [821,749]           |
| 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 \$7,624,061.  |                     | [7,624,061]         |
| 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 \$1,207,146.   |                     | [1,207,146]         |
| 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.   |                     | [85,054]            |
| Bond 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.  |                     | [152,050,912]       |
| 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.  |                     | 175,033             |
| Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities   |                     | [634,150]           |
| Repayment of bond 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>30,803,056</u>   |
| Changes In Net Position of Governmental Activities  |                     | <u>\$ 9,262,836</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, 2015  
(With Comparative Amounts for the Year Ended June 30, 2014)

|  | June 30, 2014 |               | June 30, 2015                        |                    |                  |              |             | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|--|---------------|---------------|--------------------------------------|--------------------|------------------|--------------|-------------|---|
|  | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |              |             |   |
|  |               |               |                                      |                    | Original         | Final        |             |   |
| REVENUES:  |               |               |                                      |                    |                  |              |             |   |
| Taxes:   |               |               |                                      |                    |                  |              |             |   |
| In process   | \$ 959,116    | \$ -          | \$ -                                 | \$ -               | \$ -             | \$ -         | \$ -        | -   |
| Current  | 52,190,847    | -             | -                                    | -                  | -                | -            | -           | -   |
| Delinquent   | 546,842       | -             | -                                    | -                  | -                | -            | -           | -   |
| Total taxes  | 53,696,805    | -             | -                                    | -                  | -                | -            | -           | -   |
| Intergovernmental  |               |               |                                      |                    |                  |              |             |   |
| General aid  | 44,168,275    | 95,543,164    | 33,730,763                           | 129,273,927        | 135,639,295      | 131,690,216  | [2,416,289] |   |
| Special education aid  | -             | -             | 17,488,188                           | 17,488,188         | 18,830,424       | 18,830,424   | [1,342,236] |   |
| Total intergovernmental                                      | 44,168,275    | 95,543,164    | 51,218,951                           | 146,762,115        | 154,469,719      | 150,520,640  | [3,758,525] |   |
| Charges for services   | 3,964,025     | 3,758,525     | -                                    | 3,758,525          | -                | -            | 3,758,525   |   |
| Total revenues   | 101,829,105   | 99,301,689    | 51,218,951                           | 150,520,640        | 154,469,719      | 150,520,640  | -           |   |
| EXPENDITURES:  |               |               |                                      |                    |                  |              |             |   |
| Instruction  | 51,949,456    | 48,349,378    | [3,928,519]                          | 44,420,859         | 42,492,269       | 42,492,269   | [1,928,590] |   |
| Student support  | 7,544,414     | 7,516,269     | [3,398]                              | 7,512,871          | 8,406,369        | 8,406,369    | 893,498     |   |
| Instructional support staff                                  | 6,257,205     | 6,434,114     | [182,109]                            | 6,252,005          | 6,554,687        | 6,554,687    | 302,682     |   |
| General administration                                       | 1,511,332     | 1,785,679     | [706]                                | 1,784,973          | 1,622,414        | 1,622,414    | [162,559]   |   |
| School administration  | 11,688,126    | 11,833,138    | 3,736                                | 11,836,874         | 12,016,719       | 12,016,719   | 179,845     |   |
| Operations and maintenance                                   | 10,263,088    | 10,549,685    | -                                    | 10,549,685         | 11,048,984       | 11,048,984   | 499,299     |   |
| Student transportation services                              | 3,263,777     | 3,065,435     | 22,200                               | 3,087,635          | 3,323,187        | 3,323,187    | 235,552     |   |
| Student activities   | 2,577,428     | 3,212,360     | 24,898                               | 3,237,258          | -                | -            | [3,237,258] |   |
| Business and central support services                        | 6,666,255     | 7,017,785     | 8,839                                | 7,026,624          | 9,092,654        | 9,092,654    | 2,066,030   |   |
| Adjustment to Comply with Legal Maximum Budget               | -             | -             | -                                    | -                  | -                | [3,954,078]  | [3,954,078] |   |
| Total expenditures   | 101,721,081   | 99,763,843    | [4,055,059]                          | 95,708,784         | 94,557,283       | 90,603,205   | [5,105,579] |   |
| Excess [deficiency] of revenues<br>over [under] expenditures | 108,024       | [462,154]     | 55,274,010                           | 54,811,856         | 59,912,436       | 59,917,435   | [5,105,579] |   |
| OTHER FINANCING SOURCES [USES]:                              |               |               |                                      |                    |                  |              |             |   |
| Transfers out  | -             | -             | [54,820,828]                         | [54,820,828]       | [59,926,407]     | [59,926,407] | 5,105,579   |   |
| Total other financing sources [uses]                         | -             | -             | [54,820,828]                         | [54,820,828]       | [59,926,407]     | [59,926,407] | 5,105,579   |   |
| Net change in fund balance                                   | 108,024       | [462,154]     | 453,182                              | [8,972]            | \$ [13,971]      | \$ [8,972]   | \$ -        |   |
| FUND BALANCE - Beginning of year                             | 1,141,872     | 1,262,523     | [1,248,552]                          | 13,971             |                  |              |             |   |
| Prior year cancelled encumbrances                            | 12,627        | 14,418        | -                                    | 14,418             |                  |              |             |   |
| FUND BALANCE - End of year                                   | \$ 1,262,523  | \$ 814,787    | \$ [795,370]                         | \$ 19,417          |                  |              |             |   |

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, 2015  
(With Comparative Amounts for the Year Ended June 30, 2014)

|  | June 30, 2014 | June 30, 2015 |                                      |                    |                  |              | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|--|---------------|---------------|--------------------------------------|--------------------|------------------|--------------|---|
|  | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |              |   |
|  |               |               |                                      |                    | Original         | Final        |   |
| REVENUES:  |               |               |                                      |                    |                  |              |   |
| Taxes:   |               |               |                                      |                    |                  |              |   |
| In process   | \$ 900,253    | \$ 802,446    | \$ -                                 | \$ 802,446         | \$ 431,341       | \$ 431,341   | \$ 371,105  |
| Current  | 34,105,997    | 36,163,656    | 13,216,609                           | 49,380,265         | 47,930,481       | 47,930,481   | 1,449,784   |
| Delinquent   | 510,576       | 433,662       | -                                    | 433,662            | 543,442          | 543,442      | [109,780]   |
| Motor vehicle  | 5,911,138     | 6,260,068     | -                                    | 6,260,068          | 5,919,750        | 5,919,750    | 340,318   |
| Supplemental general aid                                     | -             | 3,378,132     | -                                    | 3,378,132          | 4,255,586        | 4,255,586    | [877,454]   |
| Rental excise  | 105,551       | 116,569       | -                                    | 116,569            | -                | -            | 116,569   |
| Total taxes  | 41,533,515    | 47,154,533    | 13,216,609                           | 60,371,142         | 59,080,600       | 59,080,600   | 1,290,542   |
| Total revenues   | 41,533,515    | 47,154,533    | 13,216,609                           | 60,371,142         | 59,080,600       | 59,080,600   | 1,290,542   |
| EXPENDITURES:  |               |               |                                      |                    |                  |              |   |
| Instruction  | 13,779,965    | 16,295,519    | [102,450]                            | 16,193,069         | 22,533,708       | 22,533,708   | 6,340,639   |
| Student support  | 5,280         | 5,769         | -                                    | 5,769              | 5,769            | 5,769        | -   |
| Instructional support staff                                  | 408,176       | 7,845         | [7,845]                              | -                  | 16,729           | 16,729       | 16,729  |
| General administration                                       | 187,279       | 202,267       | 21                                   | 202,288            | 166,100          | 166,100      | [36,188]  |
| School administration  | -             | 13,043        | -                                    | 13,043             | -                | -            | [13,043]  |
| Operations and maintenance                                   | 9,425,612     | 9,223,767     | [9,507]                              | 9,214,260          | 9,122,378        | 9,122,378    | [91,882]  |
| Business and central support services                        | 1,639,865     | 2,619,004     | [332,875]                            | 2,286,129          | 3,051,849        | 3,051,849    | 765,720   |
| Adjustment to Comply with Legal Maximum Budget               | -             | -             | -                                    | -                  | -                | [1,006,075]  | [1,006,075]   |
| Total expenditures   | 25,446,177    | 28,367,214    | [452,656]                            | 27,914,558         | 34,896,533       | 33,890,458   | 5,975,900   |
| Excess [deficiency] of revenues<br>over [under] expenditures | 16,087,338    | 18,787,319    | 13,669,265                           | 32,456,584         | 24,184,067       | 25,190,142   | 7,266,442   |
| OTHER FINANCING SOURCES [USES]:                              |               |               |                                      |                    |                  |              |   |
| Transfers out  | [17,421,443]  | [18,656,841]  | [13,216,609]                         | [31,873,450]       | [25,897,550]     | [25,897,550] | [5,975,900]   |
| Total other financing sources [uses]                         | [17,421,443]  | [18,656,841]  | [13,216,609]                         | [31,873,450]       | [25,897,550]     | [25,897,550] | [5,975,900]   |
| Net change in fund balance                                   | [1,334,105]   | 130,478       | 452,656                              | 583,134            | \$ [1,713,483]   | \$ [707,408] | \$ 1,290,542  |
| FUND BALANCE - Beginning of year                             | 3,530,693     | 2,210,391     | [496,908]                            | 1,713,483          |                  |              |   |
| Prior year cancelled encumbrances                            | 13,803        | 10,756        | -                                    | 10,756             |                  |              |   |
| FUND BALANCE - End of year                                   | \$ 2,210,391  | \$ 2,351,625  | \$ [44,252]                          | \$ 2,307,373       |                  |              |   |

## 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, 2015  
(With Comparative Amounts for the Year Ended June 30, 2014)

|  | June 30, 2014 | June 30, 2015 |                                      |                    |                  |              |    | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|--|---------------|---------------|--------------------------------------|--------------------|------------------|--------------|----|---|
|  | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |              |    |   |
|  |               |               |                                      |                    | Original         | Final        |    |   |
| REVENUES:  |               |               |                                      |                    |                  |              |    |   |
| Intergovernmental:   |               |               |                                      |                    |                  |              |    |   |
| Federal  | \$ 6,869,097  | \$ 6,967,326  | \$ -                                 | \$ 6,967,326       | \$ 7,006,976     | \$ 7,006,976 | \$ | [39,650]  |
| State and local  | 19,171,948    | 17,488,188    | [17,488,188]                         | -                  | 4,500            | 4,500        |    | [4,500]   |
| Total intergovernmental                                      | 26,041,045    | 24,455,514    | [17,488,188]                         | 6,967,326          | 7,011,476        | 7,011,476    |    | [44,150]  |
| Investment revenue   | 15,431        | 9,924         | -                                    | 9,924              | 40,000           | 40,000       |    | [30,076]  |
| Other local funds  | 83            | 168           | -                                    | 168                | 3,281,000        | 3,281,000    |    | [3,280,832]   |
| Total revenues   | 26,056,559    | 24,465,606    | [17,488,188]                         | 6,977,418          | 10,332,476       | 10,332,476   |    | [3,355,058]   |
| EXPENDITURES:  |               |               |                                      |                    |                  |              |    |   |
| Instruction  | 32,310,294    | 31,640,227    | 98,578                               | 31,738,805         | 32,985,988       | 32,985,988   |    | 1,247,183   |
| Student support services                                     | 4,224,602     | 4,103,902     | [14,175]                             | 4,089,727          | 3,671,760        | 3,671,760    |    | [417,967]   |
| General administration                                       | 28,760        | 60,161        | -                                    | 60,161             | 60,175           | 60,175       |    | 14  |
| Business and central support services                        | 6,155         | 4,300         | -                                    | 4,300              | 16,163           | 16,163       |    | 11,863  |
| Operations and maintenance                                   | -             | -             | -                                    | -                  | 9,855            | 9,855        |    | 9,855   |
| Student transportation services                              | 5,486,852     | 4,598,324     | [3,490]                              | 4,594,834          | 5,503,320        | 5,503,320    |    | 908,486   |
| Total expenditures   | 42,056,663    | 40,406,914    | 80,913                               | 40,487,827         | 42,247,261       | 42,247,261   |    | 1,759,434   |
| Excess [deficiency] of revenues<br>over [under] expenditures | [16,000,104]  | [15,941,308]  | [17,569,101]                         | [33,510,409]       | [31,914,785]     | [31,914,785] |    | [1,595,624]   |
| OTHER FINANCING SOURCES [USES]:                              |               |               |                                      |                    |                  |              |    |   |
| Transfers in   | 17,214,843    | 18,405,102    | 17,488,188                           | 35,893,290         | 31,635,121       | 31,635,121   |    | 4,258,169   |
| Total other financing sources [uses]                         | 17,214,843    | 18,405,102    | 17,488,188                           | 35,893,290         | 31,635,121       | 31,635,121   |    | 4,258,169   |
| Net change in fund balance                                   | 1,214,739     | 2,463,794     | [80,913]                             | 2,382,881          | \$ [279,664]     | \$ [279,664] | \$ | 2,662,545   |
| FUND BALANCE - Beginning of year                             | 9,166,229     | 10,446,704    | [88,245]                             | 10,358,459         |                  |              |    |   |
| Prior year cancelled encumbrances                            | 65,736        | 10,836        | -                                    | 10,836             |                  |              |    |   |
| FUND BALANCE - End of year                                   | \$ 10,446,704 | \$ 12,921,334 | \$ [169,158]                         | \$ 12,752,176      |                  |              |    |   |

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, 2015  
(With Comparative Amounts for the Year Ended June 30, 2014)

|  | June 30, 2014 |               |                                      | June 30, 2015      |                  |              | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|--|---------------|---------------|--------------------------------------|--------------------|------------------|--------------|---|
|  | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |              |   |
|  |               |               |                                      |                    | Original         | Final        |   |
| REVENUES:  |               |               |                                      |                    |                  |              |   |
| Intergovernmental:   |               |               |                                      |                    |                  |              |   |
| State and local  | \$ 41,983,888 | \$ 43,020,342 | \$ [43,020,342]                      | \$ -               | \$ -             | \$ -         | \$ -  |
| Other local sources  | 22,770        | 49,283        | -                                    | 49,283             | 30,000           | 30,000       | 19,283  |
| Total revenues   | 42,006,658    | 43,069,625    | [43,020,342]                         | 49,283             | 30,000           | 30,000       | 19,283  |
| EXPENDITURES:  |               |               |                                      |                    |                  |              |   |
| Instruction  | 41,150,546    | 42,195,994    | [28,424]                             | 42,167,570         | 46,024,662       | 46,024,662   | 3,857,092   |
| Student support services                                     | 215,334       | 222,779       | -                                    | 222,779            | 222,178          | 222,178      | [601]   |
| Instructional support staff                                  | -             | 139           | -                                    | 139                | 400              | 400          | 261   |
| School administration  | 281,951       | 291,104       | -                                    | 291,104            | 296,163          | 296,163      | 5,059   |
| Operations and maintenance                                   | 161,995       | 193,701       | -                                    | 193,701            | 189,984          | 189,984      | [3,717]   |
| Student transportation services                              | 168,481       | 194,332       | -                                    | 194,332            | 191,347          | 191,347      | [2,985]   |
| Total expenditures   | 41,978,307    | 43,098,049    | [28,424]                             | 43,069,625         | 46,924,734       | 46,924,734   | 3,855,109   |
| Excess [deficiency] of revenues<br>over [under] expenditures | 28,351        | [28,424]      | [42,991,918]                         | [43,020,342]       | [46,894,734]     | [46,894,734] | 3,874,392   |
| OTHER FINANCING SOURCES [USES]:                              |               |               |                                      |                    |                  |              |   |
| Transfers in   | -             | -             | 43,020,342                           | 43,020,342         | 46,894,734       | 46,894,734   | [3,874,392]   |
| Total other financing sources [uses]                         | -             | -             | 43,020,342                           | 43,020,342         | 46,894,734       | 46,894,734   | [3,874,392]   |
| Net change in fund balance                                   | 28,351        | [28,424]      | 28,424                               | -                  | \$ -             | \$ -         | \$ -  |
| FUND BALANCE - Beginning of year,                            | 147           | 28,498        | [28,498]                             | -                  |                  |              |   |
| FUND BALANCE - End of year                                   | \$ 28,498     | \$ 74         | \$ [74]                              | \$ -               |                  |              |   |



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, 2015  
(With Comparative Amounts for the Year Ended June 30, 2014)

|                                       | June 30, 2014 |               | June 30, 2015                        |                    |                  |               | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|---------------------------------------|---------------|---------------|--------------------------------------|--------------------|------------------|---------------|---|
|                                       | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |               |   |
|                                       |               |               |                                      |                    | Original         | Final         |   |
| REVENUES:                             |               |               |                                      |                    |                  |               |   |
| Intergovernmental:                    |               |               |                                      |                    |                  |               |   |
| State and local                       | \$ 18,042,311 | \$ 17,553,577 | \$ -                                 | \$ 17,553,577      | \$ 22,552,888    | \$ 22,552,888 | \$ [4,999,311]  |
| Total revenues                        | 18,042,311    | 17,553,577    | -                                    | 17,553,577         | 22,552,888       | 22,552,888    | [4,999,311]   |
| EXPENDITURES:                         |               |               |                                      |                    |                  |               |   |
| Instruction                           | 12,755,913    | 12,535,970    | -                                    | 12,535,970         | 15,944,892       | 15,944,892    | 3,408,922   |
| Student support services              | 1,046,454     | 993,246       | -                                    | 993,246            | 1,308,068        | 1,308,068     | 314,822   |
| Instructional support staff           | 613,439       | 582,248       | -                                    | 582,248            | 766,798          | 766,798       | 184,550   |
| General administration                | 90,212        | 85,625        | -                                    | 85,625             | 112,765          | 112,765       | 27,140  |
| School administration                 | 1,064,496     | 1,010,371     | -                                    | 1,010,371          | 1,330,620        | 1,330,620     | 320,249   |
| Operations and maintenance            | 1,317,089     | 1,250,121     | -                                    | 1,250,121          | 1,646,361        | 1,646,361     | 396,240   |
| Student transport services            | 18,042        | 17,125        | -                                    | 17,125             | 22,553           | 22,553        | 5,428   |
| Food service                          | 523,227       | 496,623       | -                                    | 496,623            | 654,033          | 654,033       | 157,410   |
| Business and central support services | 613,439       | 582,248       | -                                    | 582,248            | 766,798          | 766,798       | 184,550   |
| Total expenditures                    | 18,042,311    | 17,553,577    | -                                    | 17,553,577         | 22,552,888       | 22,552,888    | 4,999,311   |
| 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, 2015 and 2014

|                              | Internal Service<br>Workers' Compensation Fund |                     |
|------------------------------|--|---------------------|
|                              | 2015   | 2014                |
| Assets                       |  |                     |
| Current assets:              |  |                     |
| Cash and cash equivalents    | \$ 1,000,000                                   | \$ 1,014,493        |
| Total assets                 | <u>\$ 1,000,000</u>                            | <u>\$ 1,014,493</u> |
| Liabilities                  |  |                     |
| Current liabilities:         |  |                     |
| Accrued claims payable       | \$ 762,680                                     | \$ 919,005          |
| Accounts payable             | -  | 14,493              |
| Total current liabilities    | <u>762,680</u>                                 | <u>933,498</u>      |
| Noncurrent liabilities:      |  |                     |
| Accrued claims payable       | <u>457,171</u>                                 | <u>475,879</u>      |
| Total noncurrent liabilities | <u>457,171</u>                                 | <u>475,879</u>      |
| Total liabilities            | <u>\$ 1,219,851</u>                            | <u>\$ 1,409,377</u> |
| Net position                 |  |                     |
| Unrestricted                 | <u>[219,851]</u>                               | <u>[394,884]</u>    |
| Total net position           | <u>\$ [219,851]</u>                            | <u>\$ [394,884]</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, 2015 and 2014

|                                 | Internal Service<br>Workers' Compensation Fund<br>Year Ended<br>June 30, |                            |
|---------------------------------|--|----------------------------|
|                                 | 2015   | 2014                       |
| Operating revenues              |  |                            |
| Other local sources             | \$ 957,851   | \$ 966,098                 |
| Total operating revenues        | <u>957,851</u>   | <u>966,098</u>             |
| Operating expenses              |  |                            |
| General government              | <u>782,818</u>   | <u>449,201</u>             |
| Total operating expenses        | <u>782,818</u>   | <u>449,201</u>             |
| Net income                      | 175,033  | 516,897                    |
| Net position, Beginning of year | <u>[394,884]</u>   | <u>[911,781]</u>           |
| Net position, End of year       | <u><u>\$ [219,851]</u></u>   | <u><u>\$ [394,884]</u></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, 2015 and 2014

|   | Internal Service<br>Workers' Compensation Fund<br>Year Ended<br>June 30, |                     |
|---|--|---------------------|
|   | 2015   | 2014                |
| Cash flows from operating activities  |  |                     |
| Cash paid to other suppliers of goods or services                                       | \$ [972,344]   | \$ [957,199]        |
| Other operating receipts  | <u>957,851</u>   | <u>966,098</u>      |
| Net cash [used in] operating activities   | <u>[14,493]</u>  | <u>8,899</u>        |
| Net increase [decrease] in cash and cash equivalents                                    | [14,493]   | 8,899               |
| Cash and cash equivalents, Beginning of year  | <u>1,014,493</u>   | <u>1,005,594</u>    |
| Cash and cash equivalents, End of year  | <u>\$ 1,000,000</u>  | <u>\$ 1,014,493</u> |
| Reconciliation of operating [loss] to net cash<br>[used in] operating activities        |  |                     |
| Operating income  | \$ 175,033   | \$ 516,897          |
| Adjustments to reconcile operating [loss] to<br>net cash [used in] operating activities |  |                     |
| Increase [decrease] in claims payable   | [175,033]  | [516,897]           |
| Increase [decrease] in accounts payable   | <u>[14,493]</u>  | <u>8,899</u>        |
| Net cash [used in] operating activities   | <u>\$ [14,493]</u>   | <u>\$ 8,899</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, 2015 and 2014

|                              | <u>June 30, 2015</u> | <u>June 30, 2014</u> |
|------------------------------|----------------------|----------------------|
| ASSETS:                      |                      |                      |
| Cash and cash equivalents    | <u>\$ 2,150,483</u>  | <u>\$ 2,247,978</u>  |
| Total assets                 | <u>\$ 2,150,483</u>  | <u>\$ 2,247,978</u>  |
| LIABILITIES                  |                      |                      |
| Due to student organizations | <u>\$ 2,150,483</u>  | <u>\$ 2,247,978</u>  |
| Total liabilities            | <u>\$ 2,150,483</u>  | <u>\$ 2,247,978</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, 2015

**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 27,464 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, 2015

**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, 2015

**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 \$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 | 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, 2015

**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 one source: property taxes. Differences between expected and actual experience and differences between projected and actual investment earnings 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, 2015

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

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

|                                   | Major Governmental Funds |                      |                           |                        |                      |                     |                       | Nonmajor Governmental Funds | Total Governmental Funds |
|-----------------------------------|--------------------------|----------------------|---------------------------|------------------------|----------------------|---------------------|-----------------------|-----------------------------|--------------------------|
|                                   | General Fund             | Debt Service Fund    | Supplemental General Fund | Special Education Fund | Capital Outlay Fund  | At Risk (K-12) Fund | Capital Project       |                             |                          |
| Fund Balances:                    |                          |                      |                           |                        |                      |                     |                       |                             |                          |
| Nonspendable                      |                          |                      |                           |                        |                      |                     |                       |                             |                          |
| Inventory                         | \$ 397,155               | \$ -                 | \$ -                      | \$ -                   | \$ -                 | \$ -                | \$ -                  | \$ 224,487                  | \$ 621,642               |
| Restricted for:                   |                          |                      |                           |                        |                      |                     |                       |                             |                          |
| Debt retirement                   | -                        | 21,090,344           | -                         | -                      | -                    | -                   | -                     | -                           | 21,090,344               |
| Special education instruction     | -                        | -                    | -                         | 12,752,176             | -                    | -                   | -                     | -                           | 12,752,176               |
| School construction and equipment | -                        | -                    | -                         | -                      | 22,467,627           | -                   | 89,736,936            | 1,119,833                   | 113,324,396              |
| Instruction                       | -                        | -                    | -                         | -                      | -                    | -                   | -                     | 5,030,288                   | 5,030,288                |
| Operations and maintenance        | -                        | -                    | -                         | -                      | -                    | -                   | -                     | 5,638,052                   | 5,638,052                |
| Food service operations           | -                        | -                    | -                         | -                      | -                    | -                   | -                     | 2,567,173                   | 2,567,173                |
| Student activities                | -                        | -                    | -                         | -                      | -                    | -                   | -                     | 629,705                     | 629,705                  |
| Business services                 | -                        | -                    | -                         | -                      | -                    | -                   | -                     | 2,481,344                   | 2,481,344                |
| State payment                     | -                        | -                    | -                         | -                      | -                    | -                   | -                     | 324,969                     | 324,969                  |
| Assigned for:                     |                          |                      |                           |                        |                      |                     |                       |                             |                          |
| Special education instruction     | -                        | -                    | -                         | 169,158                | -                    | -                   | -                     | -                           | 169,158                  |
| School construction and equipment | -                        | -                    | -                         | -                      | 9,659,194            | -                   | 19,300,717            | -                           | 28,959,911               |
| Instruction                       | 116,511                  | -                    | 570                       | -                      | -                    | 74                  | -                     | 664,925                     | 782,080                  |
| Student support services          | 8,631                    | -                    | -                         | -                      | -                    | -                   | -                     | 6,436                       | 15,067                   |
| Instructional support staff       | 164,551                  | -                    | -                         | -                      | -                    | -                   | -                     | 8,637                       | 173,188                  |
| General administration            | 294                      | -                    | 21                        | -                      | -                    | -                   | -                     | -                           | 315                      |
| School administration             | 7,584                    | -                    | -                         | -                      | -                    | -                   | -                     | 734                         | 8,318                    |
| Operations and maintenance        | -                        | -                    | 24,409                    | -                      | -                    | -                   | -                     | -                           | 24,409                   |
| Student transportation services   | 22,200                   | -                    | -                         | -                      | -                    | -                   | -                     | 4,026                       | 26,226                   |
| Student activities                | 32,725                   | -                    | -                         | -                      | -                    | -                   | -                     | 13,333                      | 46,058                   |
| Business services                 | 45,719                   | -                    | 19,252                    | -                      | -                    | -                   | -                     | -                           | 64,971                   |
| Food service operations           | -                        | -                    | -                         | -                      | -                    | -                   | -                     | 173,095                     | 173,095                  |
| Unassigned:                       | 19,417                   | -                    | 2,307,373                 | -                      | -                    | -                   | -                     | -                           | 2,326,790                |
| Total Fund Balances               | <u>\$ 814,787</u>        | <u>\$ 21,090,344</u> | <u>\$ 2,351,625</u>       | <u>\$ 12,921,334</u>   | <u>\$ 32,126,821</u> | <u>\$ 74</u>        | <u>\$ 109,037,653</u> | <u>\$ 18,887,037</u>        | <u>\$ 197,229,675</u>    |

**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 \$21,090,344 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, 2015

**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, 2015.

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, 2015

**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       | At Risk | Nonmajor       | Governmental   |
|  | Fund                     | Service       | General      | Education     | Outlay        | (K-12)  | Governmental   | Funds          |
|  | Fund                     | Fund          | Fund         | Fund          | Fund          | Fund    | Project        | Funds          |
| GAAP FUND BALANCE  |                          |               |              |               |               |         |                |                |
| June 30, 2015  | \$ 814,787               | \$ 21,090,344 | \$ 2,351,625 | \$ 12,921,334 | \$ 32,126,821 | \$ 74   | \$ 109,037,653 | \$ 18,887,037  |
|  |                          |               |              |               |               |         |                | \$ 197,229,675 |
| Adjustments:   |                          |               |              |               |               |         |                |                |
| Unreserved fund balances not subject to the Kansas Budget Law: |                          |               |              |               |               |         |                |                |
| Textbook   | -                        | -             | -            | -             | -             | -       | [3,221,871]    | [3,221,871]    |
| Contingency Reserve  | -                        | -             | -            | -             | -             | -       | [5,638,052]    | [5,638,052]    |
| Health Care Reserve  | -                        | -             | -            | -             | -             | -       | [6,072]        | [6,072]        |
| Student Material Revolving                                     | -                        | -             | -            | -             | -             | -       | [266,531]      | [266,531]      |
| Gate Receipts  | -                        | -             | -            | -             | -             | -       | [641,202]      | [641,202]      |
| Capital Projects   | -                        | -             | -            | -             | -             | -       | [90,261,122]   | [90,261,122]   |
| Accounts payable - retainage                                   | -                        | -             | -            | -             | 904,611       | -       | 524,186        | 1,428,797      |
| Reserve for encumbrances                                       | [398,215]                | -             | [44,252]     | [169,158]     | [9,659,194]   | [74]    | [19,300,717]   | [225,856]      |
| Reserve for material and supplies inventory                    | [397,155]                | -             | -            | -             | -             | -       | -              | [224,487]      |
|  |                          |               |              |               |               |         |                | [621,642]      |
| Total deductions   | [795,370]                | -             | [44,252]     | [169,158]     | [8,754,583]   | [74]    | [109,037,653]  | [10,224,071]   |
|  |                          |               |              |               |               |         |                | [129,025,161]  |
| BUDGETARY FUND BALANCE   |                          |               |              |               |               |         |                |                |
| June 30, 2015  | \$ 19,417                | \$ 21,090,344 | \$ 2,307,373 | \$ 12,752,176 | \$ 23,372,238 | \$ -    | \$ -           | \$ 8,662,966   |
|  |                          |               |              |               |               |         |                | \$ 68,204,514  |

**B. Property Taxes**

The assessed valuation of tangible district property (excluding motor vehicles) for taxes billed November 1, 2014 was as follows:

|                          |                         |
|--------------------------|-------------------------|
| Real estate              | \$ 2,922,318,939        |
| Personal property        | 43,932,416              |
| Utilities                | 57,124,913              |
| Total assessed valuation | <u>\$ 3,023,376,268</u> |

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

| Fund                 | Levy<br>(\$ per thousand) |
|----------------------|---------------------------|
| General              | \$ 20.000                 |
| Special revenue:     |                           |
| Supplemental General | 17.333                    |
| Capital Outlay       | 8.000                     |
| Declining Enrollment | 1.123                     |
| Special Assessment   | 0.324                     |
| Cost of Living       | 1.697                     |
| Bond and Interest    | 7.434                     |
| Total tax levy       | <u>\$ 55.911</u>          |

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

**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, 2015, the district has received property tax amounting to approximately 100% of the November 1, 2014, 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, the Municipal Investment Pool (KMIP) and certain other investments if the municipality has extended investment authority. 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.

At June 30, 2015, the District has the following investments:

| <u>Investment Type</u>                          | <u>Fair Value</u>     | <u>Rating</u> | <u>Weighted<br/>Average<br/>Maturity</u> |
|---|-----------------------|---------------|--|
| Certificate of Deposit Account Registry Service | \$ 10,000,000         | NA            | 112 days                                 |
| Kansas Municipal Investments Pool               | 115,191,845           | S&P AA+/S1+   | NA                                       |
| Total fair value                                | <u>\$ 125,191,845</u> |               |  |

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

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

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

Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. The district adheres to KSA 9-1402, which requires that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral.

The district does not have any formal investment policies that would further limit interest rate, credit or custodial credit risks beyond state statutes.

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2015, was as follows:

|   | Balance<br>June 30, 2014 | Additions/<br>Adjustments | Impairments**  | Retirements     | Balance<br>June 30, 2015 |
|---|--------------------------|---------------------------|----------------|-----------------|--------------------------|
| Governmental activities:                    |                          |                           |                |                 |                          |
| Nondepreciable assets:                      |                          |                           |                |                 |                          |
| Land  | \$ 5,527,296             | \$ 1,420,480              | \$ -           | \$ -            | \$ 6,947,776             |
| Artwork                                     | 385,808                  | -                         | -              | [950]           | 384,858                  |
| Construction in progress                    | 28,587,000               | 34,035,365                | -              | [42,852,762]    | 19,769,603               |
| Depreciable assets:                         |                          |                           |                |                 |                          |
| Buildings and improvements                  | 507,523,031              | 36,681,564                | [7,624,061]    | [2,217,225]     | 534,363,309              |
| Equipment                                   | 63,134,948               | 24,159,336                | -              | [8,552,102]     | 78,742,182               |
| Totals at historical cost                   | 605,158,083              | 96,296,745                | [7,624,061]    | [53,623,039]    | 640,207,728              |
| Less accumulated depreciation for:          |                          |                           |                |                 |                          |
| Buildings and improvements                  | 108,594,741              | 11,171,817                | -              | [2,220,171]     | 117,546,387              |
| Equipment                                   | 42,970,675               | 7,107,810                 | -              | [7,728,357]     | 42,350,128               |
| Totals accumulated depreciation             | 151,565,416              | 18,279,627                | -              | [9,948,528]     | 159,896,515              |
| Governmental activities capital assets, net | \$ 453,592,667           | \$ 78,017,118             | \$ [7,624,061] | \$ [43,674,511] | \$ 480,311,213           |

\*\* See explanation for impairments on page 47.

Depreciation expense was charged to governmental functions as follows:

|  |               |
|--|---------------|
| Instruction                                    | \$ 4,383,765  |
| Instructional support                          | 44,291        |
| Student support                                | 146,434       |
| General administration                         | 2,143         |
| School administration                          | 330           |
| Operations and maintenance                     | 12,727,966    |
| Student transport                              | 201           |
| Food service                                   | 45,685        |
| Business services and central support services | 838,072       |
| Student activities                             | 90,740        |
| Total depreciation                             | \$ 18,279,627 |

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

**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<br>June 30, 2014 | Additions             | Reductions             | Balance<br>June 30, 2015 | Amounts<br>Due Within<br>One Year |
|-------------------------------|--------------------------|-----------------------|------------------------|--------------------------|-----------------------------------|
| Governmental activities       |                          |                       |                        |                          |                                   |
| General Obligation Bonds      | \$ 184,042,742           | \$ 152,050,913        | \$ [27,671,577]        | \$ 308,422,078           | \$ 23,332,173                     |
| Temporary Notes               | <u>18,182,739</u>        | <u>-</u>              | <u>[4,508,056]</u>     | <u>13,674,683</u>        | <u>4,529,886</u>                  |
| Total governmental activities |                          |                       |                        |                          |                                   |
| Long-term liabilities         | <u>\$ 202,225,481</u>    | <u>\$ 152,050,913</u> | <u>\$ [32,179,633]</u> | <u>\$ 322,096,761</u>    | <u>\$ 27,862,059</u>              |

Long-term obligations of the district consists of the following:

|   | Date<br>Issued | Date<br>Matures | Interest<br>Rate | Original<br>Amount    | Outstanding<br>June 30, 2015 |
|---|----------------|-----------------|------------------|-----------------------|------------------------------|
| General Obligation Bonds                                  |                |                 |                  |                       |                              |
| Advance refunding bonds                                   | 02/01/96       | 10/1/19         | 3.70% to 5.15%   | \$ 23,380,000         | \$ 8,560,000                 |
| Advance refunding bonds                                   | 06/01/04       | 10/01/15        | 3.00% to 5.00%   | 22,580,455            | 3,222,538                    |
| General obligation bonds                                  | 4/15/07        | 10/1/27         | 4.00% to 5.00%   | 70,729,969            | 55,259,480                   |
| General obligation bonds                                  | 7/8/08         | 10/1/19         | 3.00% to 5.00%   | 16,441,126            | 8,463,694                    |
| General obligation bonds                                  | 11/1/12        | 10/1/25         | 1.25% to 5.00%   | 85,836,627            | 83,016,376                   |
| General obligation bonds                                  | 11/13/14       | 10/1/19         | 1.25% to 5.00%   | 20,000,000            | 19,024,612                   |
| General obligation and refunding<br>and improvement bonds | 6/17/15        | 10/1/35         | 3.00% to 5.00%   | <u>118,625,000</u>    | <u>130,875,378</u>           |
| Total general obligation bonds payable                    |                |                 |                  | <u>\$ 357,593,177</u> | <u>\$ 308,422,078</u>        |
| Temporary Notes   |                |                 |                  |                       |                              |
| Capital outlay temporary notes                            | 4/21/14        | 4/1/18          | 0.623%           | \$ 18,182,739         | \$ 13,674,683                |
| Total temporary notes payable                             |                |                 |                  | <u>\$ 18,182,739</u>  | <u>\$ 13,674,683</u>         |

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

| Year Ending<br>June 30 | Principal Due         | Interest Due          | Totals                |
|------------------------|-----------------------|-----------------------|-----------------------|
| 2016                   | \$ 23,332,173         | \$ 10,155,293         | \$ 33,487,466         |
| 2017                   | 20,494,636            | 10,379,101            | 30,873,737            |
| 2018                   | 21,219,636            | 9,520,013             | 30,739,649            |
| 2019                   | 19,624,636            | 8,692,841             | 28,317,477            |
| 2020                   | 17,919,636            | 7,966,263             | 25,885,899            |
| 2021-2025              | 67,504,875            | 33,740,524            | 101,245,399           |
| 2026-2030              | 56,966,377            | 23,881,806            | 80,848,183            |
| 2031-2035              | 66,176,757            | 11,061,500            | 77,238,257            |
| 2036                   | <u>15,183,352</u>     | <u>289,125</u>        | <u>15,472,477</u>     |
| Total                  | <u>\$ 308,422,078</u> | <u>\$ 115,686,466</u> | <u>\$ 424,108,544</u> |

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

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

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

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

| Year Ending<br><u>June 30</u> | <u>Principal Due</u> | <u>Interest Due</u> | <u>Totals</u>        |
|-------------------------------|----------------------|---------------------|----------------------|
| 2016                          | \$ 4,529,886         | \$ 78,199           | \$ 4,608,085         |
| 2017                          | 4,558,169            | 49,916              | 4,608,085            |
| 2018                          | 4,586,628            | 21,457              | 4,608,085            |
| Total                         | <u>\$ 13,674,683</u> | <u>\$ 149,572</u>   | <u>\$ 13,824,255</u> |

During 2015, the District issued \$118,625,000, in general obligation refunding and improvement bonds with interest ranging from 3.00% to 5.00%, \$7,357,715 of which was used to current refund the remaining \$7,230,000 balance of the Series 2005-B General Obligation Bonds with interest rates ranging from 4.00% to 4.25%. The transaction resulted in an economic gain of \$276,231 and a reduction of \$244,800 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 \$465 million at June 30, 2015.

**D. Operating Leases**

The district leases copiers under a noncancelable operating lease. Total costs for this lease was \$615,720 for the year ended June 30, 2015. The future minimum lease payments for the lease are as follows:

| Year ending<br><u>June 30</u> | <u>Amount</u>       |
|-------------------------------|---------------------|
| 2016                          | \$ 629,589          |
| 2017                          | 629,589             |
| 2018                          | 629,589             |
| 2019                          | 629,589             |
| 2020                          | <u>52,466</u>       |
| Total                         | <u>\$ 2,570,823</u> |



SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

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

**E. Net Position**

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

|   | Governmental<br>Activities |
|---|----------------------------|
| Total net capital assets                        | \$ 480,311,213             |
| Less:   |                            |
| Current portion of general obligation bonds     | [27,862,059]               |
| Noncurrent portion of general obligation bonds  | [294,234,702]              |
| Add:  |                            |
| Unspent general obligation bonds proceeds       | <u>109,037,653</u>         |
| Net position - net investment in capital assets | <u>\$ 267,252,105</u>      |

**F. Restatement**

On July 1, 2014, the District changed its method of accounting to adopt Government Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. The District's implementation of the standard resulted in the following restatement of net position:

|                                      | Governmental<br>Activities |
|--------------------------------------|----------------------------|
| Net Position, June 30, 2014          | \$ 332,218,878             |
| Prior Period Adjustment              | <u>[269,063,979]</u>       |
| Net Position June 30, 2014, Restated | <u>\$ 63,154,899</u>       |

**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.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

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

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

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

*Contributions.* 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.

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 0.9% of total payroll for the fiscal year ended June 30, 2014.

The actuarially determined employer contribution rates and the statutory contribution rates for school employees are 15.12% and 10.27%, respectively. Member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2014 are 4.00%, 5.00%, or 6.00% for State/School employees.

*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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

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

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

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, 2014 and 2013 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, 2014 and 2013, respectively.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2014, the District's proportion was 3.792%, which was an increase of .148% from its proportion measured at June 30, 2013.

*Net Pension Liability.* At June 30, 2015 and 2014, the District reported a liability of \$242,287,546 and \$286,161,008, 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, 2013, which was rolled forward to June 30, 2014, using the following actuarial assumptions:

| <u>Assumption</u>  | <u>Rate</u>                         |
|--|-------------------------------------|
| Price inflation  | 3.00%                               |
| Wage inflation   | 4.00%                               |
| Salary increases, including wage increases   | 4.00 to 12.50%, including inflation |
| Long-term rate of return, net of investment expense, and including price inflation | 8.00%                               |

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males and Females, with adjustments to better match actual experience. Separate tables apply for males and females as well as each group (State, School, Local, KP&F and Judges).

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study conducted for three years ending December 31, 2009.

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.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

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

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

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, 2014, the date of the most recent actuarial valuation, 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%                             | 6.00%   |
| Fixed income           | 14.00%                             | 0.85%   |
| Yield return           | 8.00%                              | 5.50%   |
| Real return            | 11.00%                             | 3.75%   |
| Real estate            | 11.00%                             | 6.65%   |
| Alternatives           | 8.00%                              | 9.50%   |
| Short-term investments | 1.00%                              | -   |
| 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> |
|----------------------------|------------------------------|----------------------------|
| \$316,255,646              | \$242,287,546                | \$179,479,903              |

*Pension Expense.* For the year ended June 30, 2015, the District recognized pension expense of \$16,696,962, 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.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

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

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

*Deferred Outflows of Resources and Deferred Inflows of Resources.* At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred outflows<br>of resources | Deferred inflows<br>of resources |
|--|-----------------------------------|----------------------------------|
| Differences between actual and expected experience                   | \$ -                              | \$ 5,738,860                     |
| Net differences between projected and actual earnings on investments | -                                 | 28,845,094                       |
| Pension contributions subsequent to the measurement date             | 16,062,812                        | -                                |
| Changes in proportion  | -                                 | 8,889,441                        |
| Total  | <u>\$ 16,062,812</u>              | <u>\$ 43,473,395</u>             |

\$16,062,812 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended<br>June 30, | Deferred<br>[Inflows] Outflows<br>Amount |
|------------------------|--|
| 2016                   | \$ [10,246,190]                          |
| 2017                   | [10,246,190]                             |
| 2018                   | [10,246,190]                             |
| 2019                   | [10,246,190]                             |
| 2020                   | [2,488,635]                              |
| Total                  | <u>\$ [43,473,395]</u>                   |

**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.

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, 2015, 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.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

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

**B. Risk Management (Concluded)**

Changes in the balances of claims liabilities for the years ended June 30, 2015 and 2014 are as follows:

|                                  | <u>June 30, 2015</u> | <u>June 30, 2014</u> |
|----------------------------------|----------------------|----------------------|
| Unpaid claims, beginning of year | \$ 1,394,884         | \$ 1,911,781         |
| Incurred claims (including IBNR) | 634,385              | 251,404              |
| Claim payments                   | <u>[809,418]</u>     | <u>[768,301]</u>     |
| Unpaid claims, end of year       | <u>\$ 1,219,851</u>  | <u>\$ 1,394,884</u>  |

**C. Interfund Transfers**

K.S.A. 72-6428 and K.S.A. 72-6433 allow 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>\$ 18,405,102</u>     | <u>\$ 251,739</u>            | <u>\$ 18,656,840</u> |
| Total                 | <u>\$ 18,405,102</u>     | <u>\$ 251,739</u>            | <u>\$ 18,656,840</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.

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.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

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

**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, 2015, plan participants contributed \$925,000 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    | \$ 8,040                     | \$ 5,604       | \$ 8,424                     | \$ 5,640       |
| Medical - PPO Plan    | \$ 8,040                     | \$ 5,604       | \$ 8,424                     | \$ 5,640       |
| High Deductible (HSA) | \$ 5,856                     | \$ 4,164       | \$ 7,144                     | \$ 4,224       |

**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:

|   |                      |
|---|----------------------|
| Annual required contribution            | \$ 2,628,519         |
| Interest on Net OPEB Obligation         | 380,036              |
| ARC Adjustment                          | <u>[570,409]</u>     |
| Annual OPEB cost (expense)              | 2,438,146            |
| Benefit payments                        | <u>1,231,000</u>     |
| Change in net OPEB obligation           | 1,207,146            |
| Net OPEB obligation - beginning of year | <u>10,858,177</u>    |
| Net OPEB obligation - end of year       | <u>\$ 12,065,323</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, 2015 was as follows:

| <u>Fiscal</u> | <u>Annual</u> | <u>Annual</u>      | <u>Net</u>        | <u>Percentage</u>  |
|---------------|---------------|--------------------|-------------------|--------------------|
| <u>Year</u>   | <u>OPEB</u>   | <u>OPEB</u>        | <u>OPEB</u>       | <u>Contributed</u> |
| <u>Ended</u>  | <u>Cost</u>   | <u>Contributed</u> | <u>Obligation</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%              |

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

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

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

**Funding Status and Funding Progress.** As of the year ended June 30, 2014, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$20,818,213 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$20,818,213. The covered payroll (annual payroll of active employees covered by the plan) was \$130,671,503, and the ratio of the UAAL to the covered payroll was 15.9%.

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.

**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, 2014, 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 nine 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, 2015, are as follows:

| <u>Project Name</u>   | <u>Project<br/>Budget</u> | <u>Cumulative<br/>expenditures<br/>through<br/>June 30, 2015</u> |
|-----------------------|---------------------------|--|
| Construction Projects | \$ 223,000,000            | \$ 32,580,723  |
| Total                 | <u>\$ 223,000,000</u>     | <u>\$ 32,580,723</u>   |



SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2015

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

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

The \$223 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. Special Items & Subsequent Event**

Subsequent to June 30, 2015, the District is scheduled to demolish two former school buildings, Briarwood Elementary School and Crestview Elementary School, in order to establish space for construction of new elementary schools. At June 30, 2015, the book values of the buildings which are scheduled to be demolished were written down to the zero. The write down in the value of these capital assets is shown as an impairment loss of \$7,264,061 on the Statement of Activities.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2015

OTHER POST-EMPLOYMENT BENEFITS

Schedule of Employer Contributions:

| Fiscal<br>Year<br>Ended | Annual<br>OPEB<br>Cost | Annual<br>OPEB<br>Cost<br>Contributed | Net<br>OPEB<br>Obligation | Percentage<br>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%                     |

Schedule of Funding Progress:

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets (a) | Actuarial<br>Accrued<br>Liability (b) | Unfunded<br>AAL<br>(b) - (a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as<br>Percent of<br>Payroll<br>(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%   |

KPERS PENSION PLAN:

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

|  |                      |
|--|----------------------|
|  | <u>June 30, 2015</u> |
| District's proportion of the net pension liability   | 3.792%               |
| District's proportionate share of the net pension liability  | \$ 242,287,546       |
| District's covered employee payroll  | \$ 143,217,130       |
| District's proportionate share of the net pension liability<br>as a percentage of its covered employee payroll | 169.17%              |
| Plan fiduciary net position as a percentage of the total pension liability                                     | 63.30%               |

\* - 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, 2015

KPERS PENSION PLAN (CONTINUED):

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

|   |                      |
|---|----------------------|
|   | <u>June 30, 2015</u> |
| Contractually required contribution                                     | \$ 16,062,812        |
| Contributions in relation to the contractually<br>required contribution | <u>16,062,812</u>    |
| Contribution deficiency [excess]  | <u>\$ -</u>          |
| District's covered employee payroll                                     | \$ 143,217,130       |
| Contributions as a percentage of covered<br>employee payroll            | 11.22%               |

\* - 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.

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.



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## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2015

|   | Vocational<br>Education | Declining<br>Enrollment | Professional<br>Development | Special<br>Assessment | Food<br>Service     | Adult<br>Supplemental<br>Education | Bilingual<br>Education | Summer<br>School  | Parent<br>Education<br>Program |
|---|-------------------------|-------------------------|-----------------------------|-----------------------|---------------------|------------------------------------|------------------------|-------------------|--------------------------------|
| <b>ASSETS</b>   |                         |                         |                             |                       |                     |                                    |                        |                   |                                |
| Cash and cash equivalents   | \$ 306,975              | \$ 118,586              | \$ 4,830                    | \$ 1,119,833          | \$ 2,790,524        | \$ 35,372                          | \$ 113,851             | \$ 784,990        | \$ 12,548                      |
| Investments   | -                       | -                       | -                           | -                     | -                   | -                                  | -                      | -                 | -                              |
| Receivables   |                         |                         |                             |                       |                     |                                    |                        |                   |                                |
| Taxes   | -                       | 120,553                 | -                           | 34,688                | -                   | -                                  | -                      | -                 | -                              |
| Materials and supplies inventory  | -                       | -                       | -                           | -                     | 224,487             | -                                  | -                      | -                 | -                              |
| <b>Total assets</b>   | <b>\$ 306,975</b>       | <b>\$ 239,139</b>       | <b>\$ 4,830</b>             | <b>\$ 1,154,521</b>   | <b>\$ 3,015,011</b> | <b>\$ 35,372</b>                   | <b>\$ 113,851</b>      | <b>\$ 784,990</b> | <b>\$ 12,548</b>               |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b>       |                         |                         |                             |                       |                     |                                    |                        |                   |                                |
| <b>Liabilities:</b>   |                         |                         |                             |                       |                     |                                    |                        |                   |                                |
| Accounts payable  | \$ 1,281                | \$ -                    | \$ 375                      | \$ -                  | \$ 6,468            | \$ -                               | \$ 3,406               | \$ 1,311          | \$ 9,836                       |
| Health care reserve   | -                       | -                       | -                           | -                     | -                   | -                                  | -                      | -                 | -                              |
| Accrued payroll, payroll<br>withholdings and taxes                            | 297,932                 | -                       | -                           | -                     | 43,789              | -                                  | 103,546                | 1,053             | -                              |
| Due to other funds  | -                       | -                       | -                           | -                     | -                   | -                                  | -                      | -                 | -                              |
| <b>Total liabilities</b>  | <b>299,213</b>          | <b>-</b>                | <b>375</b>                  | <b>-</b>              | <b>50,257</b>       | <b>-</b>                           | <b>106,952</b>         | <b>2,364</b>      | <b>9,836</b>                   |
| <b>Deferred inflows of resources:</b>   |                         |                         |                             |                       |                     |                                    |                        |                   |                                |
| Unavailable revenue - student fees  | -                       | -                       | -                           | -                     | -                   | -                                  | -                      | -                 | -                              |
| Unavailable revenue - property taxes  | -                       | 120,553                 | -                           | 34,688                | -                   | -                                  | -                      | -                 | -                              |
| <b>Total deferred inflows of resources</b>                                    | <b>-</b>                | <b>120,553</b>          | <b>-</b>                    | <b>34,688</b>         | <b>-</b>            | <b>-</b>                           | <b>-</b>               | <b>-</b>          | <b>-</b>                       |
| <b>Total liabilities and deferred inflows of<br/>resources</b>                | <b>299,213</b>          | <b>120,553</b>          | <b>375</b>                  | <b>34,688</b>         | <b>50,257</b>       | <b>-</b>                           | <b>106,952</b>         | <b>2,364</b>      | <b>9,836</b>                   |
| <b>Fund balances:</b>   |                         |                         |                             |                       |                     |                                    |                        |                   |                                |
| Nonspendable  | -                       | -                       | -                           | -                     | 224,487             | -                                  | -                      | -                 | -                              |
| Restricted  | -                       | 118,586                 | -                           | 1,119,833             | 2,567,173           | 35,372                             | -                      | 778,643           | -                              |
| Assigned  | 7,762                   | -                       | 4,455                       | -                     | 173,094             | -                                  | 6,899                  | 3,983             | 2,712                          |
| <b>Total fund balances</b>  | <b>7,762</b>            | <b>118,586</b>          | <b>4,455</b>                | <b>1,119,833</b>      | <b>2,964,754</b>    | <b>35,372</b>                      | <b>6,899</b>           | <b>782,626</b>    | <b>2,712</b>                   |
| <b>Total liabilities, deferred inflows of<br/>resources and fund balances</b> | <b>\$ 306,975</b>       | <b>\$ 239,139</b>       | <b>\$ 4,830</b>             | <b>\$ 1,154,521</b>   | <b>\$ 3,015,011</b> | <b>\$ 35,372</b>                   | <b>\$ 113,851</b>      | <b>\$ 784,990</b> | <b>\$ 12,548</b>               |

See independent auditor's report on the financial statements.

| Extraordinary<br>School<br>Program | Special<br>Liability | At Risk<br>(4 Year-Old) | Cost of<br>Living | Federal and<br>Local<br>Grants | Gate<br>Receipts  | Textbook            | Contingency<br>Reserve | Health<br>Care<br>Reserve | Student<br>Material<br>Revolving | Total<br>Nonmajor<br>Special<br>Revenue<br>Funds |
|------------------------------------|----------------------|-------------------------|-------------------|--------------------------------|-------------------|---------------------|------------------------|---------------------------|----------------------------------|--|
| \$ 290,252                         | \$ 481,344           | \$ 28,460               | \$ 324,969        | \$ 1,317,067                   | \$ 655,997        | \$ 3,594,695        | \$ 138,052             | \$ 278,418                | \$ 273,771                       | \$ 12,670,534                                    |
| -                                  | 2,000,000            | -                       | -                 | -                              | -                 | -                   | 5,500,000              | 2,500,000                 | -                                | 10,000,000                                       |
| -                                  | -                    | -                       | 181,494           | -                              | -                 | -                   | -                      | -                         | -                                | 336,735  |
| -                                  | -                    | -                       | -                 | -                              | -                 | -                   | -                      | -                         | -                                | 224,487  |
| <u>\$ 290,252</u>                  | <u>\$ 2,481,344</u>  | <u>\$ 28,460</u>        | <u>\$ 506,463</u> | <u>\$ 1,317,067</u>            | <u>\$ 655,997</u> | <u>\$ 3,594,695</u> | <u>\$ 5,638,052</u>    | <u>\$ 2,778,418</u>       | <u>\$ 273,771</u>                | <u>\$ 23,231,756</u>                             |
|                                    |                      |                         |                   |                                |                   |                     |                        |                           |                                  |  |
| \$ -                               | \$ -                 | \$ -                    | \$ -              | \$ 21,916                      | \$ 14,795         | \$ 372,824          | \$ -                   | \$ -                      | \$ 1,599                         | \$ 433,811                                       |
| -                                  | -                    | -                       | -                 | -                              | -                 | -                   | -                      | 2,772,346                 | -                                | 2,772,346  |
| -                                  | -                    | 28,460                  | -                 | 321,173                        | -                 | -                   | -                      | -                         | -                                | 795,953  |
| -                                  | -                    | -                       | -                 | -                              | -                 | -                   | -                      | -                         | 190                              | 190  |
| -                                  | -                    | 28,460                  | -                 | 343,089                        | 14,795            | 372,824             | -                      | 2,772,346                 | 1,789                            | 4,002,300  |
|                                    |                      |                         |                   |                                |                   |                     |                        |                           |                                  |  |
| 233                                | -                    | -                       | -                 | -                              | -                 | -                   | -                      | -                         | 5,451                            | 5,684  |
| -                                  | -                    | -                       | 181,494           | -                              | -                 | -                   | -                      | -                         | -                                | 336,735  |
| 233                                | -                    | -                       | 181,494           | -                              | -                 | -                   | -                      | -                         | 5,451                            | 342,419  |
|                                    |                      |                         |                   |                                |                   |                     |                        |                           |                                  |  |
| 233                                | -                    | 28,460                  | 181,494           | 343,089                        | 14,795            | 372,824             | -                      | 2,772,346                 | 7,240                            | 4,344,719  |
|                                    |                      |                         |                   |                                |                   |                     |                        |                           |                                  |  |
| -                                  | -                    | -                       | -                 | -                              | -                 | -                   | -                      | -                         | -                                | 224,487  |
| 290,019                            | 2,481,344            | -                       | 324,969           | 947,027                        | 629,705           | 2,594,887           | 5,638,052              | 6,072                     | 259,682                          | 17,791,364                                       |
| -                                  | -                    | -                       | -                 | 26,951                         | 11,497            | 626,984             | -                      | -                         | 6,849                            | 871,186  |
| 290,019                            | 2,481,344            | -                       | 324,969           | 973,978                        | 641,202           | 3,221,871           | 5,638,052              | 6,072                     | 266,531                          | 18,887,037                                       |
| <u>\$ 290,252</u>                  | <u>\$ 2,481,344</u>  | <u>\$ 28,460</u>        | <u>\$ 506,463</u> | <u>\$ 1,317,067</u>            | <u>\$ 655,997</u> | <u>\$ 3,594,695</u> | <u>\$ 5,638,052</u>    | <u>\$ 2,778,418</u>       | <u>\$ 273,771</u>                | <u>\$ 23,231,756</u>                             |

See independent auditor's report on the financial statements.

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, 2015

|  | Vocational<br>Education | Declining<br>Enrollment | Professional<br>Development | Special<br>Assessment | Food<br>Service     | Adult<br>Supplemental<br>Education | Bilingual<br>Education | Summer<br>School  | Parent<br>Education<br>Program |
|--|-------------------------|-------------------------|-----------------------------|-----------------------|---------------------|------------------------------------|------------------------|-------------------|--------------------------------|
| REVENUES:  |                         |                         |                             |                       |                     |                                    |                        |                   |                                |
| Taxes  | \$ -                    | \$ 3,349,302            | \$ -                        | \$ 1,061,453          | \$ -                | \$ -                               | \$ -                   | \$ -              | \$ -                           |
| Intergovernmental  | 3,482,203               | -                       | 103,040                     | -                     | 5,964,281           | -                                  | 2,680,931              | -                 | 334,835                        |
| Charges for services   | 12,194                  | -                       | -                           | -                     | 5,020,144           | 4,731                              | -                      | 507,965           | -                              |
| Investment revenue   | -                       | -                       | -                           | -                     | 263                 | -                                  | -                      | -                 | -                              |
| Other local sources  | -                       | -                       | -                           | -                     | -                   | -                                  | -                      | -                 | -                              |
| Total revenues   | <u>3,494,397</u>        | <u>3,349,302</u>        | <u>103,040</u>              | <u>1,061,453</u>      | <u>10,984,688</u>   | <u>4,731</u>                       | <u>2,680,931</u>       | <u>507,965</u>    | <u>334,835</u>                 |
| EXPENDITURES:  |                         |                         |                             |                       |                     |                                    |                        |                   |                                |
| Current  |                         |                         |                             |                       |                     |                                    |                        |                   |                                |
| Instruction  | 2,859,583               | -                       | -                           | -                     | -                   | 6,733                              | 2,235,700              | 290,493           | -                              |
| Student support services                                     | -                       | -                       | -                           | -                     | -                   | -                                  | 37,068                 | 228               | 533,810                        |
| Instructional support staff                                  | 202,795                 | -                       | 127,231                     | -                     | -                   | -                                  | 97,188                 | -                 | 33,896                         |
| General administration                                       | -                       | -                       | -                           | -                     | -                   | -                                  | -                      | -                 | 21,121                         |
| School administration  | 62,142                  | -                       | -                           | -                     | -                   | -                                  | -                      | 71,421            | -                              |
| Operations and maintenance                                   | 73,642                  | -                       | -                           | -                     | 614,196             | -                                  | -                      | 60,000            | -                              |
| Student transportation services                              | 227,110                 | -                       | -                           | -                     | -                   | -                                  | 306,360                | -                 | -                              |
| Food service operations                                      | -                       | -                       | -                           | -                     | 10,110,205          | -                                  | -                      | -                 | -                              |
| Student activities   | 83,827                  | -                       | -                           | -                     | -                   | -                                  | -                      | -                 | -                              |
| Business and central support services                        | -                       | -                       | -                           | -                     | -                   | -                                  | -                      | -                 | -                              |
| State payment  | -                       | 3,187,219               | -                           | -                     | -                   | -                                  | -                      | -                 | -                              |
| Capital outlay   |                         |                         |                             |                       |                     |                                    |                        |                   |                                |
| Facility acquisition and construction                        | -                       | -                       | -                           | 521,769               | -                   | -                                  | -                      | -                 | -                              |
| Total expenditures   | <u>3,509,099</u>        | <u>3,187,219</u>        | <u>127,231</u>              | <u>521,769</u>        | <u>10,724,401</u>   | <u>6,733</u>                       | <u>2,676,316</u>       | <u>422,142</u>    | <u>588,827</u>                 |
| Excess [deficiency] of revenues<br>over [under] expenditures | <u>[14,702]</u>         | <u>162,083</u>          | <u>[24,191]</u>             | <u>539,684</u>        | <u>260,287</u>      | <u>[2,002]</u>                     | <u>4,615</u>           | <u>85,823</u>     | <u>[253,992]</u>               |
| OTHER FINANCING SOURCES [USES]:                              |                         |                         |                             |                       |                     |                                    |                        |                   |                                |
| Transfers in   | -                       | -                       | -                           | -                     | -                   | -                                  | -                      | -                 | 251,739                        |
| Total other financing sources [uses]                         | <u>-</u>                | <u>-</u>                | <u>-</u>                    | <u>-</u>              | <u>-</u>            | <u>-</u>                           | <u>-</u>               | <u>-</u>          | <u>251,739</u>                 |
| Net change in fund balances                                  | [14,702]                | 162,083                 | [24,191]                    | 539,684               | 260,287             | [2,002]                            | 4,615                  | 85,823            | [2,253]                        |
| Fund balance - Beginning of year                             | <u>22,464</u>           | <u>[43,497]</u>         | <u>28,646</u>               | <u>580,149</u>        | <u>2,704,467</u>    | <u>37,374</u>                      | <u>2,284</u>           | <u>696,803</u>    | <u>4,965</u>                   |
| Fund balance - End of year                                   | <u>\$ 7,762</u>         | <u>\$ 118,586</u>       | <u>\$ 4,455</u>             | <u>\$ 1,119,833</u>   | <u>\$ 2,964,754</u> | <u>\$ 35,372</u>                   | <u>\$ 6,899</u>        | <u>\$ 782,626</u> | <u>\$ 2,712</u>                |

See independent auditor's report on the financial statements.

| Extraordinary<br>School<br>Program | Special<br>Liability | At Risk<br>(4 Year-Old) | Cost of<br>Living | Federal<br>and<br>Local<br>Grants | Gate<br>Receipts  | Textbook            | Contingency<br>Reserve | Health<br>Care<br>Reserve | Student<br>Material<br>Revolving | Total<br>Nonmajor<br>Special<br>Revenue<br>Funds |
|------------------------------------|----------------------|-------------------------|-------------------|-----------------------------------|-------------------|---------------------|------------------------|---------------------------|----------------------------------|--|
| \$ -                               | \$ 368               | \$ -                    | \$ 5,426,886      | \$ -                              | \$ -              | \$ -                | \$ -                   | \$ -                      | \$ -                             | \$ 9,838,009                                     |
| -                                  | -                    | 304,883                 | -                 | 4,233,552                         | -                 | -                   | -                      | -                         | -                                | 17,103,725                                       |
| 90,250                             | -                    | -                       | -                 | -                                 | -                 | 1,738,023           | -                      | -                         | 596,171                          | 7,969,478  |
| -                                  | 2,498                | -                       | -                 | -                                 | -                 | -                   | -                      | 3,328                     | -                                | 6,089  |
| -                                  | -                    | -                       | -                 | 1,102,827                         | 970,519           | -                   | -                      | -                         | -                                | 2,073,346  |
| <u>90,250</u>                      | <u>2,866</u>         | <u>304,883</u>          | <u>5,426,886</u>  | <u>5,336,379</u>                  | <u>970,519</u>    | <u>1,738,023</u>    | <u>-</u>               | <u>3,328</u>              | <u>596,171</u>                   | <u>36,990,647</u>                                |
| 34,481                             | -                    | 306,213                 | -                 | 3,237,396                         | -                 | 784,030             | -                      | -                         | 332,087                          | 10,086,716                                       |
| -                                  | -                    | -                       | -                 | 960,343                           | -                 | -                   | -                      | -                         | -                                | 1,531,449  |
| -                                  | -                    | -                       | -                 | 861,071                           | 1,785             | -                   | -                      | -                         | 14,950                           | 1,338,916  |
| -                                  | 58,609               | -                       | -                 | 172,574                           | -                 | -                   | -                      | -                         | -                                | 252,304  |
| -                                  | -                    | -                       | -                 | -                                 | -                 | -                   | -                      | -                         | -                                | 133,563  |
| -                                  | -                    | -                       | -                 | -                                 | -                 | -                   | -                      | -                         | -                                | 747,838  |
| -                                  | -                    | -                       | -                 | 5,242                             | -                 | -                   | -                      | -                         | -                                | 538,712  |
| -                                  | -                    | -                       | -                 | -                                 | -                 | -                   | -                      | -                         | -                                | 10,110,205                                       |
| -                                  | -                    | -                       | -                 | 28,962                            | 833,644           | -                   | -                      | -                         | 254,894                          | 1,201,327  |
| -                                  | 295,305              | -                       | -                 | -                                 | -                 | -                   | -                      | -                         | -                                | 295,305  |
| -                                  | -                    | -                       | 5,132,521         | -                                 | -                 | -                   | -                      | -                         | -                                | 8,319,740  |
| -                                  | -                    | -                       | -                 | 17,600                            | -                 | -                   | -                      | -                         | -                                | 539,369  |
| <u>34,481</u>                      | <u>353,914</u>       | <u>306,213</u>          | <u>5,132,521</u>  | <u>5,283,188</u>                  | <u>835,429</u>    | <u>784,030</u>      | <u>-</u>               | <u>-</u>                  | <u>601,931</u>                   | <u>35,095,444</u>                                |
| <u>55,769</u>                      | <u>[351,048]</u>     | <u>[1,330]</u>          | <u>294,365</u>    | <u>53,191</u>                     | <u>135,090</u>    | <u>953,993</u>      | <u>-</u>               | <u>3,328</u>              | <u>[5,760]</u>                   | <u>1,895,203</u>                                 |
| -                                  | -                    | -                       | -                 | -                                 | -                 | -                   | -                      | -                         | -                                | 251,739  |
| -                                  | -                    | -                       | -                 | -                                 | -                 | -                   | -                      | -                         | -                                | 251,739  |
| 55,769                             | [351,048]            | [1,330]                 | 294,365           | 53,191                            | 135,090           | 953,993             | -                      | 3,328                     | [5,760]                          | 2,146,942  |
| <u>234,250</u>                     | <u>2,832,392</u>     | <u>1,330</u>            | <u>30,604</u>     | <u>920,787</u>                    | <u>506,112</u>    | <u>2,267,878</u>    | <u>5,638,052</u>       | <u>2,744</u>              | <u>272,291</u>                   | <u>16,740,095</u>                                |
| <u>\$ 290,019</u>                  | <u>\$ 2,481,344</u>  | <u>\$ -</u>             | <u>\$ 324,969</u> | <u>\$ 973,978</u>                 | <u>\$ 641,202</u> | <u>\$ 3,221,871</u> | <u>\$ 5,638,052</u>    | <u>\$ 6,072</u>           | <u>\$ 266,531</u>                | <u>\$ 18,887,037</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, 2015  
(With Comparative Amounts for the Year Ended June 30, 2014)

|  | June 30, 2014 |               | June 30, 2015                        |                    |                  |             | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|--|---------------|---------------|--------------------------------------|--------------------|------------------|-------------|---|
|  | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |             |   |
|  |               |               |                                      |                    | Original         | Final       |   |
| REVENUES:  |               |               |                                      |                    |                  |             |   |
| Intergovernmental:   |               |               |                                      |                    |                  |             |   |
| State and local  | \$ 3,524,301  | \$ 3,482,203  | \$ [3,482,203]                       | \$ -               | \$ -             | \$ -        | \$ -  |
| Federal  | -             | -             | -                                    | -                  | 176,329          | 176,329     | [176,329]   |
| Total intergovernmental                                      | 3,524,301     | 3,482,203     | [3,482,203]                          | -                  | 176,329          | 176,329     | [176,329]   |
| Charges for services   | 6,752         | 12,194        | -                                    | 12,194             | 20,000           | 20,000      | [7,806]   |
| Total revenues   | 3,531,053     | 3,494,397     | [3,482,203]                          | 12,194             | 196,329          | 196,329     | [184,135]   |
| EXPENDITURES:  |               |               |                                      |                    |                  |             |   |
| Instruction  | 2,831,731     | 2,862,541     | [14,702]                             | 2,847,839          | 3,175,249        | 3,175,249   | 327,410   |
| Instructional support staff                                  | 205,319       | 202,795       | -                                    | 202,795            | 192,730          | 192,730     | [10,065]  |
| School administration  | 85,518        | 62,142        | -                                    | 62,142             | 88,472           | 88,472      | 26,330  |
| Operations and maintenance                                   | 84,502        | 73,642        | -                                    | 73,642             | 91,242           | 91,242      | 17,600  |
| Student transportation services                              | 231,057       | 227,110       | -                                    | 227,110            | -                | -           | [227,110]   |
| Other support services                                       | 81,061        | 83,827        | -                                    | 83,827             | 236,312          | 236,312     | 152,485   |
| Total expenditures   | 3,519,188     | 3,512,057     | [14,702]                             | 3,497,355          | 3,784,005        | 3,784,005   | 286,650   |
| Excess [deficiency] of revenues<br>over [under] expenditures | 11,865        | [17,660]      | [3,467,501]                          | [3,485,161]        | [3,587,676]      | [3,587,676] | 102,515   |
| OTHER FINANCING SOURCES [USES]:                              |               |               |                                      |                    |                  |             |   |
| Transfers in   | -             | -             | 3,482,203                            | 3,482,203          | 3,592,106        | 3,592,106   | [109,903]   |
| Total other financing sources [uses]                         | -             | -             | 3,482,203                            | 3,482,203          | 3,592,106        | 3,592,106   | [109,903]   |
| Net change in fund balance                                   | 11,865        | [17,660]      | 14,702                               | [2,958]            | \$ 4,430         | \$ 4,430    | \$ [7,388]  |
| FUND BALANCE - Beginning of year                             | 9,794         | 22,464        | [22,464]                             | -                  |                  |             |   |
| Prior year cancelled encumbrances                            | 805           | 2,958         | -                                    | 2,958              |                  |             |   |
| FUND BALANCE - End of year                                   | \$ 22,464     | \$ 7,762      | \$ [7,762]                           | \$ -               |                  |             |   |

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, 2015  
(With Comparative Amounts for the Year Ended June 30, 2014)

|                                  | June 30, 2014 | June 30, 2015 |                                      |                    |                  |           | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|----------------------------------|---------------|---------------|--------------------------------------|--------------------|------------------|-----------|---|
|                                  | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |           |   |
|                                  |               |               |                                      |                    | Original         | Final     |   |
| REVENUES:                        |               |               |                                      |                    |                  |           |   |
| Taxes:                           |               |               |                                      |                    |                  |           |   |
| In process                       | \$ 1,472      | \$ 28,472     | \$ -                                 | \$ 28,472          | \$ 1,070         | \$ 1,070  | \$ 27,402   |
| Current                          | 2,796,354     | 3,198,796     | -                                    | 3,198,796          | 3,086,196        | 3,086,196 | 112,600   |
| Delinquent                       | 13,819        | 11,103        | -                                    | 11,103             | 31,591           | 31,591    | [20,488]  |
| Motor vehicle                    | 42,522        | 110,931       | -                                    | 110,931            | 111,859          | 111,859   | [928]   |
| Total taxes                      | 2,854,167     | 3,349,302     | -                                    | 3,349,302          | 3,230,716        | 3,230,716 | 118,586   |
| Total revenues                   | 2,854,167     | 3,349,302     | -                                    | 3,349,302          | 3,230,716        | 3,230,716 | 118,586   |
| EXPENDITURES:                    |               |               |                                      |                    |                  |           |   |
| State payment                    | 3,187,219     | 3,187,219     | -                                    | 3,187,219          | 3,187,219        | 3,187,219 | -   |
| Total expenditures               | 3,187,219     | 3,187,219     | -                                    | 3,187,219          | 3,187,219        | 3,187,219 | \$ -  |
| Net change in fund balance       | [333,052]     | 162,083       | -                                    | 162,083            | \$ 43,497        | \$ 43,497 |   |
| FUND BALANCE - Beginning of year | 289,555       | [43,497]      | -                                    | [43,497]           |                  |           |   |
| FUND BALANCE - End of year       | \$ [43,497]   | \$ 118,586    | \$ -                                 | \$ 118,586         |                  |           |   |

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)  
PROFESSIONAL DEVELOPMENT FUND  
For the Year Ended June 30, 2015  
(With Comparative Amounts for the Year Ended June 30, 2014)

|  | June 30, 2014 | June 30, 2015 |                                      |                    |                  |           | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|--|---------------|---------------|--------------------------------------|--------------------|------------------|-----------|---|
|  | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |           |   |
|  |               |               |                                      |                    | Original         | Final     |   |
| REVENUES:  |               |               |                                      |                    |                  |           |   |
| Intergovernmental:   |               |               |                                      |                    |                  |           |   |
| State and local  | \$ 160,491    | \$ 103,040    | \$ [103,040]                         | \$ -               | \$ -             | \$ -      | \$ -  |
| Total revenues   | 160,491       | 103,040       | [103,040]                            | -                  | -                | -         | -   |
| EXPENDITURES:  |               |               |                                      |                    |                  |           |   |
| Instructional support staff                                  | 144,173       | 127,501       | [24,191]                             | 103,310            | 311,916          | 311,916   | 208,606   |
| Total expenditures   | 144,173       | 127,501       | [24,191]                             | 103,310            | 311,916          | 311,916   | 208,606   |
| Excess [deficiency] of revenues<br>over [under] expenditures | 16,318        | [24,461]      | [78,849]                             | [103,310]          | [311,916]        | [311,916] | 208,606   |
| OTHER FINANCING SOURCES [USES]:                              |               |               |                                      |                    |                  |           |   |
| Transfers in   | -             | -             | 103,040                              | 103,040            | 311,916          | 311,916   | [208,876]   |
| Total other financing sources [uses]                         | -             | -             | 103,040                              | 103,040            | 311,916          | 311,916   | [208,876]   |
| Net change in fund balance                                   | 16,318        | [24,461]      | 24,191                               | [270]              | \$ -             | \$ -      | \$ [270]  |
| FUND BALANCE - Beginning of year                             | 12,250        | 28,646        | [28,646]                             | -                  |                  |           |   |
| Prior year cancelled encumbrances                            | 78            | 270           | -                                    | 270                |                  |           |   |
| FUND BALANCE - End of year                                   | \$ 28,646     | \$ 4,455      | \$ [4,455]                           | \$ -               |                  |           |   |



## 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, 2015  
 (With Comparative Amounts for the Year Ended June 30, 2014)

|                                       | June 30, 2014     | June 30, 2015       |                                      |                     |                  |                  |    | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|---------------------------------------|-------------------|---------------------|--------------------------------------|---------------------|------------------|------------------|----|---|
|                                       | GAAP<br>Basis     | GAAP<br>Basis       | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis  | Budgeted Amounts |                  |    |   |
|                                       |                   |                     |                                      |                     | Original         | Final            |    |   |
| REVENUES:                             |                   |                     |                                      |                     |                  |                  |    |   |
| Taxes:                                |                   |                     |                                      |                     |                  |                  |    |   |
| In process                            | \$ 14,775         | \$ 16,831           | \$ -                                 | \$ 16,831           | \$ 9,049         | \$ 9,049         | \$ | 7,782   |
| Current                               | 1,000,253         | 923,058             | -                                    | 923,058             | 915,557          | 915,557          |    | 7,501   |
| Delinquent                            | 8,176             | 7,771               | -                                    | 7,771               | 11,397           | 11,397           |    | [3,626]   |
| Motor vehicle                         | 94,744            | 111,880             | -                                    | 111,880             | 106,122          | 106,122          |    | 5,758   |
| Rental excise                         | 1,673             | 1,913               | -                                    | 1,913               | 1,500            | 1,500            |    | 413   |
| Total revenues                        | <u>1,119,621</u>  | <u>1,061,453</u>    | <u>-</u>                             | <u>1,061,453</u>    | <u>1,043,625</u> | <u>1,043,625</u> |    | <u>17,828</u>   |
| EXPENDITURES:                         |                   |                     |                                      |                     |                  |                  |    |   |
| Facility acquisition and construction | <u>984,200</u>    | <u>521,769</u>      | <u>-</u>                             | <u>521,769</u>      | <u>1,150,000</u> | <u>1,150,000</u> |    | <u>628,231</u>  |
| Total expenditures                    | <u>984,200</u>    | <u>521,769</u>      | <u>-</u>                             | <u>521,769</u>      | <u>1,150,000</u> | <u>1,150,000</u> |    | <u>628,231</u>  |
| Net change in fund balance            | 135,421           | 539,684             | -                                    | 539,684             | \$ [106,375]     | \$ [106,375]     | \$ | 646,059   |
| FUND BALANCE - Beginning of year      | <u>444,728</u>    | <u>580,149</u>      | <u>-</u>                             | <u>580,149</u>      |                  |                  |    |   |
| FUND BALANCE - End of year            | <u>\$ 580,149</u> | <u>\$ 1,119,833</u> | <u>\$ -</u>                          | <u>\$ 1,119,833</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)  
FOOD SERVICE FUNDFor the Year Ended June 30, 2015  
(With Comparative Amounts for the Year Ended June 30, 2014)

|                                   | June 30, 2014 | June 30, 2015 |                                      |                    |                  |                | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|-----------------------------------|---------------|---------------|--------------------------------------|--------------------|------------------|----------------|---|
|                                   | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |                |   |
|                                   |               |               |                                      |                    | Original         | Final          |   |
| REVENUES:                         |               |               |                                      |                    |                  |                |   |
| Intergovernmental:                |               |               |                                      |                    |                  |                |   |
| Federal                           | \$ 5,632,029  | \$ 5,854,815  | \$ -                                 | \$ 5,854,815       | \$ 5,479,988     | \$ 5,479,988   | \$ 374,827  |
| State and local                   | 107,958       | 109,466       | -                                    | 109,466            | 92,481           | 92,481         | 16,985  |
| Total intergovernmental           | 5,739,987     | 5,964,281     | -                                    | 5,964,281          | 5,572,469        | 5,572,469      | 391,812   |
| Charges for services              | 5,458,129     | 5,020,144     | -                                    | 5,020,144          | 5,519,431        | 5,519,431      | [499,287]   |
| Investment revenue                | 233           | 263           | -                                    | 263                | 250              | 250            | 13  |
| Total revenues                    | 11,198,349    | 10,984,688    | -                                    | 10,984,688         | 11,092,150       | 11,092,150     | [107,462]   |
| EXPENDITURES:                     |               |               |                                      |                    |                  |                |   |
| Operations and maintenance        | 565,921       | 614,196       | -                                    | 614,196            | 675,000          | 675,000        | 60,804  |
| Food service operations           | 10,632,253    | 10,237,673    | 62,679                               | 10,300,352         | 12,786,715       | 12,786,715     | 2,486,363   |
| Total expenditures                | 11,198,174    | 10,851,869    | 62,679                               | 10,914,548         | 13,461,715       | 13,461,715     | 2,547,167   |
| Net change in fund balance        | 175           | 132,819       | [62,679]                             | 70,140             | \$ [2,369,565]   | \$ [2,369,565] | \$ 2,439,705  |
| FUND BALANCE - Beginning of year  | 2,525,973     | 2,704,467     | [334,902]                            | 2,369,565          |                  |                |   |
| Prior year cancelled encumbrances | 178,319       | 127,468       | -                                    | 127,468            |                  |                |   |
| FUND BALANCE - End of year        | \$ 2,704,467  | \$ 2,964,754  | \$ [397,581]                         | \$ 2,567,173       |                  |                |   |

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, 2015  
(With Comparative Amounts for the Year Ended June 30, 2014)

|                                  | June 30, 2014 | June 30, 2015 |                                      |                    |                  |             | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|----------------------------------|---------------|---------------|--------------------------------------|--------------------|------------------|-------------|---|
|                                  | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |             |   |
|                                  |               |               |                                      |                    | Original         | Final       |   |
| REVENUES:                        |               |               |                                      |                    |                  |             |   |
| Charges for services             | \$ 1,792      | \$ 4,731      | \$ -                                 | \$ 4,731           | \$ 4,000         | \$ 4,000    | \$ 731  |
| Total revenues                   | 1,792         | 4,731         | -                                    | 4,731              | 4,000            | 4,000       | 731   |
| EXPENDITURES:                    |               |               |                                      |                    |                  |             |   |
| Instruction                      | 3,846         | 6,733         | [2,385]                              | 4,348              | 18,513           | 18,513      | 14,165  |
| Total expenditures               | 3,846         | 6,733         | [2,385]                              | 4,348              | 18,513           | 18,513      | 14,165  |
| Net change in fund balance       | [2,054]       | [2,002]       | 2,385                                | 383                | \$ [14,513]      | \$ [14,513] | \$ 14,896   |
| FUND BALANCE - Beginning of year | 39,428        | 37,374        | [2,385]                              | 34,989             |                  |             |   |
| FUND BALANCE - End of year       | \$ 37,374     | \$ 35,372     | \$ -                                 | \$ 35,372          |                  |             |   |

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, 2015  
 (With Comparative Amounts for the Year Ended June 30, 2014)

|  | June 30, 2014    | June 30, 2015    |                                      |                    |                    |                    | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|--|------------------|------------------|--------------------------------------|--------------------|--------------------|--------------------|---|
|  | GAAP<br>Basis    | GAAP<br>Basis    | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts   |                    |   |
|  |                  |                  |                                      |                    | Original           | Final              |   |
| REVENUES:  |                  |                  |                                      |                    |                    |                    |   |
| Intergovernmental:   |                  |                  |                                      |                    |                    |                    |   |
| State and local  | \$ 2,819,765     | \$ 2,680,931     | \$ [2,680,931]                       | \$ -               | \$ -               | \$ -               | \$ -  |
| Total revenues   | <u>2,819,765</u> | <u>2,680,931</u> | <u>[2,680,931]</u>                   | <u>-</u>           | <u>-</u>           | <u>-</u>           | <u>-</u>  |
| EXPENDITURES:  |                  |                  |                                      |                    |                    |                    |   |
| Instruction  | 2,367,739        | 2,235,859        | 4,615                                | 2,240,474          | 2,392,039          | 2,392,039          | 151,565   |
| Student support services                                     | 35,762           | 37,068           | -                                    | 37,068             | 37,083             | 37,083             | 15  |
| Instructional support staff                                  | 97,356           | 97,188           | -                                    | 97,188             | 98,853             | 98,853             | 1,665   |
| Student transportation services                              | <u>319,083</u>   | <u>306,360</u>   | <u>-</u>                             | <u>306,360</u>     | <u>303,238</u>     | <u>303,238</u>     | <u>[3,122]</u>  |
| Total expenditures   | <u>2,819,940</u> | <u>2,676,475</u> | <u>4,615</u>                         | <u>2,681,090</u>   | <u>2,831,213</u>   | <u>2,831,213</u>   | <u>150,123</u>  |
| Excess [deficiency] of revenues<br>over [under] expenditures | <u>[175]</u>     | <u>4,456</u>     | <u>[2,685,546]</u>                   | <u>[2,681,090]</u> | <u>[2,831,213]</u> | <u>[2,831,213]</u> | <u>150,123</u>  |
| OTHER FINANCING SOURCES [USES]:                              |                  |                  |                                      |                    |                    |                    |   |
| Transfers in   | <u>-</u>         | <u>-</u>         | <u>2,680,931</u>                     | <u>2,680,931</u>   | <u>2,831,213</u>   | <u>2,831,213</u>   | <u>[150,282]</u>  |
| Total other financing sources [uses]                         | <u>-</u>         | <u>-</u>         | <u>2,680,931</u>                     | <u>2,680,931</u>   | <u>2,831,213</u>   | <u>2,831,213</u>   | <u>[150,282]</u>  |
| Net change in fund balance                                   | <u>[175]</u>     | <u>4,456</u>     | <u>[4,615]</u>                       | <u>[159]</u>       | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ [159]</u>   |
| FUND BALANCE - Beginning of year                             | 2,466            | 2,284            | [2,284]                              | -                  |                    |                    |   |
| Prior year cancelled encumbrances                            | <u>[7]</u>       | <u>159</u>       | <u>-</u>                             | <u>159</u>         |                    |                    |   |
| FUND BALANCE - End of year                                   | <u>\$ 2,284</u>  | <u>\$ 6,899</u>  | <u>\$ [6,899]</u>                    | <u>\$ -</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)  
SUMMER SCHOOL FUND  
For the Year Ended June 30, 2015  
(With Comparative Amounts for the Year Ended June 30, 2014)

|                                   | June 30, 2014     |                   | June 30, 2015                        |                    |                  |                | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|-----------------------------------|-------------------|-------------------|--------------------------------------|--------------------|------------------|----------------|---|
|                                   | GAAP<br>Basis     | GAAP<br>Basis     | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |                |   |
|                                   |                   |                   |                                      |                    | Original         | Final          |   |
| REVENUES:                         |                   |                   |                                      |                    |                  |                |   |
| Charges for services              | \$ 489,872        | \$ 507,965        | \$ -                                 | \$ 507,965         | \$ 500,000       | \$ 500,000     | \$ 7,965  |
| Total revenues                    | <u>489,872</u>    | <u>507,965</u>    | <u>-</u>                             | <u>507,965</u>     | <u>500,000</u>   | <u>500,000</u> | <u>7,965</u>  |
| EXPENDITURES:                     |                   |                   |                                      |                    |                  |                |   |
| Instruction                       | 269,071           | 291,479           | [488]                                | 290,991            | 599,565          | 599,565        | 308,574   |
| Student support services          | 9,110             | 228               | 65                                   | 293                | 12,300           | 12,300         | 12,007  |
| School administration             | 69,494            | 71,421            | -                                    | 71,421             | 78,011           | 78,011         | 6,590   |
| Operations and maintenance        | <u>57,924</u>     | <u>60,000</u>     | <u>-</u>                             | <u>60,000</u>      | <u>61,000</u>    | <u>61,000</u>  | <u>1,000</u>  |
| Total expenditures                | <u>405,599</u>    | <u>423,128</u>    | <u>[423]</u>                         | <u>422,705</u>     | <u>750,876</u>   | <u>750,876</u> | <u>328,171</u>  |
| Net change in fund balance        | 84,273            | 84,837            | 423                                  | 85,260             | \$ [250,876]     | \$ [250,876]   | \$ 336,136  |
| FUND BALANCE - Beginning of year  | 611,621           | 696,803           | [4,406]                              | 692,397            |                  |                |   |
| Prior year cancelled encumbrances | <u>909</u>        | <u>986</u>        | <u>-</u>                             | <u>986</u>         |                  |                |   |
| FUND BALANCE - End of year        | <u>\$ 696,803</u> | <u>\$ 782,626</u> | <u>\$ [3,983]</u>                    | <u>\$ 778,643</u>  |                  |                |   |

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, 2015  
(With Comparative Amounts for the Year Ended June 30, 2014)

|  | June 30, 2014 | June 30, 2015 |                                      |                    |                  |            | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|--|---------------|---------------|--------------------------------------|--------------------|------------------|------------|---|
|  | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |            |   |
|  |               |               |                                      |                    | Original         | Final      |   |
| REVENUES:  |               |               |                                      |                    |                  |            |   |
| Intergovernmental:   |               |               |                                      |                    |                  |            |   |
| State and local  | \$ 345,877    | \$ 334,835    | \$ -                                 | \$ 334,835         | \$ 367,936       | \$ 367,936 | \$ [33,101]   |
| Total revenues   | 345,877       | 334,835       | -                                    | 334,835            | 367,936          | 367,936    | [33,101]  |
| EXPENDITURES:  |               |               |                                      |                    |                  |            |   |
| Student support services                                     | 494,664       | 534,470       | [2,253]                              | 532,217            | 532,256          | 532,256    | 39  |
| Instructional support staff                                  | 34,772        | 33,896        | -                                    | 33,896             | 58,676           | 58,676     | 24,780  |
| General administration                                       | 20,173        | 21,121        | -                                    | 21,121             | -                | -          | [21,121]  |
| Total expenditures   | 549,609       | 589,487       | [2,253]                              | 587,234            | 590,932          | 590,932    | 3,698   |
| Excess [deficiency] of revenues<br>over [under] expenditures | [203,732]     | [254,652]     | 2,253                                | [252,399]          | [222,996]        | [222,996]  | [29,403]  |
| OTHER FINANCING SOURCES [USES]:                              |               |               |                                      |                    |                  |            |   |
| Transfers in   | 206,600       | 251,739       | -                                    | 251,739            | 222,996          | 222,996    | 28,743  |
| Total other financing sources [uses]                         | 206,600       | 251,739       | -                                    | 251,739            | 222,996          | 222,996    | 28,743  |
| Net change in fund balance                                   | 2,868         | [2,913]       | 2,253                                | [660]              | \$ -             | \$ -       | \$ [660]  |
| FUND BALANCE - Beginning of year                             | 2,097         | 4,965         | [4,965]                              | -                  |                  |            |   |
| Prior year cancelled encumbrances                            | -             | 660           | -                                    | 660                |                  |            |   |
| FUND BALANCE - End of year                                   | \$ 4,965      | \$ 2,712      | \$ [2,712]                           | \$ -               |                  |            |   |

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, 2015  
(With Comparative Amounts for the Year Ended June 30, 2014)

|  | June 30, 2014 | June 30, 2015 |                                      |                    |                  |              | Variance with<br>Final Budget |
|--|---------------|---------------|--------------------------------------|--------------------|------------------|--------------|-------------------------------|
|  | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |              | Positive<br>[Negative]        |
|  |               |               |                                      |                    | Original         | Final        |                               |
| REVENUES:  |               |               |                                      |                    |                  |              |                               |
| Charges for services   | \$ 87,868     | \$ 90,250     | \$ -                                 | \$ 90,250          | \$ 80,000        | \$ 80,000    | \$ 10,250                     |
| Total revenues   | 87,868        | 90,250        | -                                    | 90,250             | 80,000           | 80,000       | 10,250                        |
| EXPENDITURES:  |               |               |                                      |                    |                  |              |                               |
| Instruction  | 83,270        | 34,481        | -                                    | 34,481             | 101,685          | 101,685      | 67,204                        |
| Other support services                                       | -             | -             | -                                    | -                  | 100,000          | 100,000      | 100,000                       |
| Total expenditures   | 83,270        | 34,481        | -                                    | 34,481             | 201,685          | 201,685      | 167,204                       |
| Excess [deficiency] of revenues<br>over [under] expenditures | 4,598         | 55,769        | -                                    | 55,769             | \$ [121,685]     | \$ [121,685] | \$ 177,454                    |
| FUND BALANCE - Beginning of year                             | 229,652       | 234,250       | -                                    | 234,250            |                  |              |                               |
| FUND BALANCE - End of year                                   | \$ 234,250    | \$ 290,019    | \$ -                                 | \$ 290,019         |                  |              |                               |

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, 2015  
(With Comparative Amounts for the Year Ended June 30, 2014)

|                                       | June 30, 2014 |               | June 30, 2015                        |                    |                  |                |   |
|---------------------------------------|---------------|---------------|--------------------------------------|--------------------|------------------|----------------|---|
|                                       | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |                | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|                                       |               |               |                                      |                    | Original         | Final          |   |
| REVENUES:                             |               |               |                                      |                    |                  |                |   |
| Intergovernmental:                    |               |               |                                      |                    |                  |                |   |
| Taxes                                 | \$ 1,149      | \$ 368        | \$ -                                 | \$ 368             | \$ 3,750         | \$ 3,750       | \$ [3,382]  |
| Investment revenue                    | 3,905         | 2,498         | -                                    | 2,498              | -                | -              | -   |
| Total revenues                        | 5,054         | 2,866         | -                                    | 2,866              | 3,750            | 3,750          | [3,382]   |
| EXPENDITURES:                         |               |               |                                      |                    |                  |                |   |
| General administration                | 70,983        | 58,609        | -                                    | 58,609             | 1,270,425        | 1,270,425      | 1,211,816   |
| Business and central support services | 510,350       | 300,157       | [4,852]                              | 295,305            | -                | -              | [295,305]   |
| Total expenditures                    | 581,333       | 358,766       | [4,852]                              | 353,914            | 1,270,425        | 1,270,425      | 916,511   |
| Net change in fund balance            | [576,279]     | [355,900]     | 4,852                                | [351,048]          | \$ [1,266,675]   | \$ [1,266,675] | \$ 913,129  |
| FUND BALANCE - Beginning of year      | 3,408,671     | 2,832,392     | [4,852]                              | 2,827,540          |                  |                |   |
| Prior year cancelled encumbrances     | -             | 4,852         | -                                    | 4,852              |                  |                |   |
| FUND BALANCE - End of year            | \$ 2,832,392  | \$ 2,481,344  | \$ -                                 | \$ 2,481,344       |                  |                |   |

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, 2015  
(With Comparative Amounts for the Year Ended June 30, 2014)

|  | June 30, 2014 |               | June 30, 2015                        |                    |                  |           | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|--|---------------|---------------|--------------------------------------|--------------------|------------------|-----------|---|
|  | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |           |   |
|  |               |               |                                      |                    | Original         | Final     |   |
| REVENUES:  |               |               |                                      |                    |                  |           |   |
| Intergovernmental:   |               |               |                                      |                    |                  |           |   |
| State and local  | \$ 336,154    | \$ 304,883    | \$ [304,883]                         | \$ -               | \$ -             | \$ -      | \$ -  |
| Total revenues   | 336,154       | 304,883       | [304,883]                            | -                  | -                | -         | -   |
| EXPENDITURES:  |               |               |                                      |                    |                  |           |   |
| Instruction  | 335,015       | 307,246       | [1,330]                              | 305,916            | 335,871          | 335,871   | 29,955  |
| Total expenditures   | 335,015       | 307,246       | [1,330]                              | 305,916            | 335,871          | 335,871   | 29,955  |
| Excess [deficiency] of revenues<br>over [under] expenditures | 1,139         | [2,363]       | [303,553]                            | [305,916]          | [335,871]        | [335,871] | 29,955  |
| OTHER FINANCING SOURCES [USES]:                              |               |               |                                      |                    |                  |           |   |
| Transfers in   | -             | -             | 304,883                              | 304,883            | 335,871          | 335,871   | [30,988]  |
| Total other financing sources [uses]                         | -             | -             | 304,883                              | 304,883            | 335,871          | 335,871   | [30,988]  |
| Net change in fund balance                                   | 1,139         | [2,363]       | 1,330                                | [1,033]            | \$ -             | \$ -      | \$ [1,033]  |
| FUND BALANCE - Beginning of year                             | 199           | 1,330         | [1,330]                              | -                  |                  |           |   |
| Prior year cancelled encumbrances                            | [8]           | 1,033         | -                                    | 1,033              |                  |           |   |
| FUND BALANCE - End of year                                   | \$ 1,330      | \$ -          | \$ -                                 | \$ -               |                  |           |   |

## 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, 2015  
(With Comparative Amounts for the Year Ended June 30, 2014)

|                                  | June 30, 2014 | June 30, 2015 |                                      |                    |                  |             | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|----------------------------------|---------------|---------------|--------------------------------------|--------------------|------------------|-------------|---|
|                                  | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |             |   |
|                                  |               |               |                                      |                    | Original         | Final       |   |
| REVENUES:                        |               |               |                                      |                    |                  |             |   |
| Taxes:                           |               |               |                                      |                    |                  |             |   |
| In process                       | \$ 84,470     | \$ 32,615     | \$ -                                 | \$ 32,615          | \$ 1,576         | \$ 1,576    | \$ 31,039   |
| Current                          | 4,040,263     | 4,864,941     | -                                    | 4,864,941          | 5,019,842        | 5,019,842   | [154,901]   |
| Delinquent                       | 69,360        | 24,874        | -                                    | 24,874             | 45,462           | 45,462      | [20,588]  |
| Motor vehicle                    | 678,554       | 504,456       | -                                    | 504,456            | 536,036          | 536,036     | [31,580]  |
| Total taxes                      | 4,872,647     | 5,426,886     | -                                    | 5,426,886          | 5,602,916        | 5,602,916   | [176,030]   |
| Total revenue                    | 4,872,647     | 5,426,886     | -                                    | 5,426,886          | 5,602,916        | 5,602,916   | [176,030]   |
| EXPENDITURES:                    |               |               |                                      |                    |                  |             |   |
| State payment                    | 5,345,425     | 5,132,521     | -                                    | 5,132,521          | 5,633,520        | 5,633,520   | 500,999   |
| Total expenditures               | 5,345,425     | 5,132,521     | -                                    | 5,132,521          | 5,633,520        | 5,633,520   | 500,999   |
| Net change in fund balance       | [472,778]     | 294,365       | -                                    | 294,365            | \$ [30,604]      | \$ [30,604] | \$ 324,969  |
| FUND BALANCE - Beginning of year | 503,382       | 30,604        | -                                    | 30,604             |                  |             |   |
| FUND BALANCE - End of year       | \$ 30,604     | \$ 324,969    | \$ -                                 | \$ 324,969         |                  |             |   |

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, 2015  
(With Comparative Amounts for the Year Ended June 30, 2014)

|                                   | June 30, 2014 | June 30, 2015 |                                      |                    |                  |              |   |
|-----------------------------------|---------------|---------------|--------------------------------------|--------------------|------------------|--------------|---|
|                                   | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |              | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|                                   |               |               |                                      |                    | Original         | Final        |   |
| REVENUES:                         |               |               |                                      |                    |                  |              |   |
| Intergovernmental:                |               |               |                                      |                    |                  |              |   |
| Federal                           | \$ 4,670,034  | \$ 4,233,552  | \$ -                                 | \$ 4,233,552       | \$ 5,069,469     | \$ 5,069,469 | \$ [835,917]  |
| Total intergovernmental           | 4,670,034     | 4,233,552     | -                                    | 4,233,552          | 5,069,469        | 5,069,469    | [835,917]   |
| Other local sources               | 1,087,232     | 1,102,827     | -                                    | 1,102,827          | -                | -            | 1,102,827   |
| Total revenues                    | 5,757,266     | 5,336,379     | -                                    | 5,336,379          | 5,069,469        | 5,069,469    | 266,910   |
| EXPENDITURES:                     |               |               |                                      |                    |                  |              |   |
| Instruction                       | 3,769,321     | 3,239,047     | [30,133]                             | 3,208,914          | 2,820,376        | 2,820,376    | [388,538]   |
| Student support services          | 1,193,783     | 960,343       | [2,383]                              | 957,960            | 799,572          | 799,572      | [158,388]   |
| Instructional support staff       | 745,973       | 861,071       | [11,198]                             | 849,873            | 1,179,850        | 1,179,850    | 329,977   |
| General administration            | 164,859       | 172,574       | [2,764]                              | 169,810            | 143,819          | 143,819      | [25,991]  |
| Student transportation services   | 5,812         | 5,242         | 4,026                                | 9,268              | -                | -            | [9,268]   |
| Student activities                | 17,500        | 28,962        | 1,176                                | 30,138             | 5,000            | 5,000        | [25,138]  |
| Capital outlay                    | -             | 17,600        | -                                    | 17,600             | -                | -            | [17,600]  |
| Total expenditures                | 5,897,248     | 5,284,839     | [41,276]                             | 5,243,563          | 4,948,617        | 4,948,617    | [294,946]   |
| Net change in fund balance        | [139,982]     | 51,540        | 41,276                               | 92,816             | \$ 120,852       | \$ 120,852   | \$ [28,036]   |
| FUND BALANCE - Beginning of year  | 1,049,083     | 920,787       | [68,227]                             | 852,560            |                  |              |   |
| Prior year cancelled encumbrances | 11,686        | 1,651         | -                                    | 1,651              |                  |              |   |
| FUND BALANCE - End of year        | \$ 920,787    | \$ 973,978    | \$ [26,951]                          | \$ 947,027         |                  |              |   |

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, 2015  
 (With Comparative Amounts for the Year Ended June 30, 2014)

|  | June 30, 2014 |               |                                      | June 30, 2015      |                  |            |              | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|--|---------------|---------------|--------------------------------------|--------------------|------------------|------------|--------------|---|
|  | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |            |              |   |
|  |               |               |                                      |                    | Original         | Final      |              |   |
| REVENUES:  |               |               |                                      |                    |                  |            |              |   |
| Taxes:   |               |               |                                      |                    |                  |            |              |   |
| In process   | \$ 405,149    | \$ 343,458    | \$ -                                 | \$ 343,458         | \$ 184,629       | \$ 184,629 | \$ 158,829   |   |
| Current  | 20,415,373    | 21,178,980    | -                                    | 21,178,980         | 21,011,682       | 21,011,682 | 167,298      |   |
| Delinquent   | 227,982       | 191,131       | -                                    | 191,131            | 232,600          | 232,600    | [41,469]     |   |
| Motor vehicle  | 2,644,116     | 2,773,065     | -                                    | 2,773,065          | 2,621,316        | 2,621,316  | 151,749      |   |
| Rental excise  | 47,080        | 52,461        | -                                    | 52,461             | -                | -          | 52,461       |   |
| Total taxes  | 23,739,700    | 24,539,095    | -                                    | 24,539,095         | 24,050,227       | 24,050,227 | 488,868      |   |
| Investment revenue   | 2,183         | -             | -                                    | -                  | 4,000            | 4,000      | [4,000]      |   |
| Other revenue  | -             | -             | -                                    | -                  | 45,000           | 45,000     | [45,000]     |   |
| Total revenues   | 23,741,883    | 24,539,095    | -                                    | 24,539,095         | 24,099,227       | 24,099,227 | 439,868      |   |
| EXPENDITURES:  |               |               |                                      |                    |                  |            |              |   |
| Debt Service   |               |               |                                      |                    |                  |            |              |   |
| Principal  | 17,495,000    | 24,340,000    | -                                    | 24,340,000         | 17,110,000       | 17,110,000 | [7,230,000]  |   |
| Interest and other charges                                   | 7,286,249     | 6,550,340     | -                                    | 6,550,340          | 6,479,013        | 6,479,013  | [71,327]     |   |
| Total expenditures   | 24,781,249    | 30,890,340    | -                                    | 30,890,340         | 23,589,013       | 23,589,013 | [7,301,327]  |   |
| Excess [deficiency] of revenues<br>over [under] expenditures | [1,039,366]   | [6,351,245]   | -                                    | [6,351,245]        | 510,214          | 510,214    | [6,861,459]  |   |
| OTHER FINANCING SOURCES [USES]:                              |               |               |                                      |                    |                  |            |              |   |
| Refunding bonds issued                                       | -             | 8,033,533     | -                                    | 8,033,533          | -                | -          | 8,033,533    |   |
| Total other financing sources [uses]                         | -             | 8,033,533     | -                                    | 8,033,533          | -                | -          | 8,033,533    |   |
| Net change in fund balance                                   | [1,039,366]   | 1,682,288     | -                                    | 1,682,288          | \$ 510,214       | \$ 510,214 | \$ 1,172,074 |   |
| FUND BALANCE - Beginning of year                             | 20,447,422    | 19,408,056    | -                                    | 19,408,056         |                  |            |              |   |
| FUND BALANCE - End of year                                   | \$ 19,408,056 | \$ 21,090,344 | \$ -                                 | \$ 21,090,344      |                  |            |              |   |

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, 2015  
 (With Comparative Amounts for the Year Ended June 30, 2014)

|   | June 30, 2014 | June 30, 2015 |                                      |                    |                  |                 | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|---|---------------|---------------|--------------------------------------|--------------------|------------------|-----------------|---|
|   | GAAP<br>Basis | GAAP<br>Basis | Adjustments<br>to Budgetary<br>Basis | Budgetary<br>Basis | Budgeted Amounts |                 |   |
|   |               |               |                                      |                    | Original         | Final           |   |
| REVENUES:   |               |               |                                      |                    |                  |                 |   |
| Taxes:  |               |               |                                      |                    |                  |                 |   |
| In process  | \$ 404,702    | \$ 369,855    | \$ -                                 | \$ 369,855         | \$ 198,806       | \$ 198,806      | \$ 171,049  |
| Current   | 21,984,278    | 22,791,238    | -                                    | 22,791,238         | 22,625,380       | 22,625,380      | 165,858   |
| Delinquent  | 237,232       | 199,166       | -                                    | 199,166            | 250,478          | 250,478         | [51,312]  |
| Motor vehicle   | 2,663,671     | 2,836,979     | -                                    | 2,836,979          | 2,682,951        | 2,682,951       | 154,028   |
| Rental excise   | 47,616        | 52,402        | -                                    | 52,402             | 45,000           | 45,000          | 7,402   |
| Total taxes   | 25,337,499    | 26,249,640    | -                                    | 26,249,640         | 25,802,615       | 25,802,615      | 447,025   |
| Other local sources                                       | 1,581,200     | 291,118       | -                                    | 291,118            | 67,138,511       | 67,138,511      | [66,847,393]  |
| Total revenues  | 26,918,699    | 26,540,758    | -                                    | 26,540,758         | 92,941,126       | 92,941,126      | [66,400,368]  |
| EXPENDITURES:   |               |               |                                      |                    |                  |                 |   |
| Instruction   | 7,905,077     | 20,780,411    | [11,319,998]                         | 9,460,413          | 8,949,078        | 8,949,078       | [511,335]   |
| Student support services                                  | 26,232        | 39,134        | -                                    | 39,134             | 40,735           | 40,735          | 1,601   |
| Instructional support staff                               | 27,682        | 37,782        | [10,274]                             | 27,508             | 36,700           | 36,700          | 9,192   |
| General administration                                    | -             | 194           | -                                    | 194                | -                | -               | [194]   |
| Operations and maintenance                                | 4,087,488     | 4,308,879     | 89,943                               | 4,398,822          | 828,463          | 828,463         | [3,570,359]   |
| Other support services                                    | 134,182       | 265,083       | [7,511]                              | 257,572            | 527,390          | 527,390         | 269,818   |
| Business and central support services                     | 877,141       | 1,178,250     | [19,785]                             | 1,158,465          | 686,384          | 686,384         | [472,081]   |
| Facility acquisition and construction                     | 15,249,899    | 22,667,831    | [2,238,401]                          | 20,429,430         | 82,219,056       | 82,219,056      | 61,789,626  |
| Debt Service  |               |               |                                      |                    |                  |                 |   |
| Principal   | -             | 6,463,056     | -                                    | 6,463,056          | 17,736,906       | 17,736,906      | 11,273,850  |
| Interest and other charges                                | -             | 391,904       | -                                    | 391,904            | 105,030          | 105,030         | [286,874]   |
| Total expenditures  | 28,307,701    | 56,132,524    | [13,506,026]                         | 42,626,498         | 111,129,742      | 111,129,742     | 68,503,244  |
| OTHER FINANCING SOURCES [USES]:                           |               |               |                                      |                    |                  |                 |   |
| General obligation bonds issued                           | -             | 21,175,534    | -                                    | 21,175,534         | -                | -               | 21,175,534  |
| Temporary notes issued                                    | 17,851,306    | -             | -                                    | -                  | -                | -               | -   |
| Total other financing sources [uses]                      | 17,851,306    | 21,175,534    | -                                    | 21,175,534         | -                | -               | 21,175,534  |
| Net change in fund balance                                | 16,462,304    | [8,416,232]   | 13,506,026                           | 5,089,794          | \$ [18,188,616]  | \$ [18,188,616] | \$ 23,278,410   |
| FUND BALANCE - Beginning of year,<br>as originally stated | 23,596,452    | 40,449,224    | [22,260,609]                         | 18,188,615         |                  |                 |   |
| Prior year cancelled encumbrances                         | 390,468       | 93,829        | -                                    | 93,829             |                  |                 |   |
| FUND BALANCE - End of year                                | \$ 40,449,224 | \$ 32,126,821 | \$ [8,754,583]                       | \$ 23,372,238      |                  |                 |   |

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, 2015

|  | Balance<br>June 30,<br><u>2014</u> | <u>Additions</u>    | <u>Deductions</u>   | Balance<br>June 30,<br><u>2015</u> |
|--|------------------------------------|---------------------|---------------------|------------------------------------|
| Assets - cash and investments              | <u>\$ 2,247,978</u>                | <u>\$ 3,399,990</u> | <u>\$ 3,497,485</u> | <u>\$ 2,150,483</u>                |
| Liabilities - due to student organizations | <u>\$ 2,247,978</u>                | <u>\$ 3,399,990</u> | <u>\$ 3,497,485</u> | <u>\$ 2,150,483</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>73 - 81</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>82 - 88</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>89 - 93</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>94 - 96</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>97 - 99</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)**

|   | 2006                  | 2007                  | 2008                  | 2009                  | 2010                  | 2011                  | 2012                  | 2013                  | 2014                  | 2015                 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| <b>Governmental Activities</b>          |                       |                       |                       |                       |                       |                       |                       |                       |                       |                      |
| <b>Net Investment in capital assets</b> |                       |                       |                       |                       |                       |                       |                       |                       |                       |                      |
| <b>Restricted</b>                       | \$ 78,696,538         | \$ 75,859,387         | \$ 131,691,815        | \$ 202,148,601        | \$ 209,641,065        | \$ 209,665,197        | \$ 231,300,400        | \$ 253,330,501        | \$ 251,367,186        | \$ 267,252,105       |
| <b>Unrestricted</b>                     | 17,695,143            | 17,634,497            | 16,781,531            | 18,472,417            | 18,266,209            | 18,721,274            | 18,911,711            | 20,447,422            | 19,408,056            | 21,090,344           |
| <b>Total</b>                            | 140,139,078           | 171,859,713           | 137,679,779           | 77,939,314            | 71,341,002            | 68,426,450            | 58,173,988            | 48,372,632            | 61,443,636            | [215,924,714]        |
| <b>Total Net Position</b>               | <u>\$ 236,530,759</u> | <u>\$ 265,353,597</u> | <u>\$ 286,153,125</u> | <u>\$ 298,560,332</u> | <u>\$ 299,248,276</u> | <u>\$ 296,812,921</u> | <u>\$ 308,386,099</u> | <u>\$ 322,150,555</u> | <u>\$ 332,218,878</u> | <u>\$ 72,417,735</u> |

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)**

|  | 2006                    | 2007                    | 2008                    | 2009                    | 2010                    | 2011                    | 2012                    | 2013                    | 2014                    | 2015                    |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Expenses</b>                                  |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| <b>Governmental Activities:</b>                  |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Instruction                                      | \$ 146,939,225          | \$ 159,967,897          | \$ 175,567,231          | \$ 184,559,961          | \$ 188,221,804          | \$ 171,080,693          | \$ 172,548,326          | \$ 172,142,399          | \$ 169,492,144          | \$ 169,510,423          |
| Student Support Services                         | 12,556,661              | 13,737,478              | 15,299,110              | 16,343,687              | 15,282,973              | 14,438,322              | 14,928,047              | 15,069,611              | 14,857,615              | 14,526,934              |
| Instructional Support                            | 8,305,788               | 9,176,169               | 10,293,743              | 10,565,365              | 9,610,299               | 8,574,949               | 8,115,624               | 8,085,874               | 8,702,701               | 8,574,463               |
| General Administration                           | 1,610,285               | 1,760,380               | 1,869,740               | 1,927,114               | 2,153,630               | 2,039,379               | 1,984,847               | 2,013,862               | 2,087,528               | 2,534,990               |
| School Administration                            | 12,037,368              | 12,789,503              | 13,409,796              | 14,162,217              | 14,315,622              | 13,931,653              | 13,511,466              | 13,396,373              | 13,266,480              | 13,375,735              |
| Operations and Maintenance                       | 34,453,100              | 38,089,054              | 36,562,784              | 38,686,737              | 36,443,274              | 43,126,239              | 44,860,538              | 41,744,327              | 43,261,815              | 43,144,632              |
| Student Transportation Services                  | 8,064,700               | 8,971,946               | 9,560,271               | 9,106,631               | 8,601,794               | 8,469,021               | 9,201,370               | 9,335,869               | 9,547,268               | 8,450,726               |
| Food Service                                     | 9,448,498               | 10,193,201              | 11,007,453              | 11,450,798              | 11,031,971              | 10,677,553              | 11,102,506              | 11,457,954              | 11,055,516              | 10,881,124              |
| Student Activities                               | 3,484,110               | 3,639,924               | 4,229,698               | 4,417,319               | 4,426,435               | 3,981,855               | 4,007,704               | 4,007,889               | 4,061,388               | 4,706,058               |
| Business and Central Support Services            | 12,835,703              | 14,328,849              | 13,272,667              | 13,568,008              | 13,878,967              | 11,023,101              | 10,479,838              | 9,762,803               | 10,775,348              | 12,471,248              |
| State payment                                    | 2,003,655               | 3,986,261               | 3,788,310               | 3,307,073               | 9,714,502               | 8,554,660               | 7,202,108               | 5,911,332               | 8,532,644               | 8,319,740               |
| Interest on Long-Term Debt                       | 9,566,735               | 10,167,342              | 12,739,612              | 11,785,703              | 11,119,808              | 10,582,206              | 9,939,082               | 8,012,807               | 7,108,025               | 7,027,298               |
| <b>Total Primary Government Expenses</b>         | <b>261,303,828</b>      | <b>286,808,004</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>Program Revenues</b>                          |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| <b>Governmental Activities:</b>                  |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Charges for services                             |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Instruction                                      | 3,231,930               | 3,892,786               | 5,020,007               | 6,318,533               | 6,338,216               | 6,521,015               | 7,143,365               | 7,220,599               | 7,620,150               | 6,707,859               |
| Food service operations                          | 7,386,245               | 7,236,572               | 7,037,063               | 7,214,232               | 6,679,202               | 6,226,654               | 5,964,756               | 5,621,203               | 5,458,129               | 5,020,144               |
| Operating grants and contributions               | 40,256,967              | 50,612,315              | 55,096,431              | 59,515,109              | 54,171,000              | 52,599,532              | 58,708,274              | 55,814,517              | 54,960,389              | 52,691,736              |
| <b>Total Primary Government Program Revenues</b> | <b>50,875,142</b>       | <b>61,741,673</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>Total Primary Government Net [Expense]</b>    | <b>\$ [210,428,686]</b> | <b>\$ [225,066,331]</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> |

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)**

|  | 2006                    | 2007                    | 2008                    | 2009                    | 2010                    | 2011                    | 2012                    | 2013                    | 2014                    | 2015                    |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Total Primary Government Net [Expense]</b>          | <u>\$ [210,428,686]</u> | <u>\$ [225,066,331]</u> | <u>\$ [240,446,914]</u> | <u>\$ [246,832,739]</u> | <u>\$ [257,612,861]</u> | <u>\$ [241,132,430]</u> | <u>\$ [236,065,061]</u> | <u>\$ [232,284,781]</u> | <u>\$ [234,709,804]</u> | <u>\$ [239,103,832]</u> |
| General Revenues and Other Changes in Net Position:    |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Property Taxes   | 149,058,230             | 166,485,705             | 171,308,502             | 173,273,499             | 174,637,862             | 172,144,938             | 168,798,265             | 166,773,703             | 166,746,918             | 120,997,886             |
| Grants and Entitlements not Restricted to              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Specific Programs                                      | 75,684,786              | 78,934,564              | 82,545,730              | 84,596,362              | 81,854,702              | 81,964,106              | 76,441,368              | 77,982,462              | 80,367,156              | 132,870,804             |
| Investment Earnings                                    | 6,008,736               | 6,689,520               | 6,020,733               | 1,427,724               | 228,674                 | 44,357                  | 44,892                  | 95,308                  | 23,647                  | 16,013                  |
| Miscellaneous  | 7,319,277               | 1,786,597               | 1,193,397               | 1,197,559               | 1,571,344               | 1,745,847               | 2,353,714               | 1,910,593               | 1,944,037               | 2,105,826               |
| Special Items  |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Capital asset impairment losses                        | -                       | -                       | -                       | -                       | -                       | [7,481,919]             | -                       | [718,519]               | [4,287,468]             | [7,624,061]             |
| <b>Total Primary Government</b>                        | <u>238,071,029</u>      | <u>253,896,386</u>      | <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>      |
| <b>Total Primary Government Change in Net Position</b> | <u>\$ 27,642,343</u>    | <u>\$ 28,830,055</u>    | <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>     |

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)**

|   | 2006                  | 2007                  | 2008                  | 2009                  | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                  |
|---|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| <b>General Fund</b>                       |                       |                       |                       |                       |                      |                      |                      |                      |                      |                       |
| Reserved                                  | \$ 2,753,966          | \$ 3,332,759          | \$ 2,383,284          | \$ 2,122,870          | \$ 1,963,346         | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                  |
| Unreserved                                | 60,147                | 15,687                | 62,301                | 42,193                | 25,182               | -                    | -                    | -                    | -                    | -                     |
| Nonspendable                              | -                     | -                     | -                     | -                     | -                    | 905,582              | 888,847              | 780,738              | 688,792              | 397,155               |
| Assigned                                  | -                     | -                     | -                     | -                     | -                    | 329,853              | 317,516              | 334,857              | 559,760              | 398,215               |
| Unassigned                                | -                     | -                     | -                     | -                     | -                    | 29,262               | 21,352               | 26,277               | 13,971               | 19,417                |
| <b>Total General Fund</b>                 | <b>\$ 2,814,113</b>   | <b>\$ 3,348,446</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>All Other Governmental Funds</b>       |                       |                       |                       |                       |                      |                      |                      |                      |                      |                       |
| Reserved                                  | \$ 86,514,435         | \$ 68,378,270         | \$ 82,220,499         | \$ 45,910,160         | \$ 36,694,454        | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                  |
| Unreserved, reported in:                  |                       |                       |                       |                       |                      |                      |                      |                      |                      |                       |
| Special revenue funds                     | 55,910,750            | 71,684,855            | 74,461,770            | 77,904,670            | 59,551,483           | -                    | -                    | -                    | -                    | -                     |
| Capital project funds                     | 12,018,025            | 46,684,050            | [1,171,447]           | [3,806,001]           | 455,542              | -                    | -                    | -                    | -                    | -                     |
| Nonspendable                              | -                     | -                     | -                     | -                     | -                    | 107,725              | 96,722               | 189,521              | 198,557              | 224,487               |
| Restricted                                | -                     | -                     | -                     | -                     | -                    | 74,713,707           | 64,056,743           | 55,705,031           | 63,221,353           | 163,838,447           |
| Assigned                                  | -                     | -                     | -                     | -                     | -                    | 17,646,655           | 19,977,946           | 15,356,317           | 24,149,575           | 30,044,581            |
| Unassigned                                | -                     | -                     | -                     | -                     | -                    | 1,528,813            | 1,623,281            | 2,733,230            | 1,713,483            | 2,307,373             |
| <b>Total All Other Governmental Funds</b> | <b>\$ 154,443,210</b> | <b>\$ 186,747,175</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> |

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)**

|                             | 2006                  | 2007                  | 2008                  | 2009                  | 2010                  | 2011                  | 2012                  | 2013                  | 2014                  | 2015                  |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Taxes, Net</b>           | \$ 149,058,230        | \$ 166,485,705        | \$ 171,308,502        | \$ 173,273,500        | \$ 174,637,862        | \$ 156,898,392        | \$ 154,520,287        | \$ 153,082,847        | \$ 153,155,103        | \$ 107,781,277        |
| <b>Intergovernmental</b>    | 113,341,628           | 122,104,750           | 130,581,232           | 138,631,527           | 135,091,776           | 148,876,864           | 148,343,210           | 146,310,175           | 147,832,128           | 197,676,322           |
| <b>Charges for Services</b> | 10,618,175            | 11,129,358            | 12,057,070            | 13,532,765            | 13,017,418            | 12,747,669            | 13,108,121            | 12,841,802            | 13,078,279            | 11,728,003            |
| <b>Investment Revenue</b>   | 5,990,696             | 6,666,656             | 6,005,919             | 1,424,896             | 228,674               | 44,357                | 44,892                | 95,308                | 23,647                | 16,013                |
| <b>Other Local Sources</b>  | 9,919,402             | 9,228,726             | 8,254,326             | 6,677,503             | 2,505,270             | 2,086,708             | 9,171,456             | 2,593,885             | 3,577,850             | 2,413,915             |
| <b>Total revenues</b>       | <u>\$ 288,928,131</u> | <u>\$ 315,615,195</u> | <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> |

Source: Shawnee Mission USD #512 Basic Financial Statements

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

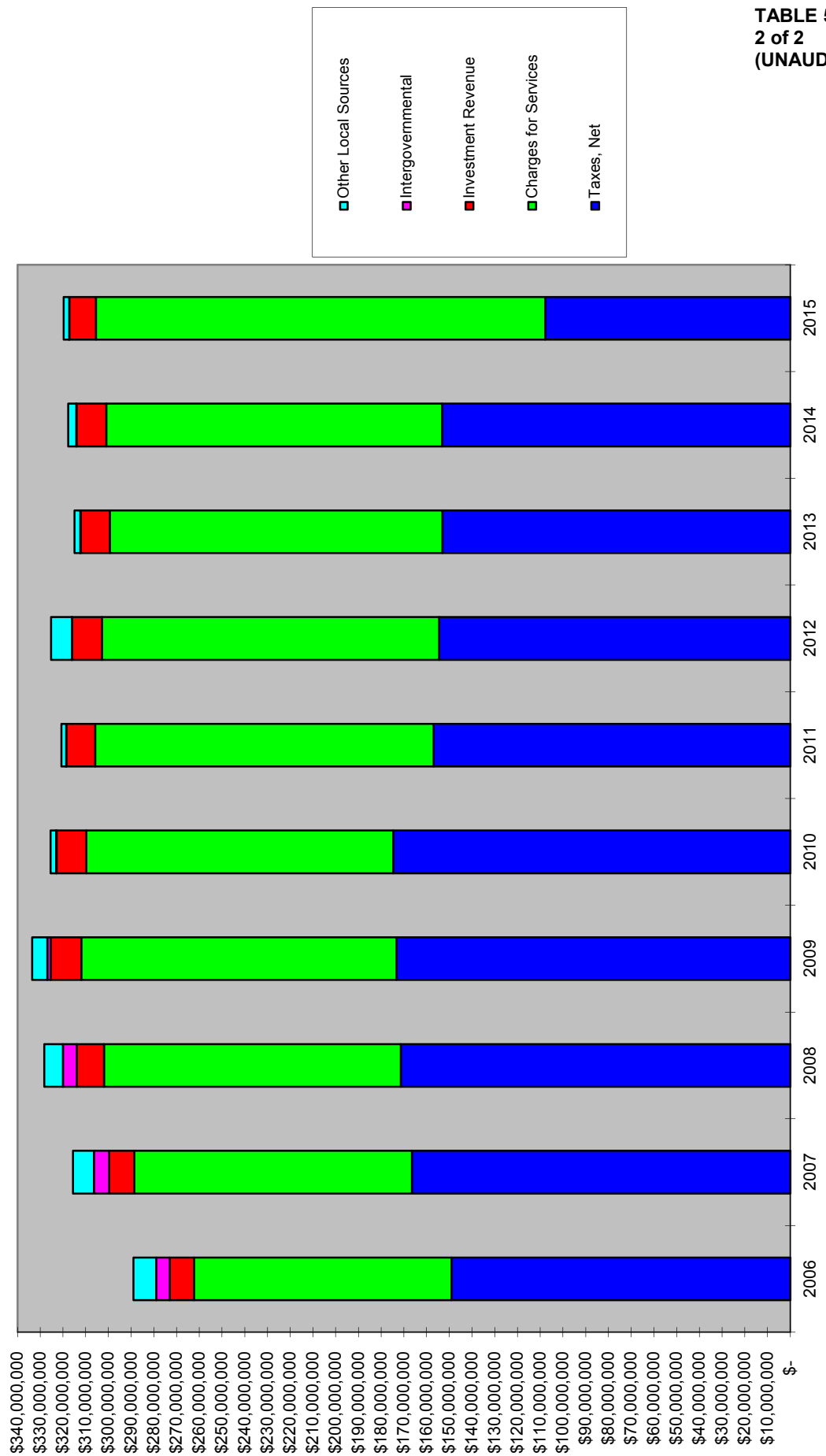


TABLE 6  
1 of 2  
(UNAUDITED)

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

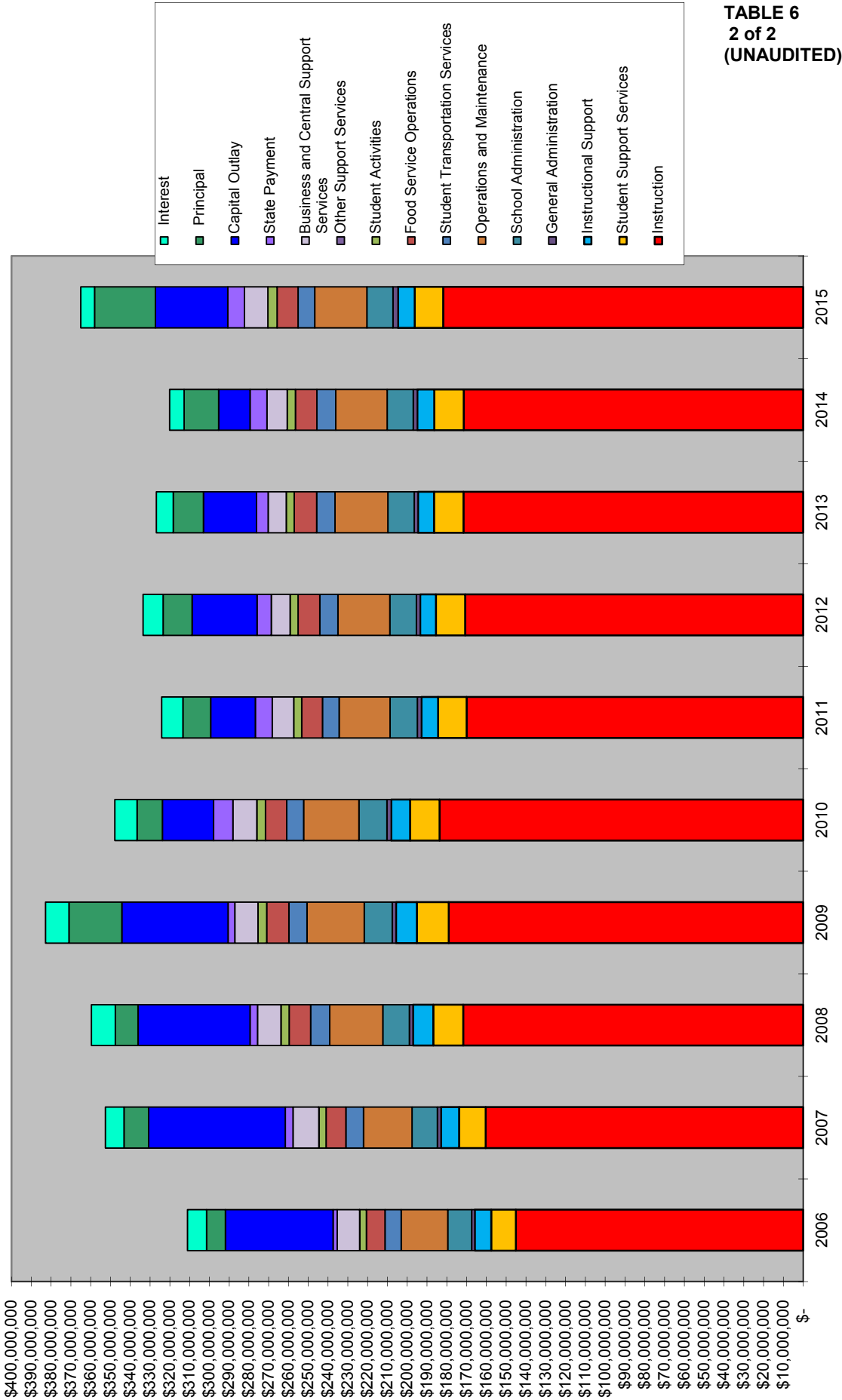
|   | 2006           | 2007           | 2008           | 2009           | 2010           | 2011           | 2012           | 2013           | 2014           | 2015           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Instruction   | \$ 145,138,682 | \$ 160,352,119 | \$ 171,761,657 | \$ 179,099,075 | \$ 183,663,116 | \$ 170,035,873 | \$ 170,698,148 | \$ 171,551,301 | \$ 171,537,752 | \$ 181,848,205 |
| Student Support Services                                | 12,461,064     | 13,505,144     | 15,064,105     | 16,043,234     | 14,907,875     | 14,328,515     | 14,823,074     | 14,999,984     | 14,795,635     | 14,412,548     |
| Instructional Support                                   | 8,291,872      | 9,152,494      | 10,279,311     | 10,532,980     | 9,527,550      | 8,458,957      | 7,933,945      | 7,946,317      | 8,544,077      | 8,401,044      |
| General Administration                                  | 1,610,093      | 1,757,925      | 1,867,757      | 1,925,137      | 2,139,955      | 2,028,624      | 1,968,731      | 2,000,570      | 2,073,598      | 2,518,982      |
| School Administration                                   | 12,021,434     | 12,784,757     | 13,406,017     | 14,158,547     | 14,219,532     | 13,850,145     | 13,408,456     | 13,305,285     | 13,189,585     | 13,281,219     |
| Operations and Maintenance                              | 23,563,083     | 24,512,365     | 26,832,220     | 28,917,435     | 27,874,077     | 25,724,246     | 26,241,335     | 26,726,684     | 25,963,619     | 26,274,155     |
| Student Transportation Services                         | 8,131,172      | 8,966,756      | 9,558,892      | 9,102,841      | 8,551,345      | 8,426,838      | 9,135,585      | 9,280,101      | 9,493,104      | 8,413,928      |
| Food Service Operations                                 | 9,374,060      | 10,033,818     | 10,913,472     | 11,219,447     | 10,789,495     | 10,488,324     | 11,016,334     | 11,319,129     | 10,977,161     | 10,606,828     |
| Student Activities                                      | 3,484,110      | 3,609,605      | 4,188,650      | 4,374,068      | 4,352,822      | 3,988,609      | 4,019,090      | 3,965,649      | 4,053,533      | 4,678,770      |
| Other Support Services                                  | 6,728          | 3,926          | 10,088         | 76,951         | 3,525          | -              | -              | -              | -              | -              |
| Business and Central Support Services                   | 11,342,667     | 12,999,692     | 11,822,134     | 11,740,136     | 12,129,445     | 10,872,718     | 9,432,974      | 9,169,886      | 10,313,205     | 11,872,352     |
| State Payment   | 2,003,655      | 3,986,261      | 3,788,310      | 3,307,073      | 9,714,502      | 8,554,660      | 7,202,108      | 5,911,332      | 8,532,644      | 8,319,740      |
| Capital Outlay  | 54,435,148     | 68,987,205     | 56,585,776     | 53,696,585     | 25,857,483     | 22,576,148     | 32,905,087     | 26,839,565     | 15,843,631     | 36,609,187     |
| Debt Service  |                |                |                |                |                |                |                |                |                |                |
| Principal   | 9,515,000      | 12,510,000     | 11,420,000     | 26,725,000     | 12,830,000     | 14,030,000     | 14,575,000     | 15,235,000     | 17,495,000     | 30,803,056     |
| Interest  | 9,677,562      | 9,417,699      | 12,056,615     | 11,899,014     | 11,245,693     | 10,718,743     | 10,107,289     | 8,529,650      | 7,286,249      | 6,942,244      |
| Total Expenditures                                      | \$ 311,056,330 | \$ 352,579,766 | \$ 359,555,004 | \$ 382,817,523 | \$ 347,806,215 | \$ 324,082,400 | \$ 333,467,156 | \$ 326,780,453 | \$ 320,098,793 | \$ 364,982,258 |
| Debt service as a percentage of noncapital expenditures | 7.48%          | 7.73%          | 7.75%          | 11.74%         | 11.88%         | 7.66%          | 8.22%          | 7.92%          | 8.14%          | 11.49%         |

(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)**

|   | 2006             | 2007              | 2008             | 2009              | 2010               | 2011           | 2012           | 2013            | 2014              | 2015               |
|---|------------------|-------------------|------------------|-------------------|--------------------|----------------|----------------|-----------------|-------------------|--------------------|
| <b>Excess of Revenues Over</b>              |                  |                   |                  |                   |                    |                |                |                 |                   |                    |
| <b>[Under] Expenditures</b>                 | \$ [22,128,199]  | \$ [36,964,571]   | \$ [31,347,955]  | \$ [49,277,332]   | \$ [22,325,215]    | \$ [3,428,410] | \$ [8,279,190] | \$ [11,856,436] | \$ [2,431,786]    | \$ [45,366,728]    |
| <b>Other Financing Sources [Uses]</b>       |                  |                   |                  |                   |                    |                |                |                 |                   |                    |
| General long term debt issued               | -                | 81,232,467        | -                | 15,850,000        | -                  | -              | -              | 79,790,000      | 17,851,306        | 152,050,912        |
| Bond premium                                | -                | -                 | -                | 591,126           | -                  | -              | -              | 6,046,627       | -                 | -                  |
| Sale of capital assets                      | 797,411          | -                 | -                | -                 | -                  | -              | -              | -               | -                 | -                  |
| Bond issuance costs                         | -                | -                 | -                | -                 | -                  | -              | -              | [328,693]       | -                 | -                  |
| Payment to escrow agent                     | -                | [10,440,692]      | -                | -                 | -                  | -              | -              | [85,507,934]    | -                 | -                  |
| Transfer in                                 | 71,740,354       | 75,209,741        | 78,542,019       | 88,749,676        | 76,962,367         | 14,289,170     | 14,969,513     | 13,541,172      | 17,421,443        | 18,656,841         |
| Transfer out                                | [72,652,099]     | [76,198,647]      | [79,509,960]     | [90,004,966]      | [78,090,680]       | [14,289,170]   | [14,969,513]   | [13,541,172]    | [17,421,443]      | [18,656,841]       |
| <b>Total Other Financing Sources [Uses]</b> | <u>[114,334]</u> | <u>69,802,869</u> | <u>[967,941]</u> | <u>15,185,836</u> | <u>[1,128,313]</u> | <u>-</u>       | <u>-</u>       | <u>-</u>        | <u>17,851,306</u> | <u>152,050,912</u> |
| <b>Net Change in Fund Balances</b>          | \$ [22,242,533]  | \$ 32,838,298     | \$ [32,315,896]  | \$ [34,091,496]   | \$ [23,453,528]    | \$ [3,428,410] | \$ [8,279,190] | \$ [11,856,436] | \$ 15,419,520     | \$ 106,684,184     |

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<br>Year | Real Property<br>Assessed<br>Value | Personal<br>Property<br>Assessed<br>Value | Utilities<br>Assessed<br>Value | Total<br>Assessed<br>Value | Real Property<br>Estimated<br>Actual<br>Value* | Personal<br>Property<br>Estimated<br>Actual<br>Value* | Utilities<br>Estimated<br>Actual<br>Value* | Total Estimated<br>Actual<br>Value* | Ratio of Total<br>Assessed to<br>Total<br>Estimated |        |
|-------------|------------------------------------|---|--------------------------------|----------------------------|--|---|--|-------------------------------------|---|--------|
|             |                                    |   |                                |                            |  |   |  |                                     | Act. Value  | Rate   |
| 2005        | \$ 2,687,323,250                   | \$ 193,802,076                            | \$ 93,812,659                  | \$ 2,974,937,985           | \$ 21,120,875,858                              | \$ 762,288,166  | \$ 301,367,111                             | \$ 22,184,531,135                   | 13.41%  | 49,748 |
| 2006        | 2,859,959,642                      | 205,724,746                               | 92,715,920                     | 3,158,400,308              | 22,369,792,853                                 | 809,184,001   | 299,017,502                                | 23,477,994,356                      | 13.45%  | 51,980 |
| 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 |

\* Actual values for property within the boundaries of Unified School District No. 512 for years 2005 through 2014 is 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, 2014 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

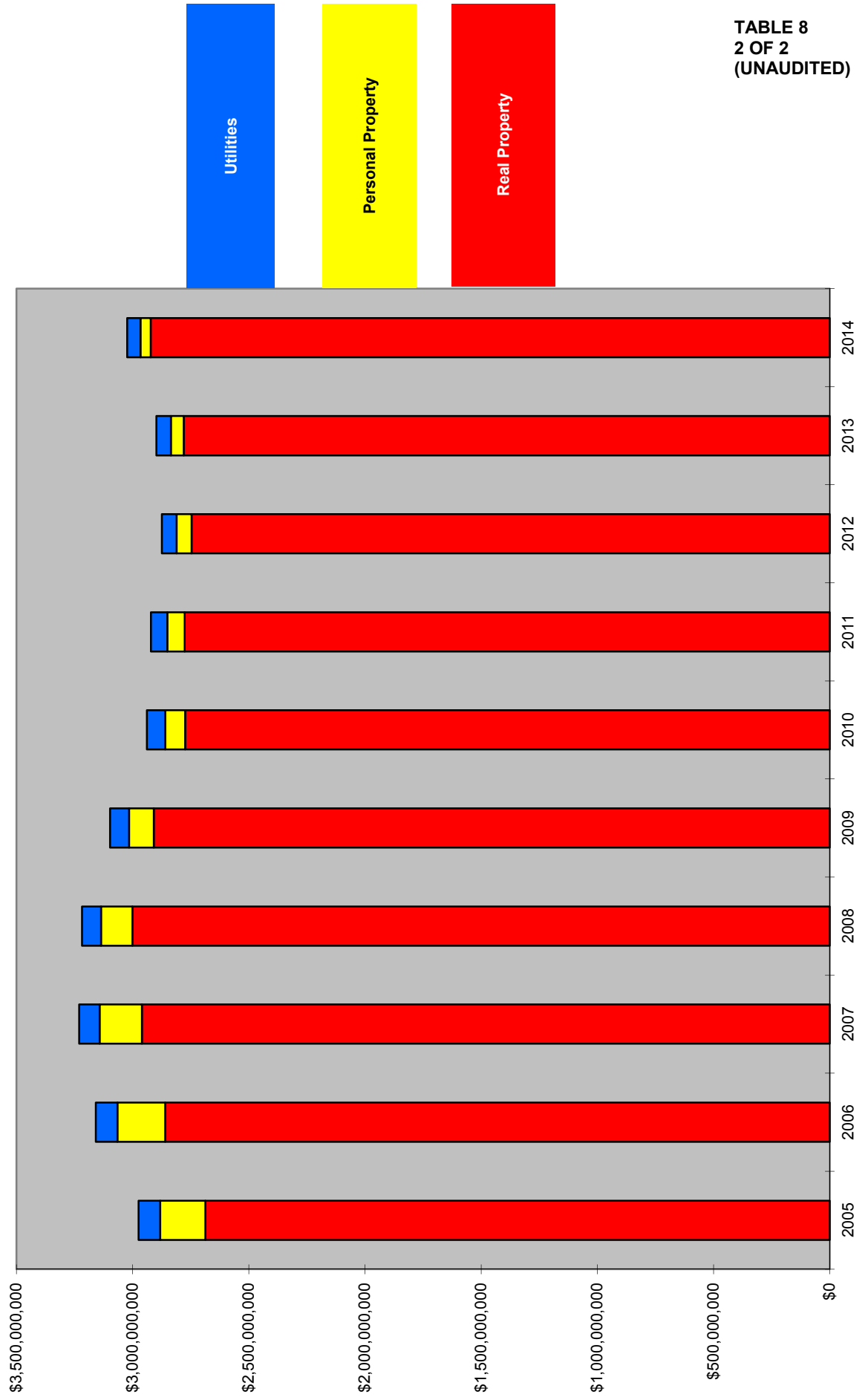


TABLE 9  
1 of 2  
(UNAUDITED)

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

|                                      | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 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                 | 12,559  | 13,980  | 15,208  | 15,187  | 16,566  | 17,795  | 17,727  | 17,796  | 17,357  | 17,333  |
| Capital Outlay                       | 9,996   | 10,007  | 8,720   | 8,737   | 8,000   | 8,000   | 7,997   | 8,000   | 8,000   | 8,000   |
| Declining Enrollment                 | 0.706   | 1.162   | 0.986   | 0.765   | 0.918   | 1.003   | 0.188   | 0.000   | 1.009   | 1.123   |
| Bond & Interest                      | 5.827   | 6.034   | 6.517   | 6.893   | 7.183   | 8.001   | 7.907   | 8.009   | 7.429   | 7.434   |
| Special Assessment                   | 0.160   | 0.174   | 0.160   | 0.174   | 0.248   | 0.207   | 0.299   | 0.292   | 0.364   | 0.324   |
| Cost of Living                       | 0.000   | 0.123   | 0.120   | 0.120   | 2.239   | 2.094   | 2.035   | 1.689   | 1.452   | 1.697   |
| Special Liability                    | 0.500   | 0.500   | 0.250   | 0.144   | 0.167   | 0.000   | 0.000   | 0.000   | 0.000   | 0.000   |
| Total - Direct                       | 49,748  | 51,980  | 52,008  | 52,094  | 55,318  | 57,192  | 56,135  | 55,766  | 55,611  | 55,911  |
| (1)                                  |         | (2)     |         |         |         |         |         |         |         |         |
| 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                       | 17,922  | 17,949  | 19,985  | 17,767  | 17,716  | 17,748  | 17,700  | 17,717  | 17,745  | 17,764  |
| Cities                               |         |         |         |         |         |         |         |         |         |         |
| Fairway                              | 12,853  | 12,856  | 12,979  | 12,752  | 12,853  | 18,617  | 18,617  | 18,621  | 18,619  | 18,629  |
| Leawood*                             | 24,218  | 24,232  | 24,241  | 24,251  | 24,259  | 24,382  | 24,393  | 24,393  | 24,477  | 24,492  |
| Lenexa*                              | 26,477  | 26,468  | 26,477  | 26,568  | 26,574  | 26,626  | 29,635  | 29,668  | 29,713  | 31,765  |
| Merriam                              | 19,241  | 21,181  | 21,186  | 27,360  | 27,352  | 27,474  | 27,412  | 27,522  | 27,625  | 27,605  |
| Mission                              | 9,962   | 13,176  | 13,198  | 13,215  | 13,217  | 11,213  | 11,371  | 11,410  | 11,413  | 11,354  |
| Mission Hills                        | 22,170  | 21,896  | 21,912  | 21,912  | 21,898  | 21,904  | 21,905  | 21,926  | 21,923  | 21,923  |
| Mission Woods                        | 12,732  | 13,821  | 13,149  | 13,259  | 13,311  | 13,000  | 11,723  | 12,084  | 12,084  | 12,084  |
| Overland Park*                       | 9,037   | 8,889   | 8,832   | 8,852   | 8,890   | 8,876   | 12,814  | 12,769  | 12,833  | 12,837  |
| Prairie Village                      | 15,720  | 16,133  | 18,166  | 18,182  | 18,179  | 18,877  | 19,491  | 19,478  | 19,490  | 19,493  |
| Roeland Park                         | 21,719  | 20,485  | 20,539  | 18,783  | 18,770  | 22,030  | 23,225  | 25,872  | 33,379  | 33,378  |
| Shawnee*                             | 20,847  | 24,621  | 24,652  | 24,693  | 24,699  | 24,717  | 24,732  | 24,914  | 24,959  | 24,520  |
| Westwood                             | 16,746  | 19,551  | 22,604  | 25,571  | 23,493  | 23,499  | 23,881  | 24,464  | 23,676  | 22,275  |
| Westwood Hills                       | 17,010  | 17,010  | 17,009  | 17,011  | 18,000  | 18,000  | 20,000  | 20,000  | 19,920  | 19,920  |
| Merriam Drainage                     | 3,798   | 4,050   | 3,934   | 2,488   | 2,615   | 2,849   | 3,038   | 3,091   | 3,127   | 3,088   |
| Johnson County Consolidated Fire #2  | 9,405   | 9,335   | 9,356   | 8,992   | 8,991   | 18,336  | 18,045  | 10,187  | 11,004  | 11,003  |
| Monticello Cemetery District*        | 0.041   | 0.045   | 2.941   | 0.033   | 0.032   | 0.051   | 0.041   | 0.040   | 0.027   | 0.031   |
| Johnson County Community College*    | 8,960   | 8,872   | 8,749   | 8,768   | 8,784   | 8,799   | 8,776   | 8,785   | 9,551   | 9,461   |
| Johnson County Parks and Recreation* | 2,286   | 2,290   | 2,295   | 2,341   | 2,346   | 2,350   | 2,343   | 2,344   | 2,347   | 2,349   |
| Johnson County Library Board*        | 2,955   | 2,960   | 2,962   | 3,057   | 3,151   | 3,158   | 3,145   | 3,149   | 3,155   | 3,157   |
|                                      | 275,599 | 287,320 | 296,658 | 297,355 | 296,630 | 314,006 | 323,787 | 319,934 | 328,647 | 328,628 |

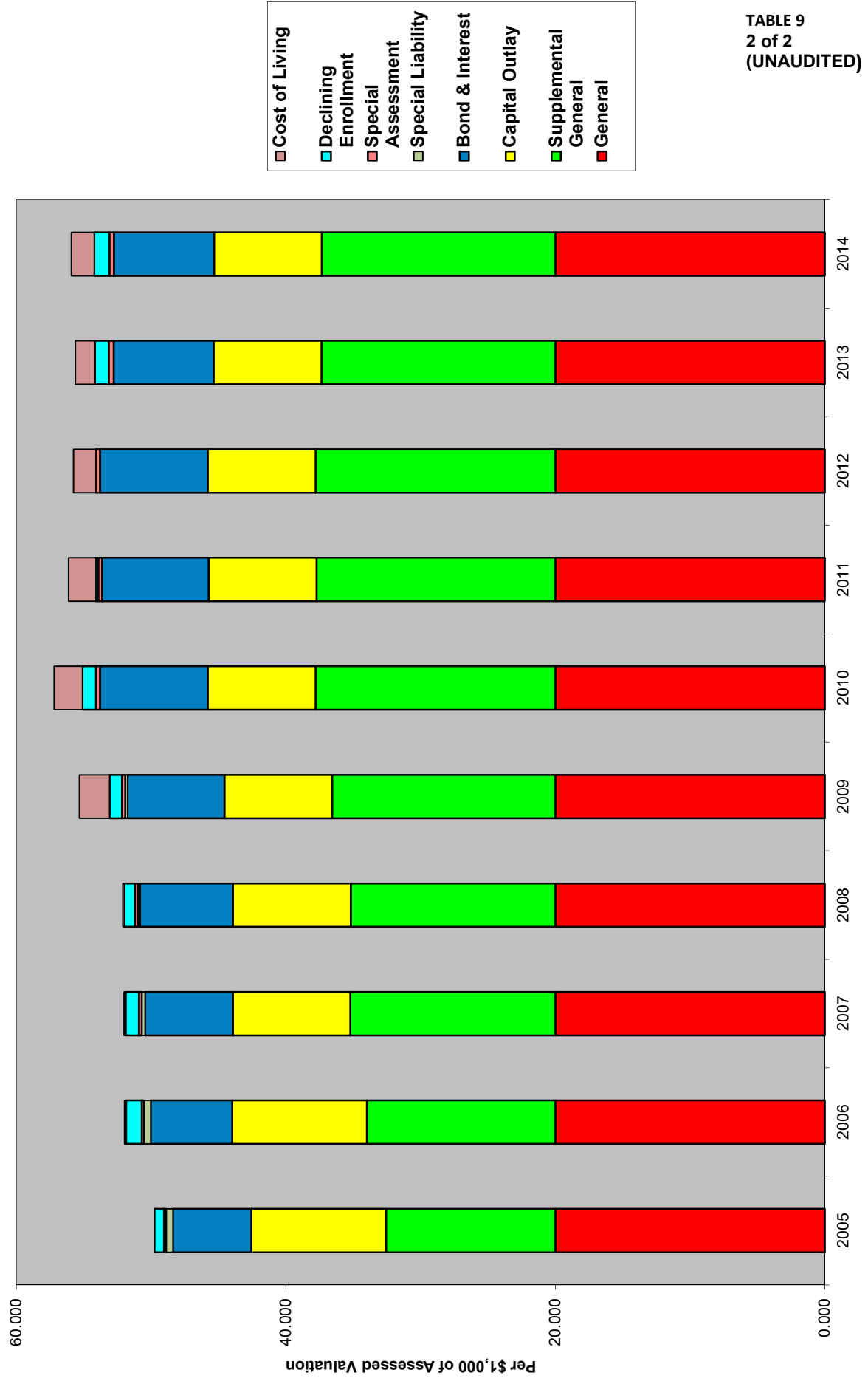
(1) 2005 is the first year that taxes were levied for the Declining Enrollment Fund.

(2) 2006 is the first year that taxes were levied for the Cost of Living Fund.

\* 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, 2015 and Nine Years Ago**

| <u>Name</u>                   | <u>Industry</u> | <u>2015<br/>Assessed<br/>Valuation</u> | <u>Percent of<br/>Total<br/>Assessed<br/>Valuation</u> | <u>2006<br/>Assessed<br/>Valuation</u> | <u>Percent of<br/>Total<br/>Assessed<br/>Valuation</u> |
|-------------------------------|-----------------|--|--|--|--|
| Oak Park Mall, LLC            | Shopping Center | \$ 75,455,729                          | 2.60%  | \$ 33,132,560                          | 1.11%  |
| Kansas City Power & Light Co  | Utility         | 25,219,007                             | 0.87%  |  |  |
| Perg Buildings, LLC           | Shopping Center | 17,805,833                             | 0.61%  | 20,355,011                             | 0.68%  |
| Midwest Division - OPRMC, LLC | Pharmaceuticals | 14,575,611                             | 0.50%  | 8,462,670                              | 0.28%  |
| Kansas Gas Service            | Utility         | 13,176,938                             | 0.45%  |  |  |
| Tower Properties Company      | Real Estate     | 13,093,864                             | 0.45%  |  |  |
| Hendrick Automotive Group     | Automotive      | 11,999,821                             | 0.41%  |  |  |
| Southwestern Bell Telephone   | Utility         | 10,133,372                             | 0.35%  |  |  |
| Merriam Town Center           | Shopping Center | 8,856,753                              | 0.31%  | 13,377,928                             | 0.45%  |
| MEPT Kansas                   | Real Estate     | 8,239,882                              | 0.28%  |  |  |
| Highwoods Realty Limited      | Real Estate     |  |  | 17,639,493                             | 0.59%  |
| Weingarten Realty Investors   | Real Estate     |  |  | 13,310,155                             | 0.45%  |
| KPERS Realty Holdings         | Real Estate     |  |  | 9,231,600                              | 0.31%  |
| RREEF America REIT II Corp    | Real Estate     |  |  | 8,467,778                              | 0.28%  |
| Midwest Management Services   | Real Estate     |  |  | 7,508,152                              | 0.25%  |
| Mutual Life Insurance Company | Insurance       |  |  | 7,258,430                              | 0.24%  |
|                               |                 | <u>\$ 198,556,810</u>                  | <u>6.83%</u>   | <u>\$ 138,743,777</u>                  | <u>4.64%</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

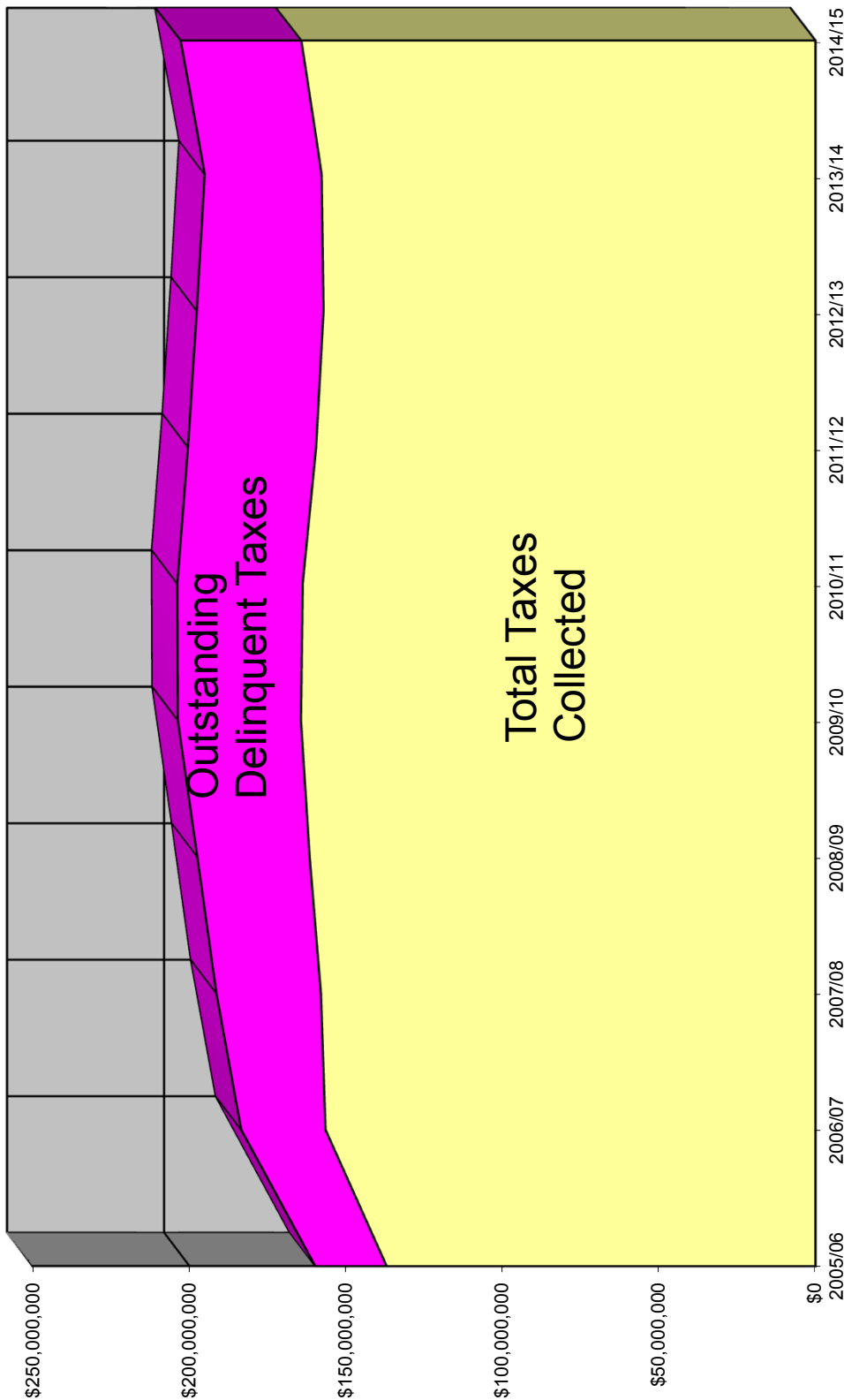
| Tax Year/<br>Collection Year | Tax Levy       | Current Tax<br>Collections | Percent of<br>Current<br>Taxes<br>Collected | Delinquent<br>Tax<br>Collections | Total Tax<br>Collections<br>(Current &<br>Delinquent) | Ratio of Total<br>Tax Collections<br>to Total Tax<br>Levy | Ratio of  |   |
|------------------------------|----------------|----------------------------|---|----------------------------------|---|---|---|---|
|                              |                |                            |   |                                  |   |   | Outstanding<br>Delinquent<br>Taxes to Total<br>Tax Levy | Outstanding<br>Delinquent<br>Taxes to Total<br>Tax Levy |
| 2005/06                      | \$ 144,627,785 | \$ 136,003,567             | 94.04%                                      | \$ 1,201,631                     | \$ 137,205,198  | 94.87%  | \$ 22,728,113   | 15.71%  |
| 2006/07                      | 160,798,067    | 155,470,351                | 96.69%                                      | 1,234,858                        | 156,705,209   | 97.45%  | 26,820,971  | 16.68%  |
| 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%  |
|                              | (1)            | (2)                        |   | (2)                              | (2)   |   | (2)   |   |

(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



Series1 Series2

TABLE 11  
 2 OF 2  
 (UNAUDITED)

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

| Fiscal Year | General<br>Obligation Bonds | Temporary<br>Notes | Total       | District<br>Population | Personal Income<br>(2) | Per Capita | Percentage of<br>Personal<br>Income |
|-------------|-----------------------------|--------------------|-------------|------------------------|------------------------|------------|-------------------------------------|
| 2006        | \$ 220,019,751              | \$ -               | 220,019,751 | (1)<br>221,595         | \$ 7,333,319,700       | 993        | 3.00%                               |
| 2007        | 278,094,882                 | -                  | 278,094,882 | 221,595                | 7,333,319,700          | 1,255      | 3.79%                               |
| 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%                               |

(1) Population for 2006 through 2010 based on 2000 census. Population for 2011 through 2015 is from the Johnson County Economic Institute.

(2) The 2006 to 2007 personal income information is from the 2005 Census American Community Survey, 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.

Source: Johnson County Clerk and Shawnee Mission #512 records

TABLE 12  
(UNAUDITED)

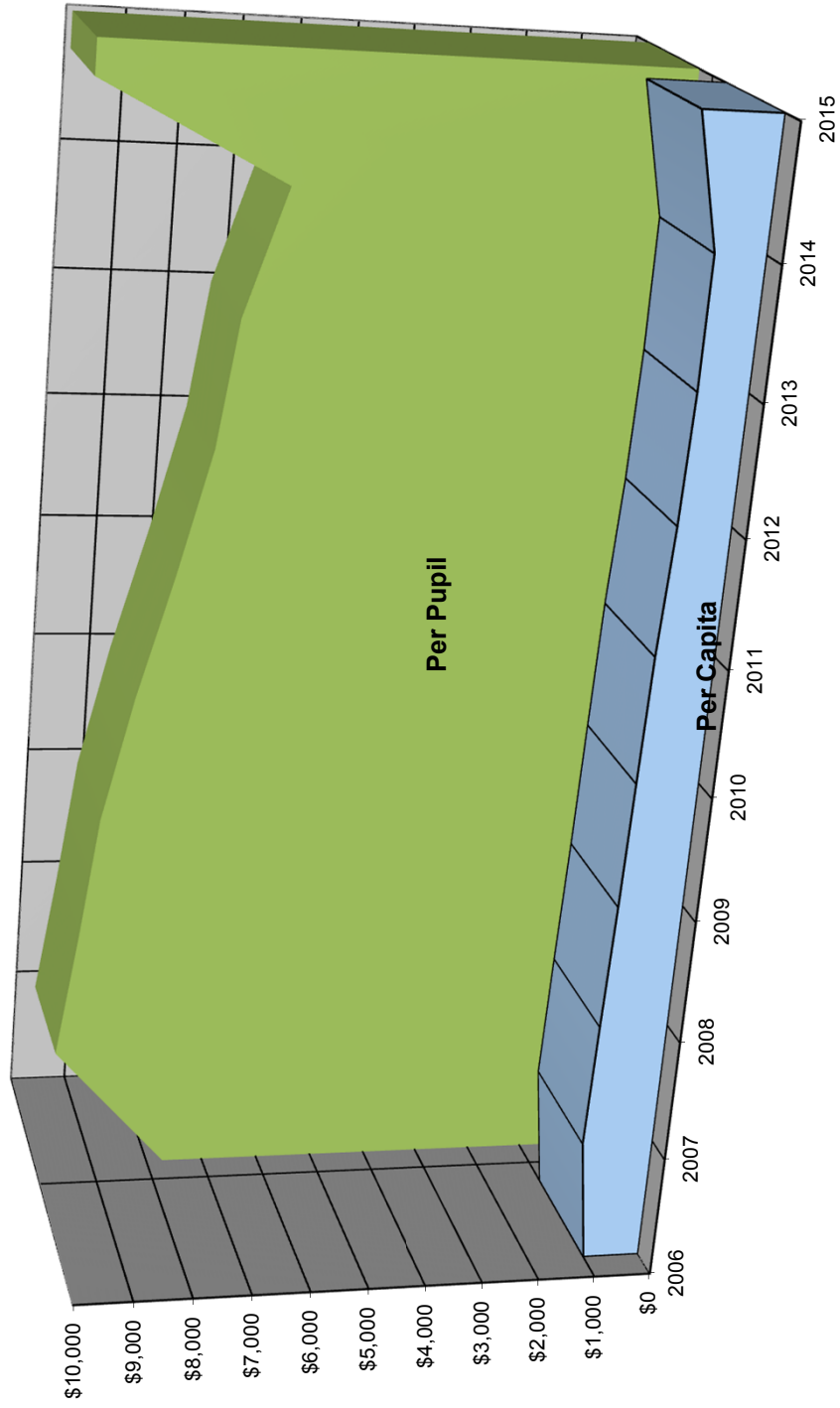
TABLE 13  
1 of 2  
(UNAUDITED)

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 |
|-------------|---------------------|---------------------|----------------------|----------------|--|------------------------|-----------------------|
| 2006        | 221,595             | 28,520              | \$ 2,974,937,985     | \$ 220,019,751 | 7.40%                                  | 993                    | 7,715                 |
| 2007        | 221,595             | 28,530              | 3,158,400,308        | 278,094,882    | 8.80%                                  | 1,255                  | 9,747                 |
| 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                |

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, 2015**

|  |                                   | <b>Principal<br/>Amount of<br/>Outstanding<br/>Debt</b> | <b>Percent<br/>Applicable to<br/>School District</b> | <b>Amount<br/>Applicable to<br/>School District</b> |
|--|-----------------------------------|---|--|---|
| <b>Direct</b>                            |                                   |   |  |   |
|  | Shawnee Mission USD #512          | \$ 308,422,078  | 100.00%  | \$ 308,422,078                                      |
| <b>Overlapping</b>                       |                                   |   |  |   |
|  | Johnson County                    | \$ 316,465,935  | 37.30%   | \$ 118,041,794                                      |
|  | Johnson County Park & Recreation  | 2,315,000   | 37.30%   | 863,495   |
|  | City of Fairway                   | 7,140,000   | 100.00%  | 7,140,000   |
|  | City of Leawood                   | 67,655,000  | 19.78%   | 13,382,159  |
|  | City of Lenexa                    | 108,735,000   | 62.10%   | 67,524,435  |
|  | City of Merriam                   | 7,610,000   | 100.00%  | 7,610,000   |
|  | City of Mission                   | 42,315,000  | 100.00%  | 42,315,000  |
|  | City of Mission Hills             | 3,742,803   | 100.00%  | 3,742,803   |
|  | City of Overland Park             | 151,840,000   | 30.65%   | 46,538,960  |
|  | City of Prairie Village           | 7,220,000   | 100.00%  | 7,220,000   |
|  | City of Roeland Park              | 8,395,000   | 100.00%  | 8,395,000   |
|  | City of Shawnee                   | 90,665,000  | 55.21%   | 50,056,147  |
|  | Johnson County Fire Department #2 | 725,000   | 100.00%  | 725,000   |
|  | <b>Total Overlapping Debt</b>     |   |  | <u><u>\$ 373,554,793</u></u>                        |
| <b>Total Direct and Overlapping Debt</b> |                                   |   |  | <u><u>\$ 681,976,871</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

|   | 2006             | 2007             | 2008             | 2009             | 2010             | 2011             | 2012             | 2013             | 2014             | 2015             |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Assessed Valuation of Taxable Property                            | \$ 2,974,937,985 | \$ 3,158,400,308 | \$ 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 |
| 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  | 416,491,318      | 442,176,043      | 452,267,122      | 450,524,254      | 433,658,454      | 411,431,493      | 449,098,014      | 442,256,928      | 445,952,338      | 464,987,692      |
| Total net debt applicable to limit                                      | 220,019,751      | 278,094,882      | 266,322,547      | 255,599,839      | 242,277,267      | 227,754,694      | 212,687,122      | 202,490,416      | 202,225,481      | 322,096,761      |
| Legal Debt Margin   | \$ 196,471,567   | \$ 164,081,161   | \$ 185,944,575   | \$ 194,924,415   | \$ 191,381,187   | \$ 183,676,799   | \$ 236,410,892   | \$ 239,766,512   | \$ 243,726,857   | \$ 142,890,931   |
| Total Net Debt Applicable To The Limit<br>As A Percentage of Debt Limit | 52.83%           | 62.89%           | 58.89%           | 56.73%           | 55.87%           | 55.36%           | 47.36%           | 45.79%           | 45.35%           | 69.27%           |

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

TABLE 15  
(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) |
|-------------|-------------------|---------------|-------------|---------------------------|------------------------------|--------------------------|---------------------------|------------------|----------------------------|-----------------------|
| 2006        | 14,057            | 4,313         | 9,429       | 721                       | 28,520                       | 95.5%                    | 221,595                   | \$ 7,333,319,700 | \$ 33,093                  | 4.6%                  |
| 2007        | 14,301            | 4,252         | 9,268       | 709                       | 28,530                       | 95.6%                    | 221,595                   | 7,333,319,700    | 33,093                     | 4.1%                  |
| 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%                  |

Projected Enrollment

| Fiscal Year | Elementary School | Middle School | High School | Special Education & Other | Projected Student Enrollment | Total |
|-------------|-------------------|---------------|-------------|---------------------------|------------------------------|-------|
| 2016        | 14,965            | 3,931         | 8,055       | 695                       | 27,646                       |       |
| 2017        | 15,021            | 3,939         | 8,102       | 695                       | 27,757                       |       |
| 2018        | 15,001            | 4,042         | 8,075       | 695                       | 27,813                       |       |
| 2019        | 14,880            | 4,175         | 8,128       | 695                       | 27,878                       |       |
| 2020        | 14,779            | 4,207         | 8,148       | 695                       | 27,829                       |       |

(1) Enrollment counts as of September 20th.

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

Source: 2015 Johnson County CAFR and Shawnee Mission USD #512 records

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

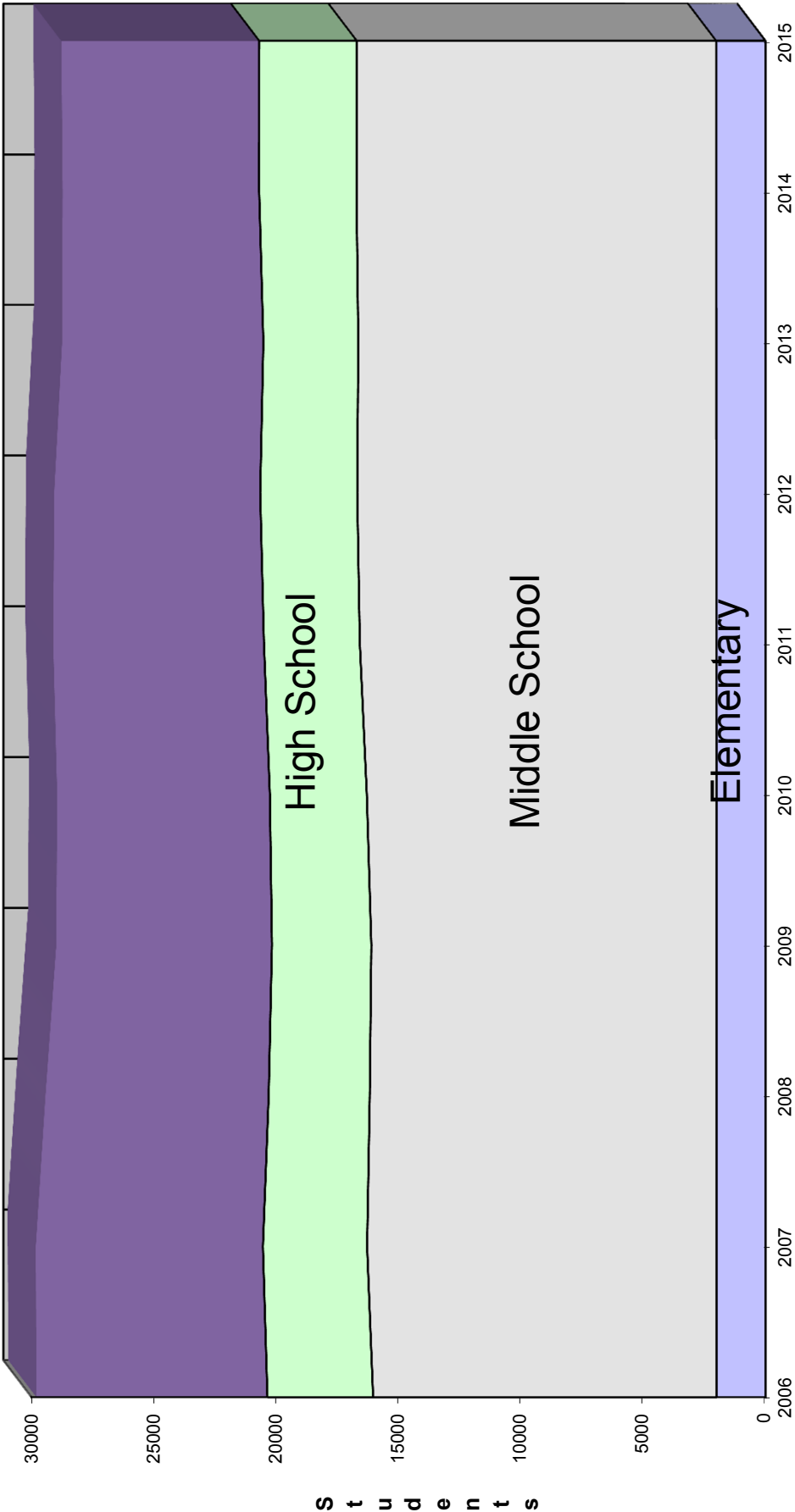


TABLE 16  
 2 of 2  
 (UNAUDITED)

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

**SHAWNEE MISSION USD #512, KANSAS**  
**PRINCIPAL EMPLOYERS**  
**JUNE 30, 2015 AND 2006**

| <u><b>Employer</b></u><br><b>(1)</b> | <u><b>June 30, 2015</b></u> |             |   | <u><b>June 30, 2006</b></u> |             |   |
|--------------------------------------|-----------------------------|-------------|---|-----------------------------|-------------|---|
|                                      | <b>Employees</b>            | <b>Rank</b> | <b>Percentage of<br/>Total<br/>Employment</b> | <b>Employees</b>            | <b>Rank</b> | <b>Percentage of<br/>Total<br/>Employment</b> |
| FedEx Ground Package System          | 570                         | 1           | 1.66%   | 900                         | 2           | 2.89%   |
| Bayer HealthCare, LLC                | 500                         | 2           | 1.46%   | 373                         | 4           | 1.20%   |
| Wal-Mart                             | 380                         | 3           | 1.11%   |                             |             |   |
| IBT Inc                              | 334                         | 4           | 0.97%   |                             |             |   |
| City of Shawnee                      | 375                         | 5           | 1.09%   | 266                         | 8           | 0.85%   |
| Hy-Vee Food & Drug Store             | 235                         | 6           | 0.69%   | 460                         | 3           | 1.48%   |
| The Sweet Life at Rosehill           | 221                         | 7           | 0.64%   |                             |             |   |
| NazDar Industries                    | 220                         | 8           | 0.64%   |                             |             |   |
| Price Chopper                        | 200                         | 9           | 0.58%   |                             |             |   |
| Arbor Masters Tree and Landscape     | 196                         | 10          | 0.57%   |                             |             |   |
| Deffenbaugh Industries, Inc          |                             |             |   | 1,562                       | 1           | 5.01%   |
| Lowes Home Center                    |                             |             |   | 350                         | 5           | 1.12%   |
| Harte-Hanks                          |                             |             |   | 330                         | 6           | 1.06%   |
| USD #512 (Shawnee Mission)           |                             |             |   | 277                         | 7           | 0.89%   |
| Millennium Marketing, Inc            |                             |             |   | 250                         | 9           | 0.80%   |
| DeSoto USD #232                      |                             |             |   | 248                         | 10          | 0.80%   |
| <b>Total</b>                         | <u>3,231</u>                |             | <u>9.41%</u>                                  | <u>5,016</u>                |             | <u>16.10%</u>                                 |
| City of Shawnee                      | <u>34,271</u>               |             |   | <u>31,166</u>               |             |   |

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

**Source: 2014 City of Shawnee CAFR**

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

**SHAWNEE MISSION USD #512, KANSAS**  
**DIRECTORY OF SCHOOL FACILITIES**  
**AS OF JUNE 30, 2015**

| <u>School</u>                         | <u>Year Opened</u> | <u>Current Capacity</u> | <u>Enrollment As Of Sept. 20, 2014</u> | <u>Percent of Student Capacity</u> |
|---------------------------------------|--------------------|-------------------------|--|------------------------------------|
| Shawnee Mission East High School      | 1958               | 2,388                   | 1,633                                  | 68.38%                             |
| Shawnee Mission North High School     | 1921               | 2,256                   | 1,529                                  | 67.77%                             |
| Shawnee Mission Northwest High School | 1969               | 2,376                   | 1,780                                  | 74.92%                             |
| Shawnee Mission South High School     | 1966               | 2,232                   | 1,385                                  | 62.05%                             |
| Shawnee Mission West High School      | 1962               | 2,424                   | 1,832                                  | 75.58%                             |
| Shawnee Mission Horizons              | 2001               | 456                     | 88                                     | 19.30%                             |
| Hocker Grove Middle School            | 1955               | 1,188                   | 769                                    | 64.73%                             |
| Indian Hills Middle School            | 1955               | 1,176                   | 837                                    | 71.17%                             |
| Indian Woods Middle School            | 1961               | 1,110                   | 764                                    | 68.83%                             |
| Trailridge Middle School              | 1967               | 1,167                   | 778                                    | 66.67%                             |
| Westridge Middle School               | 1962               | 1,434                   | 878                                    | 61.23%                             |
| Shawnee Mission Horizons              | 2001               | N/A                     | -                                      | N/A                                |
| Apache Elementary                     | 2011               | 592                     | 587                                    | 99.16%                             |
| Belinder Elementary                   | 1952               | 592                     | 492                                    | 83.11%                             |
| Benninghoven Elementary               | 1966               | 832                     | 648                                    | 77.88%                             |
| Bluejacket-Flint Elementary           | 1996               | 736                     | 463                                    | 62.91%                             |
| Briarwood Elementary                  | 1959               | 664                     | 595                                    | 89.61%                             |
| Broken Arrow Elementary               | 1990               | 714                     | 398                                    | 55.74%                             |
| Brookridge Elementary                 | 1967               | 688                     | 529                                    | 76.89%                             |
| Brookwood Elementary                  | 1960               | 500                     | 381                                    | 76.20%                             |
| Comanche Elementary                   | 2008               | 618                     | 518                                    | 83.82%                             |
| Corinth Elementary                    | 1996               | 620                     | 542                                    | 87.42%                             |
| Crestview Elementary                  | 1954               | 524                     | 330                                    | 62.98%                             |
| Diemer Elementary                     | 1964               | 476                     | 369                                    | 77.52%                             |
| East Antioch Elementary               | 1958               | 450                     | 378                                    | 84.00%                             |
| Highlands Elementary                  | 2010               | 640                     | 308                                    | 48.13%                             |
| Marsh Elementary                      | 2006               | 546                     | 505                                    | 92.49%                             |
| McAuliffe Elementary                  | 1987               | 642                     | 427                                    | 66.51%                             |
| Merriam Park Elementary               | 2007               | 568                     | 494                                    | 86.97%                             |
| Mill Creek Elementary                 | 1978               | 568                     | 363                                    | 63.91%                             |
| Nieman Elementary                     | 2008               | 616                     | 569                                    | 92.37%                             |
| Oak Park-Carpenter Elementary         | 2007               | 546                     | 519                                    | 95.05%                             |
| Overland Park Elementary              | 1998               | 522                     | 390                                    | 74.71%                             |
| Pawnee Elementary                     | 1965               | 618                     | 443                                    | 71.68%                             |
| Prairie Elementary                    | 1993               | 498                     | 414                                    | 83.13%                             |
| Rising Star Elementary                | 1991               | 714                     | 602                                    | 84.31%                             |
| Roesland Elementary                   | 2008               | 568                     | 385                                    | 67.78%                             |
| Rosehill Elementary                   | 1966               | 812                     | 567                                    | 69.83%                             |
| Rushton Elementary                    | 1954               | 428                     | 329                                    | 76.87%                             |
| Santa Fe Trail Elementary             | 1953               | 642                     | 288                                    | 44.86%                             |
| Shawano Elementary                    | 1960               | 570                     | 400                                    | 70.18%                             |
| Sunflower Elementary                  | 1994               | 620                     | 591                                    | 95.32%                             |
| Tomahawk Elementary                   | 1954               | 498                     | 278                                    | 55.82%                             |
| Trailwood Elementary                  | 1962               | 620                     | 379                                    | 61.13%                             |
| Westwood View Elementary              | 1968               | 404                     | 274                                    | 67.82%                             |
| Preschool & Other Enrollment          |                    |                         | 436                                    |                                    |
| Total                                 |                    |                         | <u>27,464</u>                          |                                    |

Source: Shawnee Mission USD #512 records

TABLE 19  
(UNAUDITED)

SHAWNEE MISSION USD #512, KANSAS  
MISCELLANEOUS STATISTICAL DATA  
AS OF JUNE 30, 2015

|   |                 |
|---|-----------------|
| <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>                   | 236,760         |
| <b>Ending Enrollment 2014/2015</b>              | 27,464          |
| <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                                      | 21.4            |
| Secondary                                       | N/A             |
| <b>Number of Full-Time Equivalent Employees</b> |                 |
| Classified                                      | 1,384.9         |
| Certified                                       | 2,010.2         |
| <b>Total</b>                                    | <b>3,395.1</b>  |

Teacher Summary

| Degree         | Number<br>of<br>Teachers | % of<br>Total | Salary Range |           |
|----------------|--------------------------|---------------|--------------|-----------|
|                |                          |               | Low          | High      |
| Bachelors      | 168                      | 7.9%          | \$ 40,515    | \$ 45,425 |
| Bachelors + 10 | 59                       | 2.8%          | 41,436       | 48,737    |
| Bachelors + 20 | 173                      | 8.2%          | 42,362       | 54,789    |
| Masters        | 712                      | 33.7%         | 47,099       | 63,298    |
| Masters + 15   | 179                      | 8.5%          | 48,453       | 66,434    |
| Masters + 30   | 148                      | 7.0%          | 49,842       | 70,347    |
| Masters + 45   | 100                      | 4.7%          | 51,339       | 74,375    |
| Masters + 60   | 552                      | 26.1%         | 52,799       | 78,538    |
| Doctorate      | 24                       | 1.1%          | 55,257       | 81,099    |

Certified Employee Allocation

|                            | Elementary      |         |               |             | Total   |
|----------------------------|-----------------|---------|---------------|-------------|---------|
|                            | District Office | School  | Middle School | High School |         |
| Superintendent             | 1.0             | -       | -             | -           | 1.0     |
| Asst. Superintendent       | 4.0             | -       | -             | -           | 4.0     |
| Principals                 | -               | 33.0    | 5.0           | 6.0         | 44.0    |
| Asst. Principals           | -               | -       | 5.0           | 16.0        | 21.0    |
| Directors Health           | 1.0             | -       | -             | -           | 1.0     |
| Directors Vocational Ed.   | -               | -       | -             | 1.0         | 1.0     |
| Instructional Coordinators | 7.1             | 1.0     | -             | -           | 8.1     |
| Other Directors            | 5.0             | -       | -             | -           | 5.0     |
| Curriculum Specialists     | 10.2            | -       | -             | -           | 10.2    |
| Vocational Arts Teachers   | -               | -       | 13.5          | 38.7        | 52.2    |
| Special Ed. Teachers       | -               | 92.5    | 30.0          | 76.0        | 198.5   |
| Pre-Kindergarten           | -               | 9.0     | -             | -           | 9.0     |
| Kindergarten               | -               | 101.5   | -             | -           | 101.5   |
| Other Teachers             | -               | 696.7   | 195.9         | 399.5       | 1,292.1 |
| Library Media              | -               | 32.5    | 5.0           | 5.0         | 42.5    |
| Counselors                 | -               | 0.5     | 9.0           | 26.0        | 35.5    |
| School Psychologists       | 17.0            | -       | 1.0           | 1.0         | 19.0    |
| Nurses                     | -               | 35.0    | 5.0           | 7.0         | 47.0    |
| Speech Pathologists        | 1.2             | 39.3    | 2.3           | 3.5         | 46.3    |
| Audiologists               | -               | 1.0     | -             | -           | 1.0     |
| Social Workers             | 7.0             | 26.7    | 1.0           | 8.0         | 42.7    |
| Reading                    | -               | 55.5    | 2.0           | -           | 57.5    |
| Other                      | 25.3            | -       | -             | 17.2        | 42.5    |
|                            | 78.8            | 1,124.2 | 274.7         | 604.9       | 2,082.6 |

(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 Expenditures | Cost Per Pupil | Expenses       | Cost Per Pupil | Teaching Staff | Pupil - Teacher Ratio | Percentage of Students Receiving Free or Reduced Meals |
|-------------|------------|------------------------|----------------|----------------|----------------|----------------|-----------------------|--|
| 2006        | 28,520     | \$ 237,428,620         | \$ 8,325       | \$ 261,303,828 | \$ 9,162       | 2,103          | 14                    | 17.19%   |
| 2007        | 28,530     | 261,664,862            | 9,172          | 286,808,004    | 10,053         | 2,176          | 13                    | 19.20%   |
| 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%   |

(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, 2015

| Federal Grantor/Pass-Through<br>Grantor/Program Title | Federal<br>CFDA<br>Number | Beginning<br>Unencumbered<br>Cash | Receipts             | Expenditures         | Ending<br>Unencumbered<br>Cash |
|---|---------------------------|-----------------------------------|----------------------|----------------------|--------------------------------|
| U.S. Department of Education                          |                           |                                   |                      |                      |                                |
| Passed through Kansas Department of Education (KSDE): |                           |                                   |                      |                      |                                |
| Title I   | 84.010                    | \$ [52,088]                       | \$ 3,035,848         | \$ 3,035,544         | \$ [51,784]                    |
| Title I - Migrant Education                           | 84.011                    | -                                 | 49,000               | 67,395               | [18,395]                       |
| Homeless Child  | 84.196                    | -                                 | 1,000                | 1,000                | -                              |
| Title II-A Teacher Quality                            | 84.367                    | [70,748]                          | 742,523              | 646,470              | 25,305                         |
| Title III   | 84.365                    | 1,984                             | 221,282              | 219,439              | 3,827                          |
| Title VI-B  | 84.027                    | -                                 | 213,822              | 213,822              | -                              |
| Title VI-B Pass Thru                                  | 84.027                    | -                                 | 5,639,208            | 5,639,208            | -                              |
| Early Childhood Flo Thru                              | 84.173                    | -                                 | 111,525              | 111,525              | -                              |
| Carl Perkins  | 84.048                    | -                                 | 184,899              | 184,899              | -                              |
| Total Department of Education Passed Through KSDE     |                           |                                   | <u>10,199,107</u>    | <u>10,119,302</u>    |                                |
| U.S. Department of Health & Human Services            |                           |                                   |                      |                      |                                |
| Passed through Kansas Department of Education (KSDE): |                           |                                   |                      |                      |                                |
| Youth Risk Behavior Survey                            | 93.938                    | -                                 | <u>1,812</u>         | <u>1,812</u>         | -                              |
| U.S. Department of Agriculture                        |                           |                                   |                      |                      |                                |
| Passed through Kansas Department of Education (KSDE): |                           |                                   |                      |                      |                                |
| School Breakfast                                      | 10.553                    | -                                 | 807,986              | 807,986              | -                              |
| Team Nutrition  | 10.574                    | -                                 | 2,635                | 2,635                | -                              |
| National School Lunch Program                         | 10.555                    | -                                 | 4,808,858            | 4,808,858            | -                              |
| Summer Food Service Program for Children              | 10.559                    | -                                 | 85,112               | 85,112               | -                              |
| State Administrative Expenses for Child Nutrition     | 10.560                    | -                                 | 450                  | 450                  | -                              |
| Fresh Fruit & Vegetable Program                       | 10.582                    | -                                 | <u>150,223</u>       | <u>150,223</u>       | -                              |
| Total Department of Agriculture Passed Through KSDE   |                           |                                   | <u>5,855,264</u>     | <u>5,855,264</u>     |                                |
| Total   |                           |                                   | <u>\$ 16,056,183</u> | <u>\$ 15,976,378</u> |                                |

See independent auditor's report on the financial statements and notes to the schedule of expenditures of federal awards.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2015

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal financial assistance programs of Shawnee Mission Unified School District No. 512. All expenditures of federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with the cash basis and budget laws of Kansas.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

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 section 510(a) of Circular A-133?        Yes   X   No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.027, 84.173

Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs: \$479,291

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, 2015

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

None Noted



**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, 2015, 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 29, 2015.

**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 29, 2015.

### **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.

*Mike Houser: Company PA*

Certified Public Accountants

Lawrence, Kansas  
October 29, 2015



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education  
Shawnee Mission Unified School District No. 512

**Compliance**

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 Circular A-133 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, 2015. 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Kansas Municipal Audit and Accounting Guide. Those standards and OMB Circular A-133 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, 2015.

### **Report on Internal Control Over Compliance**

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 our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 charge 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Mike Houser: Company PA*

Certified Public Accountants

Lawrence, Kansas  
October 29, 2015