

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, 2014**

**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, 2014

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INTRODUCTORY SECTION

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Office of the Superintendent

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

October 10, 2014

**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, 2014, is hereby submitted for your use. The CAFR was prepared by the Business Services Division and includes the unqualified 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. *The Daily Beast* included all Shawnee Mission high schools on its list of the nation's top high schools in 2014. Three Shawnee Mission high schools were listed on the *Washington Post's* 2014 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 2013 earned more than \$47 million in scholarship offers. In the 2014-15 school year, the school district launched a digital learning initiative, which places a digital learning device in the hands of every student 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 2013-14 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 5.1 million square feet, having a replacement value in excess of \$1 billion.

On September 20, 2013, enrollment was 27,412, down 25 from the 27,437 students on September 20, 2012. This enrollment represented 14,766 elementary school students, 4,015 middle school students, 8,175 high school students, 362 preschool students and 95 special education private 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. Deputy superintendents and associate superintendents assist the superintendent. The district employs a full-time staff of about 3,500 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 0.8% to \$2.9 billion during 2013. 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

In 2014 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 resources, 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 for 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 after-school clubs for students interested in a diverse range of activities 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 for every 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 research 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. Specialized career and technical education courses, offered at the district's Broadmoor Technical Center, include animation and culinary arts instruction, which provides practical application in an on-site American Culinary Federation certified restaurant.

Nineteen district students were named 2014 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 2014, Shawnee Mission students posted scores that exceeded state and national composite scores on the ACT. On the 2013 Kansas Assessments, the percent of Shawnee Mission students scoring at standard or higher was more than 90 percent in reading, above 88 percent in math, and over 92 percent in science.

District students have won honors in competitions sponsored by the National Scholastic Press Association, Kansas Academic Decathlon, National BioGENEius competition, National SkillsUSA, Intel International Science and Engineering Fair, and the Greater KC Science and Engineering Fair. Shawnee Mission students have been named U.S. Presidential Scholars, Siemens Award for Advanced Placement honorees, and have won numerous awards in national culinary competitions.

District staff members earned professional recognition including a National Teachers Hall of Fame Inductee, a recipient of the Presidential Award for Excellence in Mathematics and Science Teaching, Kansas Art Education Association Outstanding Art Educator of the Year, and a 2014 state finalist for the Presidential Award for Excellence in Mathematics and Science Teaching.

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. In 2014, four Shawnee Mission Schools out of only six in the state and 170 in the nation were 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 \$3.8 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-8 in the district will receive a tablet device while each student 9-12 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's data closet inter-connections, Wide Area Network, and Internet access are all under review and evaluation with the goal being to try and meet the 2017-2018 SETDA goals on bandwidth availability. Currently, a full 3Gbps of bandwidth is available to and from the Internet for the district.

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.

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 full Gigabit capability between every building. A full 1GB of Internet access is available to the district. 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. A fiber-optic, high-speed integrated voice and data network provides full gigabit capability between every building. Every classroom has a phone and all teachers and administrative employees have access to voicemail.

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 Deputy Superintendent for Operations, Robert DiPierro, currently serves as the treasurer. Mr. DiPierro is assisted in this function by other fiscal management employees including the Manager of Budget and Finance, Financial Analyst, Budget Analyst and Purchasing Supervisor.

The Cabinet, which consists of the superintendent, two deputy superintendents, and four associate superintendents, 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 .246% in 2013. This is net of funds held in demand deposits and compensating balance requirements. In accordance with Kansas statutes, investment revenues for 2014 were recorded in the following funds:

Debt Service - Investment revenue	\$ 2,183
Special Education	15,431
Health Care Reserve	1,895
Food Service	233
Special Liability	<u>3,905</u>
Total	<u>\$ 23,647</u>

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

RISK MANAGEMENT

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

Coverage	Limits	Deductible/ Retention
Property / Inland Marine /	\$1,059,733,252	
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.

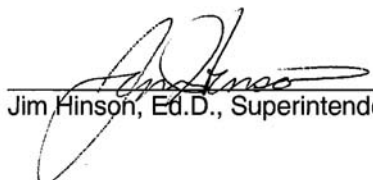
The district is occasionally involved in claims and lawsuits, including claims for unfair or discriminatory personnel practices and personal injury. While these cases may have future financial significance, district management, based on the advice of counsel, believes the ultimate outcome of those various 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, 2014, these audits were performed by the accounting firm of Mize Houser & Company P.A. Their unqualified 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.



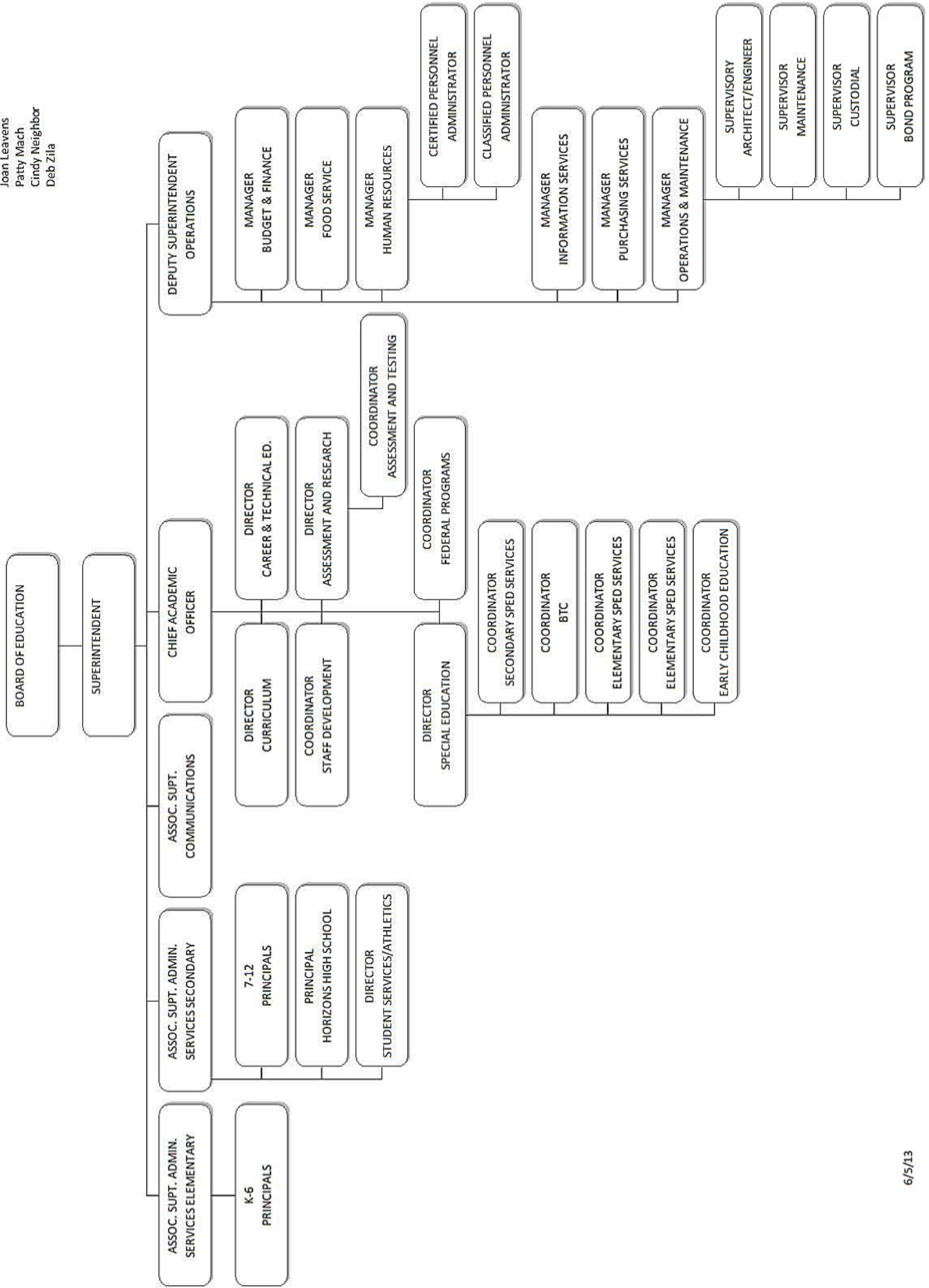
Jim Hinson, Ed.D., Superintendent of Schools

Robert DiPierro, Deputy Superintendent of Schools

SHAWNEE MISSION SCHOOL DISTRICT
ORGANIZATION CHART/ADMINISTRATORS
2013-2014

Board of Education

Donna Bysfield
Craig K. Denny, Ph.D., P.E.
Sara Goodburn
Joan Leavens
Patty Mach
Cindy Neighbor
Deb Zila



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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, 2014, 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 statement is 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, 2014, 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, and the At Risk (K-12) Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, 2013, 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, 2013 and, in our report dated October 30, 2013, 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 and the schedules of funding progress on page 43 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 10, 2014, 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 10, 2014

Shawnee Mission Unified School District No. 512

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2014

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, 2014. 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, 2014). 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 arbitrage 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 \$332.2 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, 2014. This statement answers the question, "How did the district do financially during fiscal year 2014?" 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, 2014

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,
- ◆ 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 ¹⁾ how cash and other financial assets, that can be readily converted to cash, flow in and out, and ²⁾ 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 fund is 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.

Fiduciary Funds

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

Financial Analysis of the District as a Whole

The district's net position was higher on June 30, 2014, than it was the year before, increasing \$10.0 million to \$332.2 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, 2014

Condensed Statement of Net Position (in millions of dollars)

	Balance as of 6/30/2014	Balance as of 6/30/2013	Increase (Decrease) from 2013
<u>Statement Classifications</u>			
Current Assets	\$ 109.4	\$ 98.5	11.07%
Non-Current Assets	453.6	455.8	-0.48%
Deferred Outflow of Resources	3.3	5.8	-43.10%
Total Assets & Deferred Outflow	\$ 566.3	\$ 560.1	1.11%
Current Liabilities	39.0	37.5	4.00%
Non-Current Liabilities	193.8	196.6	-1.42%
Deferred Inflow of Resources	1.3	3.8	-65.79%
Total Liabilities & Deferred Inflow	\$ 234.1	\$ 237.9	-1.60%
Net Position			
Invested in capital assets, net of related debt	\$ 251.4	\$ 253.3	-0.75%
Restricted	19.4	20.5	-5.37%
Unrestricted	61.4	48.4	26.86%
Total Net Position	\$ 332.2	\$ 322.2	3.10%

Total assets and deferred outflows increased \$6.2 million from fiscal year 2013 and total liabilities and deferred inflows decreased \$3.8 million. The major changes in net position were due to the following:

1. The capital outlay balances increased by \$16.9 million as \$17.9 million temporary notes were issued to fund the district's digital learning initiative.
2. Issuance costs and escrow payments costs decreased \$2 million. In 2012-13, the district issued \$79,790,000 in general obligation refunding bonds. The net proceeds were used to establish an escrow account to pay the outstanding principal of the bonds being refunded. In 2013-14, escrow payments would decrease according to the bond repayment schedule.
3. The fund balance of twenty-four other funds had a net decrease of \$1.6 million. There was no one fund that had a significant event that caused a significant decrease.
4. Capital assets decreased \$2.2 million. The district had a recognize impairment loss of \$4.2 million due to Antioch Middle School being scheduled to be demolished to establish space for construction of a new administration facility. This is referenced in footnote 4H. Asset additions exceeded retirements by \$2.1 million.
5. Liabilities decreased by \$1.1 million according to the bond repayment schedule.

The total costs of all programs and services amounted to \$302.7 million. The following table shows the breakdown of total costs by functional area:

Shawnee Mission Unified School District No. 512

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

<u>Expense Function</u>	Fiscal Year 2014	Fiscal Year 2013	Increase (Decrease) from 2013
Instruction	55.9%	57.1%	-1.2%
Student Support Services	4.9%	5.0%	-0.1%
Instructional Support	2.9%	2.7%	0.2%
General Administration	0.7%	0.7%	0.0%
School Administration	4.4%	4.5%	-0.1%
Operations and Maintenance	14.3%	13.9%	0.4%
Student Transportation Services	3.2%	3.1%	0.1%
Food Service Operations	3.7%	3.8%	-0.1%
Student Activities	1.3%	1.3%	0.0%
Business Services	3.6%	3.2%	0.4%
State Payments	2.8%	2.0%	0.8%
Interest on Long-Term Debt	2.3%	2.7%	-0.4%
Total	100%	100%	0%

The instructional percentage decreased in 2014 due to a few less teachers and turnover savings from retirements and terminations. The operations and maintenance program increased 0.4%. Capital outlay increased in fiscal year 2014 as middle school renovation projects were being completed and Apple devices were purchased. The increase in state payments was due to the declining enrollment weighting in the school finance formula. The formula allows districts via the Court of Tax Appeals additional budget for two year period for districts with declining enrollment. The authorized amount was higher in 2013-14 due to an enrollment increase in 2012-13. The reduced interest on long-term debt is due to a lower outstanding debt amount.

Total receipts exceeded expenditures, increasing net position \$10.0 million over fiscal year 2013.

Shawnee Mission Unified School District No. 512

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

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

	Fiscal Year	Fiscal Year	Increase
	2014	2013	(Decrease)
			from 2013
Revenues:			
Program revenues			
Charges for services	\$13.1	\$12.8	2.3%
Operating grants and contributions	55.0	55.8	-1.4%
General revenues			
Property taxes	166.6	166.8	-0.1%
Grants and entitlements not restricted to specific programs	80.4	78.0	3.1%
Investment earnings	0.0	0.1	-100.0%
Miscellaneous	2.0	1.9	5.3%
Total Revenues	\$317.1	\$315.4	0.5%
Expenses:			
Instruction	\$169.3	\$172.1	-1.6%
Student Support Services	14.9	15.1	-1.3%
Instructional Support	8.7	8.1	7.4%
General Administration	2.1	2.0	5.0%
School Administration	13.3	13.4	-0.7%
Operations and Maintenance	43.3	41.7	3.8%
Student Transportation Services	9.5	9.3	2.2%
Food Service Operations	11.1	11.5	-3.5%
Student Activities	4.1	4.0	2.5%
Business and Central Support	10.8	9.8	10.2%
State Payment	8.5	5.9	44.1%
Interest on Long-Term Debt	7.1	8.0	-11.3%
Total Expenses	\$302.7	\$300.9	0.6%
Special item - Capital Asset Impairment	(4.3)	(0.7)	
Increase (decrease) in net position	\$10.1	\$13.8	
Net Position – Beginning	\$322.2	\$308.4	
Restatement	(0.1)	0.0	
Net Position - Ending	\$332.2	\$322.2	

Shawnee Mission Unified School District No. 512

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2014

The table, shown above, details the district's changes in net position for the year. The district's total revenues were \$317.1 million. Property taxes and grants and entitlements not restricted to specific programs accounted for most of the district's revenue, with property taxes contributing 52.6%, and unrestricted grants and entitlements contributing 25.4%. Another 17.3% came from operating grants and contributions, and the remaining 4.7% 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 0.1%. The overall tax rate decreased from 55.766 mills to 55.611, a 0.3% decrease, and the assessed valuation increased 0.8%.
- Operating grants and contributions decreased 1.4%. This was caused by a decrease in federal grants.
- Grants and entitlements not restricted to specific programs increased 3.1%. This was caused by an increase in state aid.
- Instructional expenditures decreased 1.6% due to a few less teachers and turnover savings from retirements and terminations.
- Instructional support increased 7.4% as consultants were used to implement the district's digital learning initiative.
- Operations and maintenance increased 3.8% as middle school renovation projects were being completed and Apple devices were being purchased for teachers.
- The state payment increased 10.2%. The school finance formula is based on a series of student weightings. Three of the weightings require the local district to assess a tax rate and remit the proceeds to the state to support the weightings. Shawnee Mission is eligible for two of the three weightings. The declining enrollment weighting increased \$3.0 million as enrollment decreased in 2012-13.
- Interest on long-term debt decreased 11.3% due to lower outstanding debt amount.

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

Net Cost of Governmental Activities (in millions of dollars)

<u>Expense Function</u>	<u>Total Cost of Services</u>	<u>Net Cost</u>
Instruction	\$169.3	\$130.6
Student Support Services	14.9	11.0
Instructional Support	8.7	7.7
General Administration	2.1	1.7
School Administration	13.3	12.6
Operations and Maintenance	43.3	42.1
Student Transportation Services	9.5	6.3
Food Service Operations	11.1	-0.6
Student Activities	4.1	3.3
Business and Central Support	10.8	10.1
State Payment	8.5	2.8
Interest on Long-Term Debt	7.1	7.1
Total	\$302.7	\$234.7

Shawnee Mission Unified School District No. 512

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2014

- ◆ Costs of \$13.1 million were financed by users of the district's programs.
- ◆ Federal and state governments subsidized certain programs with grants and contributions totaling \$55.0 million.
- ◆ Most of the district's net cost of services of \$234.7 million was financed by district and state taxpayers.
- ◆ The governmental activities portion was financed with \$166.6 million in property taxes, \$80.4 million of grants and entitlements not restricted to specific programs and \$2.0 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 \$90.5 million; an increase from last year's ending fund balance of \$75.1 million. Expenditures of \$320.1 million exceeded revenues of \$317.7 million

Shawnee Mission Unified School District No. 512

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

	Revenues	Expenditures	Other Financing	End Bal
General	\$101.9	(\$101.8)	\$0.0	\$1.3
Supplemental General	41.5	(25.5)	(17.4)	2.2
AtRisk	42.0	(42.0)	0.0	0.0
AtRisk 4 yr old	0.3	(0.3)	0.0	0.0
Bilingual	2.8	(2.8)	0.0	0.0
In-Service	0.2	(0.1)	0.0	0.0
Special Education	26.1	(42.0)	17.2	10.5
Vocational	3.5	(3.5)	0.0	0.0
Student Materials	0.8	(0.7)	0.0	0.3
Textbook Rental	2.3	(1.8)	0.0	2.3
Special Liability	0.0	(0.6)	0.0	2.8
KPERS Retirement	18.0	(18.0)	0.0	0.0
Health Care Reserve	0.0	0.0	0.0	0.0
Gate Receipts	0.9	(0.9)	0.0	0.5
Contingency Reserve	0.0	0.0	0.0	5.6
Cost of Living	4.9	(5.3)	0.0	0.0
Federal and State Grants	5.8	(5.9)	0.0	0.9
Total Basic Education	\$251.0	(\$251.2)	(\$0.2)	\$26.4
Parent education	\$0.3	(\$0.5)	\$0.2	\$0.0
Summer School	0.5	(0.4)	0.0	0.7
Adult Supplemental	0.0	0.0	0.0	0.0
Declining Enrollment	2.9	(3.2)	0.0	0.0
Extraordinary School	0.1	(0.1)	0.0	0.2
Total Expanded Education	\$3.8	(\$4.2)	\$0.2	\$0.9
Capital Outlay	\$26.9	(\$27.9)	\$17.9	\$40.5
Debt Service	23.7	(24.8)	0.0	19.4
Special Assessments	1.1	(1.0)	0.0	0.6
Total Capital	\$51.7	(\$53.7)	\$17.9	\$60.5
Food service	11.2	(11.0)	0.0	2.7
Total	\$317.7	(\$320.1)	\$17.9	\$90.5

The major changes in fund balances were:

1. The capital outlay fund increased \$16.9 million as the district received proceeds from the issuance of \$17.9 million in temporary notes that were issued to fund the district's digital learning initiative.
2. The special education fund balance increased \$1.3 million. The school finance law permits operating balances to be carried over in this fund. Operating revenue exceeded expenditures during 2014 primarily due to weighting increases in the funding formula.

Shawnee Mission Unified School District No. 512

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2014

Analysis of Budget Variations

The original budget for general fund revenues was \$154.1 million, and the final budget was \$151.2 million. Actual general fund revenue matched the final budget.

The original general fund expenditure budget including transfers was \$154.1 million and the final budget was \$151.2 million. The actual expenditure matched the final budget.

Capital Asset and Debt Administration

Capital Assets

By the end of 2014, the district had invested \$453.6 million in a broad range of capital assets, including school buildings, athletic facilities, computer equipment, and administrative offices. This amount represents a net decrease of \$2.2 million, net of depreciation. **See Notes to the Basic Financial Statements – Note 3B for further information.**

	Assets As Of June 30, 2014
Land	\$ 5.5
Art work	0.4
Construction in progress	28.6
Buildings and improvements	507.5
Equipment	63.1
Accumulated Depreciation	[151.5]
Total	<u>\$ 453.6</u>

Long-Term Debt

Moody's Investors Services had rated the Shawnee Mission School District effective October 12, 2012 at a rating of Aaa. Kansas law limits the amount of outstanding indebtedness. The current limit is approximately \$446 million, and the district has \$184.0 million outstanding at June 30, 2014. **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, 2014

	Total Governmental Activities
Assets and Deferred Outflows of Resources	
Current assets:	
Cash and cash equivalents	\$ 97,159,825
Investments	10,100,000
Receivables	
Taxes	1,290,012
Other	20,000
Material and supplies inventory	887,349
Total current assets	<u>109,457,186</u>
Noncurrent assets:	
Nondepreciable capital assets	34,500,104
Depreciable capital assets	570,657,979
Less: Accumulated depreciation	<u>[151,565,416]</u>
Total noncurrent assets	<u>453,592,667</u>
Total assets	<u>563,049,853</u>
Deferred outflows of resources	
Deferred charge on bond issuance	<u>3,292,321</u>
Total deferred outflows of resources	<u>3,292,321</u>
Total assets and deferred outflows of resources	<u>\$ 566,342,174</u>
Liabilities and Deferred Inflows of Resources	
Liabilities:	
Current liabilities:	
Accounts payable	\$ 3,620,257
Accrued payroll, payroll withholdings and taxes	10,196,096
Accrued interest payable	1,733,059
Claims payable	919,005
Long-term liabilities	
Due within one year	<u>22,537,292</u>
Total current liabilities	<u>39,005,709</u>
Noncurrent liabilities:	
Claims payable	475,879
Health care reserve	2,804,830
Net OPEB obligation	10,858,177
Long-term liabilities	
Due in more than one year	<u>179,688,189</u>
Total noncurrent liabilities	<u>193,827,075</u>
Total liabilities	<u>232,832,784</u>
Deferred Inflows of Resources	
Unavailable revenue - property taxes	1,290,012
Unavailable revenue - fees	500
Total deferred inflows of resources	<u>1,290,512</u>
Total liabilities and deferred inflows of resources	<u>\$ 234,123,296</u>
Net Position	
Net investment in capital assets	\$ 251,367,186
Restricted for:	
Debt service	19,408,056
Unrestricted	<u>61,443,636</u>
Total net position	<u>\$ 332,218,878</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, 2014

		Program Revenues		Net [Expenses] Revenue and Changes in Net Position
			Operating	Total
	Expenses	Charges for Services	Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction	\$ 169,492,144	\$ 7,620,150	\$ 31,282,912	\$ [130,589,082]
Student support services	14,857,615	-	3,849,295	[11,008,320]
Instructional support	8,702,701	-	1,041,813	[7,660,888]
General administration	2,087,528	-	343,177	[1,744,351]
School administration	13,266,480	-	686,380	[12,580,100]
Operations and maintenance	43,261,815	-	1,139,984	[42,121,831]
Student transportation services	9,547,268	-	3,290,457	[6,256,811]
Food service operations	11,055,516	5,458,129	6,178,317	580,930
Student activities	4,061,388	-	755,280	[3,306,108]
Business and central support services	10,775,348	-	635,836	[10,139,512]
State payment	8,532,644	-	5,756,938	[2,775,706]
Interest on long-term debt	7,108,025	-	-	[7,108,025]
Total school district	<u>\$ 302,748,472</u>	<u>\$ 13,078,279</u>	<u>\$ 54,960,389</u>	<u>[234,709,804]</u>
General Revenues:				
Property taxes levied for				
General purposes				117,669,719
Debt service				23,739,700
Capital outlay				25,337,499
Grants and entitlements not restricted to specific programs				80,367,156
Investments earnings				23,647
Miscellaneous				<u>1,944,037</u>
Subtotal general revenues				<u>249,081,758</u>
Special items				
Capital asset impairment losses				<u>[4,287,468]</u>
Total general revenues and special items				<u>244,794,290</u>
Change in net position				<u>10,084,486</u>
Net position - beginning, as originally stated				322,150,555
Restatements to beginning net position				<u>[16,163]</u>
Net position - beginning, as restated				<u>322,134,392</u>
Net position - ending				<u>\$ 332,218,878</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, 2014

	<u>General</u>	<u>Debt Service</u>	<u>Supplemental General</u>	<u>Special Education</u>	<u>Capital Outlay</u>	<u>At Risk (K-12)</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS								
Cash and cash equivalents	\$ 6,780,305	\$ 19,408,056	\$ 2,324,357	\$ 13,257,827	\$ 43,391,068	\$ 589,178	\$ 10,494,541	\$ 96,245,332
Investments	-	-	-	-	-	-	10,000,000	10,000,000
Receivables								
Taxes	464,611	184,629	431,341	-	198,806	-	10,625	1,290,012
Other	20,000	-	-	-	-	-	-	20,000
Material and supplies inventory	688,792	-	-	-	-	-	198,557	887,349
Due from other funds	43,497	-	-	-	-	-	-	43,497
Total assets	<u>\$ 7,997,205</u>	<u>\$ 19,592,685</u>	<u>\$ 2,755,698</u>	<u>\$ 13,257,827</u>	<u>\$ 43,589,874</u>	<u>\$ 589,178</u>	<u>\$ 20,703,723</u>	<u>\$ 108,486,190</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 297,930	\$ -	\$ 113,829	\$ 49,096	\$ 2,941,844	\$ -	\$ 203,065	\$ 3,605,764
Health care reserve	-	-	-	-	-	-	2,804,830	2,804,830
Accrued payroll,								
payroll withholdings and taxes	5,972,141	-	137	2,762,027	-	560,680	901,111	10,196,096
Due to other funds	-	-	-	-	-	-	43,497	43,497
Total liabilities	<u>6,270,071</u>	<u>-</u>	<u>113,966</u>	<u>2,811,123</u>	<u>2,941,844</u>	<u>560,680</u>	<u>3,952,503</u>	<u>16,650,187</u>
Deferred inflows of resources:								
Unavailable revenue - student fees	-	-	-	-	-	-	500	500
Unavailable revenue - property taxes	464,611	184,629	431,341	-	198,806	-	10,625	1,290,012
Total deferred inflows of resources	<u>464,611</u>	<u>184,629</u>	<u>431,341</u>	<u>-</u>	<u>198,806</u>	<u>-</u>	<u>11,125</u>	<u>1,290,512</u>
Total liabilities and deferred inflows of resources	<u>6,734,682</u>	<u>184,629</u>	<u>545,307</u>	<u>2,811,123</u>	<u>3,140,650</u>	<u>560,680</u>	<u>3,963,628</u>	<u>17,940,699</u>
Fund balance:								
Nonspendable	688,792	-	-	-	-	-	198,557	887,349
Restricted	-	19,408,056	-	10,358,459	17,345,912	-	16,108,926	63,221,353
Assigned	559,760	-	496,908	88,245	23,103,312	28,498	432,612	24,709,335
Unassigned	13,971	-	1,713,483	-	-	-	-	1,727,454
Total fund balances	<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>16,740,095</u>	<u>90,545,491</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,997,205</u>	<u>\$ 19,592,685</u>	<u>\$ 2,755,698</u>	<u>\$ 13,257,827</u>	<u>\$ 43,589,874</u>	<u>\$ 589,178</u>	<u>\$ 20,703,723</u>	<u>\$ 108,486,190</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 TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES

June 30, 2014

Total Governmental Fund Balances		\$ 90,545,491
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.		3,292,321
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
The cost of capital assets is	605,158,083	
Accumulated depreciation is	<u>151,565,416</u>	453,592,667
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.		[394,884]
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	202,225,481	
Net OPEB obligation	10,858,177	
Accrued interest on the bonds	<u>1,733,059</u>	<u>[214,816,717]</u>
Net Position of Governmental Activities		<u>\$ 332,218,878</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, 2014

	<u>General</u>	<u>Debt Service</u>	<u>Supplemental General</u>	<u>Special Education</u>	<u>Capital Outlay</u>	<u>At Risk (K-12)</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:								
Taxes	\$ 53,696,805	\$ 23,739,700	\$ 41,533,515	\$ -	\$ 25,337,499	\$ -	\$ 8,847,584	\$ 153,155,103
Intergovernmental	44,168,275	-	-	26,041,045	-	41,983,888	35,638,920	147,832,128
Charges for services	3,964,025	-	-	-	-	-	9,114,254	13,078,279
Investment revenue	-	2,183	-	15,431	-	-	6,033	23,647
Other local sources	-	-	-	83	1,581,200	22,770	1,973,797	3,577,850
Total revenues	<u>101,829,105</u>	<u>23,741,883</u>	<u>41,533,515</u>	<u>26,056,559</u>	<u>26,918,699</u>	<u>42,006,658</u>	<u>55,580,588</u>	<u>317,667,007</u>
EXPENDITURES:								
Current								
Instruction	51,936,829	-	13,766,162	32,244,558	7,905,077	41,150,546	24,534,580	171,537,752
Student support services	7,544,414	-	5,280	4,224,602	26,232	215,334	2,779,773	14,795,635
Instructional support staff	6,257,205	-	408,176	-	27,682	-	1,851,014	8,544,077
General administration	1,511,332	-	187,279	28,760	-	-	346,227	2,073,598
School administration	11,688,126	-	-	-	-	281,951	1,219,508	13,189,585
Operations and maintenance	10,263,088	-	9,425,612	-	4,087,488	161,995	2,025,436	25,963,619
Student transportation services	3,263,777	-	-	5,486,852	-	168,481	573,994	9,493,104
Food service operations	-	-	-	-	-	-	10,977,161	10,977,161
Student activities	2,577,428	-	-	-	134,182	-	1,341,923	4,053,533
Business and central support services	6,666,255	-	1,639,865	6,155	877,141	-	1,123,789	10,313,205
State payment	-	-	-	-	-	-	8,532,644	8,532,644
Capital outlay	-	-	-	-	14,859,431	-	984,200	15,843,631
Debt service								
Principal retirement	-	17,495,000	-	-	-	-	-	17,495,000
Interest and other charges	-	7,286,249	-	-	-	-	-	7,286,249
Total expenditures	<u>101,708,454</u>	<u>24,781,249</u>	<u>25,432,374</u>	<u>41,990,927</u>	<u>27,917,233</u>	<u>41,978,307</u>	<u>56,290,249</u>	<u>320,098,793</u>
Excess [deficiency] of revenue over [under] expenditures	<u>120,651</u>	<u>[1,039,366]</u>	<u>16,101,141</u>	<u>[15,934,368]</u>	<u>[998,534]</u>	<u>28,351</u>	<u>[709,661]</u>	<u>[2,431,786]</u>
OTHER FINANCING SOURCES [USES]								
Transfers in	-	-	-	17,214,843	-	-	206,600	17,421,443
Transfers out	-	-	[17,421,443]	-	-	-	-	[17,421,443]
Temporary notes issued	-	-	-	-	17,851,306	-	-	17,851,306
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>[17,421,443]</u>	<u>17,214,843</u>	<u>17,851,306</u>	<u>-</u>	<u>206,600</u>	<u>17,851,306</u>
Net change in fund balance	120,651	[1,039,366]	[1,320,302]	1,280,475	16,852,772	28,351	[503,061]	15,419,520
FUND BALANCE - Beginning of year	<u>1,141,872</u>	<u>20,447,422</u>	<u>3,530,693</u>	<u>9,166,229</u>	<u>23,596,452</u>	<u>147</u>	<u>17,243,156</u>	<u>75,125,971</u>
FUND BALANCE - End 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>\$ 16,740,095</u>	<u>\$ 90,545,491</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, 2014

Total Net Change In Fund Balances - Governmental Funds		\$ 15,419,520
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.		[1,590,180]
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	20,383,099	
Depreciation expense	<u>[16,053,287]</u>	4,329,812
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	[1,512,680]	
Loss on sale of capital assets	<u>[741,751]</u>	[2,254,431]
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 \$4,287,468.		[4,287,468]
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 \$1,540,149.		[1,540,149]
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 decreased.		178,224
Temporary note proceeds and discount 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.		[18,182,739]
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.		516,897
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>17,495,000</u>
Changes In Net Position of Governmental Activities		<u>\$ 10,084,486</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 FUNDFor the Year Ended June 30, 2014
(With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013		June 30, 2014				Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 924,330	\$ 959,116	\$ -	\$ 959,116	\$ 1,057,826	\$ 1,057,826	\$ [98,710]
Current	51,805,581	52,190,847	-	52,190,847	51,397,965	51,397,965	792,882
Delinquent	620,277	546,842	-	546,842	611,475	611,475	[64,633]
Total taxes	53,350,188	53,696,805	-	53,696,805	53,067,266	53,067,266	629,539
Intergovernmental							
General aid	42,097,678	44,168,275	32,392,659	76,560,934	82,256,057	80,477,337	[3,916,403]
Special education aid	-	-	19,171,596	19,171,596	19,848,757	19,848,757	[677,161]
Total intergovernmental	42,097,678	44,168,275	51,564,255	95,732,530	102,104,814	100,326,094	[4,593,564]
Charges for services	3,699,681	3,964,025	-	3,964,025	-	-	3,964,025
Total revenues	99,147,547	101,829,105	51,564,255	153,393,360	155,172,080	153,393,360	-
EXPENDITURES:							
Instruction	49,972,496	51,949,456	[3,965,783]	47,983,673	45,733,685	45,733,685	[2,249,988]
Student support	7,609,630	7,544,414	[2,599]	7,541,815	7,506,640	7,506,640	[35,175]
Instructional support staff	5,846,143	6,257,205	317,650	6,574,855	5,756,964	5,756,964	[817,891]
General administration	1,521,202	1,511,332	1,000	1,512,332	1,387,551	1,387,551	[124,781]
School administration	11,877,728	11,688,126	[1,410]	11,686,716	11,654,794	11,654,794	[31,922]
Operations and maintenance	10,140,518	10,263,088	-	10,263,088	10,296,745	10,296,745	33,657
Student transportation services	3,210,110	3,263,777	-	3,263,777	3,300,217	3,300,217	36,440
Student activities	2,539,288	2,577,428	[15,248]	2,562,180	-	-	[2,562,180]
Business and central support services	6,541,878	6,666,255	[6,875]	6,659,380	8,617,021	8,617,021	1,957,641
Adjustment to Comply with Legal Maximum Budget	-	-	-	-	-	[1,780,064]	[1,780,064]
Total expenditures	99,258,993	101,721,081	[3,673,265]	98,047,816	94,253,617	92,473,553	[5,574,263]
Excess [deficiency] of revenues over [under] expenditures	[111,446]	108,024	55,237,520	55,345,544	60,918,463	60,919,807	[5,574,263]
OTHER FINANCING SOURCES [USES]:							
Transfers out	-	-	[55,370,477]	[55,370,477]	[60,944,740]	[60,944,740]	5,574,263
Total other financing sources [uses]	-	-	[55,370,477]	[55,370,477]	[60,944,740]	[60,944,740]	5,574,263
Net change in fund balance	[111,446]	108,024	[132,957]	[24,933]	\$ [26,277]	\$ [24,933]	\$ -
FUND BALANCE - Beginning of year	1,227,715	1,141,872	[1,115,595]	26,277			
Prior year cancelled encumbrances	25,603	12,627	-	12,627			
FUND BALANCE - End of year	\$ 1,141,872	\$ 1,262,523	\$ [1,248,552]	\$ 13,971			

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, 2014
(With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013		June 30, 2014				Variance with
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Final Budget Positive [Negative]
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 872,856	\$ 900,253	\$ -	\$ 900,253	\$ 1,356,514	\$ 1,356,514	\$ [456,261]
Current	34,948,620	34,105,997	13,591,815	47,697,812	46,241,474	46,241,474	1,456,338
Delinquent	541,231	510,576	-	510,576	578,307	578,307	[67,731]
Motor vehicle	5,981,532	5,911,138	-	5,911,138	5,644,309	5,644,309	266,829
Supplemental general aid	135,141	-	-	-	-	-	-
Rental excise	101,464	105,551	-	105,551	-	-	105,551
Total taxes	42,580,844	41,533,515	13,591,815	55,125,330	53,820,604	53,820,604	1,304,726
Total revenues	42,580,844	41,533,515	13,591,815	55,125,330	53,820,604	53,820,604	1,304,726
EXPENDITURES:							
Instruction	17,575,086	13,779,965	[24,839]	13,755,126	16,833,751	16,833,751	3,078,625
Student support	9,280	5,280	-	5,280	5,280	5,280	-
Instructional support staff	15,160	408,176	7,845	416,021	516,730	516,730	100,709
General administration	113,327	187,279	[20]	187,259	166,100	166,100	[21,159]
Operations and maintenance	8,899,915	9,425,612	[24,350]	9,401,262	9,182,749	9,182,749	[218,513]
Business and central support services	940,928	1,639,865	[259,191]	1,380,674	2,271,908	2,271,908	891,234
Adjustment to Comply with Legal Maximum Budget	-	-	-	-	-	[394,954]	[394,954]
Total expenditures	27,553,696	25,446,177	[300,555]	25,145,622	28,976,518	28,581,564	3,435,942
Excess [deficiency] of revenues over [under] expenditures	15,027,148	16,087,338	13,892,370	29,979,708	24,844,086	25,239,040	4,740,668
OTHER FINANCING SOURCES [USES]:							
Transfers out	[13,541,172]	[17,421,443]	[13,591,815]	[31,013,258]	[27,577,316]	[27,577,316]	[3,435,942]
Total other financing sources [uses]	[13,541,172]	[17,421,443]	[13,591,815]	[31,013,258]	[27,577,316]	[27,577,316]	[3,435,942]
Net change in fund balance	1,485,976	[1,334,105]	300,555	[1,033,550]	\$ [2,733,230]	\$ [2,338,276]	\$ 1,304,726
FUND BALANCE - Beginning of year	2,024,392	3,530,693	[797,463]	2,733,230			
Prior year cancelled encumbrances	20,325	13,803	-	13,803			
FUND BALANCE - End of year	\$ 3,530,693	\$ 2,210,391	\$ [496,908]	\$ 1,713,483			

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, 2014
 (With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013	June 30, 2014						Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts			
					Original	Final		
REVENUES:								
Intergovernmental:								
Federal	\$ 7,239,730	\$ 6,869,097	\$ -	\$ 6,869,097	\$ 7,030,476	\$ 7,030,476	\$	[161,379]
State and local	19,692,620	19,171,948	[19,171,596]	352	4,500	4,500		[4,148]
Total intergovernmental	26,932,350	26,041,045	[19,171,596]	6,869,449	7,034,976	7,034,976		[165,527]
Investment revenue	41,874	15,431	1,911	17,342	40,000	40,000		[22,658]
Other local funds	4,891	83	-	83	3,400,000	3,400,000		[3,399,917]
Total revenues	26,979,115	26,056,559	[19,169,685]	6,886,874	10,474,976	10,474,976		[3,588,102]
EXPENDITURES:								
Instruction	32,738,368	32,310,294	[104,552]	32,205,742	33,087,478	33,287,478		1,081,736
Student support services	4,321,659	4,224,602	11,438	4,236,040	4,113,747	4,113,747		[122,293]
General administration	-	28,760	-	28,760	-	-		[28,760]
Business and central support services	11,965	6,155	-	6,155	16,163	16,163		10,008
Operations and maintenance	-	-	-	-	9,855	9,855		9,855
Student transportation services	5,364,312	5,486,852	3,490	5,490,342	5,553,100	5,553,100		62,758
Total expenditures	42,436,304	42,056,663	[89,624]	41,967,039	42,780,343	42,980,343		1,013,304
Excess [deficiency] of revenues over [under] expenditures	[15,457,189]	[16,000,104]	[19,080,061]	[35,080,165]	[32,305,367]	[32,505,367]		[2,574,798]
OTHER FINANCING SOURCES [USES]:								
Transfers in	13,327,608	17,214,843	19,171,596	36,386,439	34,296,922	34,296,922		2,089,517
Total other financing sources [uses]	13,327,608	17,214,843	19,171,596	36,386,439	34,296,922	34,296,922		2,089,517
Net change in fund balance	[2,129,581]	1,214,739	91,535	1,306,274	\$ 1,991,555	\$ 1,791,555	\$	[485,281]
FUND BALANCE - Beginning of year	11,278,002	9,166,229	[179,780]	8,986,449				
Prior year cancelled encumbrances	17,808	65,736	-	65,736				
FUND BALANCE - End of year	\$ 9,166,229	\$ 10,446,704	\$ [88,245]	\$ 10,358,459				

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, 2014
 (With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013	June 30, 2014					
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
					Original	Final	
REVENUES:							
Intergovernmental:							
State and local	\$ 41,731,971	\$ 41,983,888	\$ [41,983,888]	\$ -	\$ -	\$ -	\$ -
Other local sources	53,852	22,770	-	22,770	30,000	30,000	[7,230]
Total revenues	41,785,823	42,006,658	[41,983,888]	22,770	30,000	30,000	[7,230]
EXPENDITURES:							
Instruction	40,959,586	41,150,546	28,351	41,178,897	46,087,786	46,087,786	4,908,889
Student support services	212,427	215,334	-	215,334	212,773	212,773	[2,561]
Instructional support staff	65	-	-	-	400	400	400
School administration	274,916	281,951	-	281,951	275,760	275,760	[6,191]
Operations and maintenance	199,437	161,995	-	161,995	191,483	191,483	29,488
Student transportation services	155,397	168,481	-	168,481	157,348	157,348	[11,133]
Total expenditures	41,801,828	41,978,307	28,351	42,006,658	46,925,550	46,925,550	4,918,892
Excess [deficiency] of revenues over [under] expenditures	[16,005]	28,351	[42,012,239]	[41,983,888]	[46,895,550]	[46,895,550]	4,911,662
OTHER FINANCING SOURCES [USES]:							
Transfers in	-	-	41,983,888	41,983,888	46,895,550	46,895,550	[4,911,662]
Total other financing sources [uses]	-	-	41,983,888	41,983,888	46,895,550	46,895,550	[4,911,662]
Net change in fund balance	[16,005]	28,351	[28,351]	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year,	16,152	147	[147]	-			
FUND BALANCE - End of year	\$ 147	\$ 28,498	\$ [28,498]	\$ -			

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 June 30, 2014 and 2013

	Internal Service Fund	
	2014	2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,014,493	\$ 1,005,594
Total assets	<u>\$ 1,014,493</u>	<u>\$ 1,005,594</u>
Liabilities		
Current liabilities:		
Accrued claims payable	\$ 919,005	\$ 1,149,511
Accounts payable	14,493	5,594
Total current liabilities	<u>933,498</u>	<u>1,155,105</u>
Noncurrent liabilities:		
Accrued claims payable	<u>475,879</u>	<u>762,270</u>
Total noncurrent liabilities	<u>475,879</u>	<u>762,270</u>
Total liabilities	<u>\$ 1,409,377</u>	<u>\$ 1,917,375</u>
Net position		
Unrestricted	<u>[394,884]</u>	<u>[911,781]</u>
Total net position	<u>\$ [394,884]</u>	<u>\$ [911,781]</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, 2014 and 2013

	Internal Service Fund Year Ended June 30,	
	2014	2013
Operating revenues		
Other local sources	\$ 966,098	\$ 714,556
Total operating revenues	<u>966,098</u>	<u>714,556</u>
Operating expenses		
General government	<u>449,201</u>	<u>811,370</u>
Total operating expenses	<u>449,201</u>	<u>811,370</u>
Net income	516,897	[96,814]
Net position, Beginning of year	<u>[911,781]</u>	<u>[814,967]</u>
Net position, End of year	<u>\$ [394,884]</u>	<u>\$ [911,781]</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, 2014 and 2013

	Internal Service Fund Year Ended June 30,	
	2014	2013
Cash flows from operating activities		
Cash paid to other suppliers of goods or services	\$ [957,199]	\$ [708,962]
Other operating receipts	<u>966,098</u>	<u>714,556</u>
Net cash [used in] operating activities	<u>8,899</u>	<u>5,594</u>
Net increase [decrease] in cash and cash equivalents	8,899	5,594
Cash and cash equivalents, Beginning of year	<u>1,005,594</u>	<u>1,000,000</u>
Cash and cash equivalents, End of year	<u>\$ 1,014,493</u>	<u>\$ 1,005,594</u>
Reconciliation of operating [loss] to net cash [used in] operating activities		
Operating income	\$ 516,897	\$ [96,814]
Adjustments to reconcile operating [loss] to net cash [used in] operating activities		
Increase [decrease] in claims payable	[516,897]	96,814
Increase [decrease] in accounts payable	<u>8,899</u>	<u>5,594</u>
Net cash [used in] operating activities	<u>\$ 8,899</u>	<u>\$ 5,594</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, 2014 and 2013

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS:		
Cash and cash equivalents	<u>\$ 2,247,978</u>	<u>\$ 2,155,662</u>
Total assets	<u>\$ 2,247,978</u>	<u>\$ 2,155,662</u>
LIABILITIES		
Due to student organizations	<u>\$ 2,247,978</u>	<u>\$ 2,155,662</u>
Total liabilities	<u>\$ 2,247,978</u>	<u>\$ 2,155,662</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, 2014

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 27,412 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.

Under governmental accounting and financial reporting standards, the district is considered to be a financial reporting entity consisting of a primary government and any other organizations for which the district is (1) financially accountable or (2) not financially accountable but for which the nature and significance of the other organization's relationship to the district are such that exclusion would cause the district's financial statements to be misleading or incomplete. There were no such other organizations.

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, 2014

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 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 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, 2014

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, 2014

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 government only has one item that qualifies for reporting in this category. It is the 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.

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:

	Major Governmental Funds						Nonmajor	Total
	General	Debt	Supplemental	Special	Capital	At Risk	Governmental	Governmental
	Fund	Service	General	Education	Outlay	(K-12)	Funds	Funds
Fund Balances:								
Nonspendable								
Inventory	\$ 688,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,557	\$ 887,349
Restricted for:								
Debt retirement	-	19,408,056	-	-	-	-	-	19,408,056
Special education instruction	-	-	-	10,358,459	-	-	-	10,358,459
School construction and equipment	-	-	-	-	17,345,912	-	580,149	17,926,061
Instruction	-	-	-	-	-	-	4,156,904	4,156,904
Operations and maintenance	-	-	-	-	-	-	5,638,052	5,638,052
Food service operations	-	-	-	-	-	-	2,369,565	2,369,565
Student activities	-	-	-	-	-	-	506,112	506,112
Business services	-	-	-	-	-	-	2,827,540	2,827,540
State payment	-	-	-	-	-	-	30,604	30,604
Assigned for:								
Special education instruction	-	-	-	88,245	-	-	-	88,245
School construction and equipment	-	-	-	-	23,103,312	-	-	23,103,312
Instruction	151,513	-	103,020	-	-	28,498	232,973	516,004
Student support services	12,030	-	-	-	-	-	10,646	22,676
Instructional support staff	346,661	-	7,845	-	-	-	43,638	398,144
General administration	1,000	-	-	-	-	-	3,498	4,498
School administration	3,848	-	-	-	-	-	-	3,848
Operations and maintenance	-	-	33,916	-	-	-	-	33,916
Student activities	7,828	-	-	-	-	-	660	8,488
Business services	36,880	-	352,127	-	-	-	4,852	393,859
Food service operations	-	-	-	-	-	-	136,345	136,345
Unassigned:	13,971	-	1,713,483	-	-	-	-	1,727,454
Total Fund Balances	\$ 1,262,523	\$ 19,408,056	\$ 2,210,391	\$ 10,446,704	\$ 40,449,224	\$ 28,498	\$ 16,740,095	\$ 90,545,491

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2014

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

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 \$19,408,056 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.

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. Budget amendments for the year ended June 30, 2014 were as follows:

<u>Fund</u>	<u>Adopted</u>	<u>Amended</u>
Special Education	\$ 42,780,343	\$ 42,980,343
Capital Outlay	33,579,469	55,762,208

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2014

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Concluded)

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.

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	
	General	Debt Service	Supplemental General	Special Education	Capital Outlay	At Risk (K-12)	Nonmajor Governmental	Total Governmental
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
GAAP FUND BALANCE								
June 30, 2014	\$ 1,262,523	\$ 19,408,056	\$ 2,210,391	\$ 10,446,704	\$ 40,449,224	\$ 28,498	\$ 16,740,095	\$ 90,545,491
Adjustments:								
Unreserved fund balances not subject to the Kansas Budget Law:								
Textbook	-	-	-	-	-	-	[2,267,878]	[2,267,878]
Contingency Reserve	-	-	-	-	-	-	[5,638,052]	[5,638,052]
Health Care Reserve	-	-	-	-	-	-	[2,744]	[2,744]
Student Material Revolving	-	-	-	-	-	-	[272,291]	[272,291]
Gate Receipts	-	-	-	-	-	-	[506,112]	[506,112]
Accounts payable - retainage	-	-	-	-	842,703	-	-	842,703
Reserve for encumbrances	[559,760]	-	[496,908]	[88,245]	[23,103,312]	[28,498]	[279,402]	[24,556,125]
Reserve for material and supplies inventory	[688,792]	-	-	-	-	-	[198,557]	[887,349]
Total deductions	[1,248,552]	-	[496,908]	[88,245]	[22,260,609]	[28,498]	[9,165,036]	[33,287,848]
BUDGETARY FUND BALANCE								
June 30, 2014	\$ 13,971	\$ 19,408,056	\$ 1,713,483	\$ 10,358,459	\$ 18,188,615	\$ -	\$ 7,575,059	\$ 57,257,643

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2014

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Concluded)

B. Property Taxes

The assessed valuation of tangible district property (excluding motor vehicles) for taxes billed November 1, 2013 was as follows:

Real estate	\$ 2,779,828,747
Personal property	55,941,640
Utilities	<u>61,825,124</u>
Total assessed valuation	<u>\$ 2,897,595,511</u>

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

<u>Fund</u>	<u>Levy</u> <u>(\$ per thousand)</u>
General	\$ 20.000
Special revenue:	
Supplemental General	17.357
Capital Outlay	8.000
Declining Enrollment	1.009
Special Assessment	0.364
Cost of Living	1.452
Bond and Interest	<u>7.429</u>
Total tax levy	<u>\$ 55.611</u>

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, 2014, the district has received property tax amounting to approximately 100% of the November 1, 2013, 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.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2014

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, 2014, the District has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Weighted Average Maturity</u>
Certificate of Deposit Account Registry Service	<u>\$ 10,000,000</u>	NA	113 days
Total fair value	<u>\$ 10,000,000</u>		

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.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2014

Note 3. DETAILED NOTES ON ALL FUNDS (Continued)

B. Capital Assets

Capital asset activity for the year ended June 30, 2014, was as follows:

	Balance June 30, 2013	Restatement*	Balance June 30, 2013 Restated	Additions/ Adjustments	Impairments**	Retirements	Balance June 30, 2014
Governmental activities:							
Nondepreciable assets:							
Land	\$ 5,577,929	\$ -	\$ 5,577,929	\$ -	\$ -	\$ [50,633]	\$ 5,527,296
Artwork	392,318	-	392,318	-	-	[6,510]	385,808
Construction in progress	28,336,378	-	28,336,378	12,891,771	-	[12,641,149]	28,587,000
Depreciable assets:							
Buildings and improvements	502,541,994	-	502,541,994	11,391,584	[4,287,468]	[2,123,079]	507,523,031
Equipment	<u>60,074,402</u>	<u>-</u>	<u>60,074,402</u>	<u>8,740,893</u>	<u>-</u>	<u>[5,680,347]</u>	<u>63,134,948</u>
Totals at historical cost	<u>596,923,021</u>	<u>-</u>	<u>596,923,021</u>	<u>33,024,248</u>	<u>[4,287,468]</u>	<u>[20,501,718]</u>	<u>605,158,083</u>
Less accumulated depreciation for:							
Buildings and improvements	98,437,786	-	98,437,786	10,963,395	-	[806,440]	108,594,741
Equipment	<u>42,664,318</u>	<u>16,161</u>	<u>42,680,479</u>	<u>5,089,892</u>	<u>-</u>	<u>[4,799,696]</u>	<u>42,970,675</u>
Totals accumulated depreciation	<u>141,102,104</u>	<u>16,161</u>	<u>141,118,265</u>	<u>16,053,287</u>	<u>-</u>	<u>[5,606,136]</u>	<u>151,565,416</u>
Governmental activities capital assets, net	<u>\$ 455,820,917</u>	<u>\$ [16,161]</u>	<u>\$ 455,804,756</u>	<u>\$ 16,970,961</u>	<u>\$ [4,287,468]</u>	<u>\$ [14,895,582]</u>	<u>\$ 453,592,667</u>

* See explanation for restatement on page 38.

** See explanation for impairments on page 42.

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,577,494
Instructional support	39,930
Student support	150,220
General administration	2,143
School administration	330
Operations and maintenance	12,176,051
Student transport	201
Food service	49,404
Business services and central support services	973,873
Student activities	<u>83,641</u>
Total depreciation	<u>\$ 16,053,287</u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2014

Note 3. DETAILED NOTES ON ALL FUNDS (Continued)**C. Long - Term Liabilities**

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

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Amounts Due Within One Year
Governmental activities					
General Obligation Bonds	\$202,490,415	\$ -	\$ [18,447,673]	\$ 184,042,742	\$ 18,029,236
Temporary Notes	-	18,182,739	-	18,182,739	4,508,056
Total governmental activities					
Long-term liabilities	<u>\$202,490,415</u>	<u>\$ 18,182,739</u>	<u>\$ [18,447,673]</u>	<u>\$ 202,225,481</u>	<u>\$ 22,537,292</u>

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

	Date Issued	Date Matures	Interest Rate	Original Amount	Outstanding June 30, 2014
General Obligation Bonds					
Advance refunding bonds	02/01/96	10/1/19	3.70% to 5.15%	\$ 23,380,000	\$ 10,035,000
General obligation bonds	06/01/04	10/1/14	4.00% to 5.00%	51,527,227	2,855,380
Advance refunding bonds	06/01/04	10/01/15	3.00% to 5.00%	22,580,455	6,245,076
Advance refunding bonds	1/15/05	10/1/17	2.75% to 5.00%	23,412,809	10,018,557
General obligation bonds	5/15/05	10/1/14	3.00% to 5.00%	66,776,331	3,008,817
General obligation bonds	4/15/07	10/1/27	4.00% to 5.00%	70,729,969	58,080,978
General obligation bonds	7/8/08	10/1/19	3.00% to 5.00%	16,441,126	9,952,432
General obligation bonds	11/1/12	10/1/25	1.25% to 5.00%	85,836,627	83,846,502
Total general obligation bonds payable				<u>\$ 360,684,544</u>	<u>\$ 184,042,742</u>
Temporary Notes					
Capital outlay temporary notes	4/21/14	4/1/18	0.623%	\$ 18,182,739	\$ 18,182,739
Total temporary notes payable				<u>\$ 18,182,739</u>	<u>\$ 18,182,739</u>

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

Year Ending June 30	Principal Due	Interest Due	Totals
2015	\$ 18,029,236	\$ 6,474,013	\$ 24,503,249
2016	18,665,039	5,701,151	24,366,190
2017	15,912,501	5,001,751	20,914,252
2018	16,587,501	4,312,788	20,900,289
2019	14,770,362	3,640,941	18,411,303
2020-2024	65,951,857	10,860,299	76,812,156
2025-2028	34,126,246	2,172,363	36,298,609
Total	<u>\$ 184,042,742</u>	<u>\$ 38,163,306</u>	<u>\$ 222,206,048</u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2014

Note 3. DETAILED NOTES ON ALL FUNDS (Concluded)

C. Long - Term Liabilities (Concluded)

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

Year Ending <u>June 30</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Totals</u>
2015	\$ 4,508,056	\$ 100,029	\$ 4,608,085
2016	4,529,886	78,199	4,608,085
2017	4,558,169	49,916	4,608,085
2018	<u>4,586,628</u>	<u>21,456</u>	<u>4,608,084</u>
Total	<u>\$ 18,182,739</u>	<u>\$ 249,600</u>	<u>\$ 18,432,339</u>

On April 21, 2014, the District issued \$18,182,739 of general obligation capital outlay temporary notes for the purpose of acquiring equipment and services from Apple, Inc. The notes are general obligations of the District payable as to both principal and interest from ad valorem tax levied by the District's Capital Outlay Fund.

In prior years, the District has defeased certain other outstanding debt obligations by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the District's financial statements. At June 30, 2014, the District had \$78,530,000 of defeased debt.

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 \$446 million at June 30, 2014.

D. Operating Leases

The district leases copiers under a noncancelable operating lease. Total costs for this lease was \$479,340 for the year ended June 30, 2014. The future minimum lease payments for the lease are as follows:

Year ending <u>June 30</u>	<u>Amount</u>
2015	\$ 615,720
2016	629,589
2017	629,589
2018	629,589
2019	629,589
2020	<u>52,466</u>
Total	<u>\$ 3,186,543</u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2014

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 Activities
Total net capital assets	\$ 453,592,667
Less:	
Current portion of general obligation bonds	[22,537,292]
Noncurrent portion of general obligation bonds	<u>[179,688,189]</u>
Net position - net investment in capital assets	<u>\$ 251,367,186</u>

F. Restatement

Following the close of the previous fiscal year it was determined that accumulated depreciation of capital assets had been understated. Accordingly, the beginning net position was restated, the effects of which are as follows:

	Governmental Activities
Net Position, June 30, 2013	\$ 322,150,555
Accumulated Depreciation Adjustment	<u>[16,163]</u>
Net Position June 30, 2013, Restated	<u>\$ 322,134,392</u>

Note 4. OTHER INFORMATION

A. Defined Benefit Pension Plan

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

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERs member-employee contribution rates. Effective July 1, 2009 KPERs has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERs member-employee contribution rate of 4%-5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERs is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The State of Kansas is required to contribute the statutory required employers share. Estimated Kansas contributions to KPERs for the district employees for the years ending June 30, 2014, 2013, and 2012 were \$18,042,311, \$16,838,495, and \$19,511,905, respectively, equal to the required contributions for each year.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2014

Note 4. OTHER INFORMATION (Continued)

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, 2014, such interfund premiums did not exceed reimbursable expenditures.

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

Changes in the balances of claims liabilities for the years ended June 30, 2014 and 2013 are as follows:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Unpaid claims, beginning of year	\$ 1,911,781	\$ 1,814,967
Incurred claims (including IBNR)	251,404	672,773
Claim payments	<u>[768,301]</u>	<u>[575,959]</u>
Unpaid claims, end of year	<u>\$ 1,394,884</u>	<u>\$ 1,911,781</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>\$17,214,843</u>	<u>\$ 206,600</u>	<u>\$ 17,421,443</u>
Total	<u>\$17,214,843</u>	<u>\$ 206,600</u>	<u>\$ 17,421,443</u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2014

Note 4. OTHER INFORMATION (Continued)

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.

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, 2014, plan participants contributed \$925,000 to the Plan (100% of total premiums) through the following required annual contributions:

	<u>Retiree Contributions</u>		<u>Spousal Contributions</u>	
	<u>Pre-65</u>	<u>Post-65</u>	<u>Pre-65</u>	<u>Post-65</u>
<u>Coverage</u>				
Medical - HMO Plan	\$ 7,404	\$ 5,148	\$ 7,758	\$ 5,172
Medical - PPO Plan	\$ 7,404	\$ 5,148	\$ 7,758	\$ 5,172
High Deductible (HSA)	\$ 5,382	\$ 3,810	\$ 6,708	\$ 3,864

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2014

Note 4. OTHER INFORMATION (Continued)

F. Postemployment Healthcare Plan (Continued)

Annual required contribution	\$ 2,628,519
Interest on Net OPEB Obligation	326,131
ARC Adjustment	<u>[489,501]</u>
Annual OPEB cost (expense)	2,465,149
Benefit payments	<u>925,000</u>
Change in net OPEB obligation	1,540,149
Net OPEB obligation - beginning of year	<u>9,318,028</u>
Net OPEB obligation - end of year	<u>\$ 10,858,177</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, 2014 was as follows:

Fiscal Year <u>Ended</u>	Annual OPEB Cost <u>Cost</u>	Annual OPEB Cost <u>Contributed</u>	Net OPEB Obligation	Percentage <u>Contributed</u>
June 30, 2008	\$ 2,286,858	\$ 842,000	\$ 1,444,858	36.8%
June 30, 2009	2,421,247	1,002,000	2,864,105	41.4%
June 30, 2010	2,420,532	831,000	4,453,637	34.3%
June 30, 2011	2,404,289	1,087,000	5,770,926	45.2%
June 30, 2012	2,964,809	1,036,000	7,699,735	34.9%
June 30, 2013	2,938,293	1,320,000	9,318,028	44.9%
June 30, 2014	2,465,149	925,000	10,858,177	37.5%

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.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2014

Note 4. OTHER INFORMATION (Concluded)

F. Postemployment Healthcare Plan (Concluded)

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. Special Items & Subsequent Event

Subsequent to June 30, 2014, the District is scheduled to demolish a former school building, Antioch Middle School, in order to establish space for construction of a new administration facility. At June 30, 2014, the book value of the building which is scheduled to be demolished was written down to the zero. The write down in the value of this capital asset is shown as an impairment loss of \$4,287,468 on the Statement of Activities.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2014

Schedule of Employer Contributions:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>	<u>Percentage Contributed</u>
June 30, 2008	\$ 2,286,858	\$ 842,000	\$ 1,444,858	36.8%
June 30, 2009	2,421,247	1,002,000	2,864,105	41.4%
June 30, 2010	2,420,532	831,000	4,453,637	34.3%
June 30, 2011	2,404,289	1,087,000	5,770,926	45.2%
June 30, 2012	2,964,809	1,036,000	7,699,735	34.9%
June 30, 2013	2,938,293	1,320,000	9,318,028	44.9%
June 30, 2014	2,465,149	925,000	10,858,177	37.5%

Schedule of Funding Progress:

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

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COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

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SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

COMBINING STATEMENTS - NONMAJOR SPECIAL REVENUE FUNDS

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

BUDGETED FUNDS:

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

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

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

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

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

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

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

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

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

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

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

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

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SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

COMBINING STATEMENTS - NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

BUDGETED FUNDS: (Continued)

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

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

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

NON - BUDGETED FUNDS:

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

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

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

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

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2014

	Vocational Education	Declining Enrollment	Professional Development	Special Assessment	Food Service	Adult Supplemental Education	Bilingual Education	Summer School	Parent Education Program
ASSETS									
Cash and cash equivalents	\$ 339,373	\$ -	\$ 34,280	\$ 580,149	\$ 2,551,516	\$ 37,374	\$ 157,209	\$ 703,305	\$ 9,000
Investments	-	-	-	-	-	-	-	-	-
Receivables									
Taxes	-	-	-	9,049	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	198,557	-	-	-	-
Total assets	\$ 339,373	\$ -	\$ 34,280	\$ 589,198	\$ 2,750,073	\$ 37,374	\$ 157,209	\$ 703,305	\$ 9,000
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 10,495	\$ -	\$ 5,634	\$ -	\$ 13,102	\$ -	\$ 16,182	\$ 4,209	\$ 4,035
Health care reserve	-	-	-	-	-	-	-	-	-
Accrued payroll, payroll withholdings and taxes	306,414	-	-	-	32,504	-	138,743	2,293	-
Due to other funds	-	43,497	-	-	-	-	-	-	-
Total liabilities	316,909	43,497	5,634	-	45,606	-	154,925	6,502	4,035
Deferred inflows of resources:									
Unavailable revenue - student fees	-	-	-	-	-	-	-	-	-
Unavailable revenue - property taxes	-	-	-	9,049	-	-	-	-	-
Total deferred inflows of resources	-	-	-	9,049	-	-	-	-	-
Total liabilities and deferred inflows of resources	316,909	43,497	5,634	9,049	45,606	-	154,925	6,502	4,035
Fund balances:									
Nonspendable	-	-	-	-	198,557	-	-	-	-
Restricted	-	[43,497]	-	580,149	2,369,565	34,989	1	692,397	-
Assigned	22,464	-	28,646	-	136,345	2,385	2,283	4,406	4,965
Total fund balances	22,464	[43,497]	28,646	580,149	2,704,467	37,374	2,284	696,803	4,965
Total liabilities, deferred inflows of resources and fund balances	\$ 339,373	\$ -	\$ 34,280	\$ 589,198	\$ 2,750,073	\$ 37,374	\$ 157,209	\$ 703,305	\$ 9,000

See independent auditor's report on the financial statements.

Extraordinary School Program	Special Liability	At Risk (4 Year-Old)	Cost of Living	KPERS Special Retirement Contribution	Federal and Local Grants	Gate Receipts	Textbook	Contingency Reserve	Health Care Reserve	Student Material Revolving	Total Nonmajor Special Revenue Funds
\$ 234,361	\$ 832,392	\$ 42,444	\$ 30,604	\$ -	\$ 1,320,696	\$ 506,112	\$ 2,392,058	\$ 138,052	\$ 307,574	\$ 278,042	\$ 10,494,541
-	2,000,000	-	-	-	-	-	-	5,500,000	2,500,000	-	10,000,000
-	-	-	1,576	-	-	-	-	-	-	-	10,625
-	-	-	-	-	-	-	-	-	-	-	198,557
<u>\$ 234,361</u>	<u>\$ 2,832,392</u>	<u>\$ 42,444</u>	<u>\$ 32,180</u>	<u>\$ -</u>	<u>\$ 1,320,696</u>	<u>\$ 506,112</u>	<u>\$ 2,392,058</u>	<u>\$ 5,638,052</u>	<u>\$ 2,807,574</u>	<u>\$ 278,042</u>	<u>\$ 20,703,723</u>
\$ -	\$ -	\$ 128	\$ -	\$ -	\$ 19,738	\$ -	\$ 124,180	\$ -	\$ -	\$ 5,362	\$ 203,065
-	-	-	-	-	-	-	-	-	2,804,830	-	2,804,830
-	-	40,986	-	-	380,171	-	-	-	-	-	901,111
-	-	-	-	-	-	-	-	-	-	-	43,497
-	-	41,114	-	-	399,909	-	124,180	-	2,804,830	5,362	3,952,503
111	-	-	-	-	-	-	-	-	-	389	500
-	-	-	1,576	-	-	-	-	-	-	-	10,625
111	-	-	1,576	-	-	-	-	-	-	389	11,125
111	-	41,114	1,576	-	399,909	-	124,180	-	2,804,830	5,751	3,963,628
-	-	-	-	-	-	-	-	-	-	-	198,557
234,250	2,827,540	-	30,604	-	849,062	506,112	2,120,131	5,638,052	2,744	266,827	16,108,926
-	4,852	1,330	-	-	71,725	-	147,747	-	-	5,464	432,612
<u>234,250</u>	<u>2,832,392</u>	<u>1,330</u>	<u>30,604</u>	<u>-</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>\$ 234,361</u>	<u>\$ 2,832,392</u>	<u>\$ 42,444</u>	<u>\$ 32,180</u>	<u>\$ -</u>	<u>\$ 1,320,696</u>	<u>\$ 506,112</u>	<u>\$ 2,392,058</u>	<u>\$ 5,638,052</u>	<u>\$ 2,807,574</u>	<u>\$ 278,042</u>	<u>\$ 20,703,723</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, 2014

	Vocational Education	Declining Enrollment	Professional Development	Special Assessment	Food Service	Adult Supplemental Education	Bilingual Education	Summer School	Parent Education Program
REVENUES:									
Taxes	\$ -	\$ 2,854,167	\$ -	\$ 1,119,621	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,524,301	-	160,491	-	5,739,987	-	2,819,765	-	345,877
Charges for services	6,752	-	-	-	5,458,129	1,792	-	489,872	-
Investment revenue	-	-	-	-	233	-	-	-	-
Other local sources	-	-	-	-	-	-	-	-	-
Total revenues	<u>3,531,053</u>	<u>2,854,167</u>	<u>160,491</u>	<u>1,119,621</u>	<u>11,198,349</u>	<u>1,792</u>	<u>2,819,765</u>	<u>489,872</u>	<u>345,877</u>
EXPENDITURES:									
Current									
Instruction	2,830,926	-	-	-	-	3,846	2,367,746	268,162	-
Student support services	-	-	-	-	-	-	35,762	9,110	494,664
Instructional support staff	205,319	-	144,095	-	-	-	97,356	-	34,772
General administration	-	-	-	-	-	-	-	-	20,173
School administration	85,518	-	-	-	-	-	-	69,494	-
Operations and maintenance	84,502	-	-	-	565,921	-	-	57,924	-
Student transportation services	231,057	-	-	-	-	-	319,083	-	-
Food service operations	-	-	-	-	10,453,934	-	-	-	-
Student activities	81,061	-	-	-	-	-	-	-	-
Business and central support services	-	-	-	-	-	-	-	-	-
State payment	-	3,187,219	-	-	-	-	-	-	-
Capital outlay									
Facility acquisition and construction	-	-	-	984,200	-	-	-	-	-
Total expenditures	<u>3,518,383</u>	<u>3,187,219</u>	<u>144,095</u>	<u>984,200</u>	<u>11,019,855</u>	<u>3,846</u>	<u>2,819,947</u>	<u>404,690</u>	<u>549,609</u>
Excess [deficiency] of revenues over [under] expenditures	<u>12,670</u>	<u>[333,052]</u>	<u>16,396</u>	<u>135,421</u>	<u>178,494</u>	<u>[2,054]</u>	<u>[182]</u>	<u>85,182</u>	<u>[203,732]</u>
OTHER FINANCING SOURCES [USES]:									
Transfers in	-	-	-	-	-	-	-	-	206,600
Total other financing sources [uses]	-	-	-	-	-	-	-	-	206,600
Net change in fund balances	12,670	[333,052]	16,396	135,421	178,494	[2,054]	[182]	85,182	2,868
Fund balance - Beginning of year	<u>9,794</u>	<u>289,555</u>	<u>12,250</u>	<u>444,728</u>	<u>2,525,973</u>	<u>39,428</u>	<u>2,466</u>	<u>611,621</u>	<u>2,097</u>
Fund balance - End 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>

See independent auditor's report on the financial statements.

Extraordinary School Program	Special Liability	At Risk (4 Year-Old)	Cost of Living	KPERS Special Retirement Contribution	Federal and Local Grants	Gate Receipts	Textbook	Contingency Reserve	Health Care Reserve	Student Material Revolving	Total Nonmajor Special Revenue Funds
\$ -	\$ 1,149	\$ -	\$ 4,872,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,847,584
-	-	336,154	-	18,042,311	4,670,034	-	-	-	-	-	35,638,920
87,868	-	-	-	-	-	-	2,305,383	-	-	764,458	9,114,254
-	3,905	-	-	-	-	-	-	-	1,895	-	6,033
-	-	-	-	-	1,087,232	886,565	-	-	-	-	1,973,797
<u>87,868</u>	<u>5,054</u>	<u>336,154</u>	<u>4,872,647</u>	<u>18,042,311</u>	<u>5,757,266</u>	<u>886,565</u>	<u>2,305,383</u>	<u>-</u>	<u>1,895</u>	<u>764,458</u>	<u>55,580,588</u>
83,270	-	335,023	-	12,755,913	3,757,635	-	1,766,478	-	-	365,581	24,534,580
-	-	-	-	1,046,454	1,193,783	-	-	-	-	-	2,779,773
-	-	-	-	613,439	745,973	-	-	-	-	10,060	1,851,014
-	70,983	-	-	90,212	164,859	-	-	-	-	-	346,227
-	-	-	-	1,064,496	-	-	-	-	-	-	1,219,508
-	-	-	-	1,317,089	-	-	-	-	-	-	2,025,436
-	-	-	-	18,042	5,812	-	-	-	-	-	573,994
-	-	-	-	523,227	-	-	-	-	-	-	10,977,161
-	-	-	-	-	17,500	872,125	-	-	-	371,237	1,341,923
-	510,350	-	-	613,439	-	-	-	-	-	-	1,123,789
-	-	-	5,345,425	-	-	-	-	-	-	-	8,532,644
-	-	-	-	-	-	-	-	-	-	-	984,200
<u>83,270</u>	<u>581,333</u>	<u>335,023</u>	<u>5,345,425</u>	<u>18,042,311</u>	<u>5,885,562</u>	<u>872,125</u>	<u>1,766,478</u>	<u>-</u>	<u>-</u>	<u>746,878</u>	<u>56,290,249</u>
<u>4,598</u>	<u>[576,279]</u>	<u>1,131</u>	<u>[472,778]</u>	<u>-</u>	<u>[128,296]</u>	<u>14,440</u>	<u>538,905</u>	<u>-</u>	<u>1,895</u>	<u>17,580</u>	<u>[709,661]</u>
-	-	-	-	-	-	-	-	-	-	-	206,600
-	-	-	-	-	-	-	-	-	-	-	206,600
4,598	[576,279]	1,131	[472,778]	-	[128,296]	14,440	538,905	-	1,895	17,580	[503,061]
<u>229,652</u>	<u>3,408,671</u>	<u>199</u>	<u>503,382</u>	<u>-</u>	<u>1,049,083</u>	<u>491,672</u>	<u>1,728,973</u>	<u>5,638,052</u>	<u>849</u>	<u>254,711</u>	<u>17,243,156</u>
\$ <u>234,250</u>	\$ <u>2,832,392</u>	\$ <u>1,330</u>	\$ <u>30,604</u>	\$ <u>-</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>

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, 2014
 (With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013		June 30, 2014				Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
State and local	\$ 3,731,933	\$ 3,524,301	\$ [3,524,301]	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	175,706	175,706	[175,706]
Total intergovernmental	3,731,933	3,524,301	[3,524,301]	-	175,706	175,706	[175,706]
Charges for services	21,667	6,752	-	6,752	20,000	20,000	[13,248]
Total revenues	3,753,600	3,531,053	[3,524,301]	6,752	195,706	195,706	[188,954]
EXPENDITURES:							
Instruction	3,000,540	2,831,731	12,968	2,844,699	3,101,281	3,101,281	256,582
Instructional support staff	299,175	205,319	-	205,319	259,406	259,406	54,087
School administration	85,532	85,518	[298]	85,220	85,063	85,063	[157]
Operations and maintenance	90,837	84,502	-	84,502	100,449	100,449	15,947
Student transportation services	222,273	231,057	-	231,057	-	-	[231,057]
Other support services	77,761	81,061	-	81,061	227,546	227,546	146,485
Total expenditures	3,776,118	3,519,188	12,670	3,531,858	3,773,745	3,773,745	241,887
Excess [deficiency] of revenues over [under] expenditures	[22,518]	11,865	[3,536,971]	[3,525,106]	[3,578,039]	[3,578,039]	52,933
OTHER FINANCING SOURCES [USES]:							
Transfers in	-	-	3,524,301	3,524,301	3,578,039	3,578,039	[53,738]
Total other financing sources [uses]	-	-	3,524,301	3,524,301	3,578,039	3,578,039	[53,738]
Net change in fund balance	[22,518]	11,865	[12,670]	[805]	\$ -	\$ -	\$ [805]
FUND BALANCE - Beginning of year	29,156	9,794	[9,794]	-			
Prior year cancelled encumbrances	3,156	805	-	805			
FUND BALANCE - End of year	\$ 9,794	\$ 22,464	\$ [22,464]	\$ -			

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, 2014
(With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013			June 30, 2014			
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 16,410	\$ 1,472	\$ -	\$ 1,472	\$ -	\$ -	\$ 1,472
Current	18	2,796,354	-	2,796,354	2,857,769	2,857,769	[61,415]
Delinquent	22,755	13,819	-	13,819	-	-	13,819
Motor vehicle	255,181	42,522	-	42,522	39,895	39,895	2,627
Total taxes	294,364	2,854,167	-	2,854,167	2,897,664	2,897,664	[43,497]
Total revenues	294,364	2,854,167	-	2,854,167	2,897,664	2,897,664	[43,497]
EXPENDITURES:							
State payment	179,550	3,187,219	-	3,187,219	3,187,219	3,187,219	-
Total expenditures	179,550	3,187,219	-	3,187,219	3,187,219	3,187,219	\$ -
Net change in fund balance	114,814	[333,052]	-	[333,052]	\$ [289,555]	\$ [289,555]	
FUND BALANCE - Beginning of year	174,741	289,555	-	289,555			
FUND BALANCE - End of year	\$ 289,555	\$ [43,497]	\$ -	\$ [43,497]			

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, 2014
(With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013	June 30, 2014					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
State and local	\$ 256,620	\$ 160,491	\$ [160,491]	\$ -	\$ -	\$ -	\$ -
Total revenues	256,620	160,491	[160,491]	-	-	-	-
EXPENDITURES:							
Instructional support staff	252,356	144,173	16,396	160,569	234,754	234,754	74,185
Total expenditures	252,356	144,173	16,396	160,569	234,754	234,754	74,185
Excess [deficiency] of revenues over [under] expenditures	4,264	16,318	[176,887]	[160,569]	[234,754]	[234,754]	74,185
OTHER FINANCING SOURCES [USES]:							
Transfers in	-	-	160,491	160,491	234,754	234,754	[74,263]
Total other financing sources [uses]	-	-	160,491	160,491	234,754	234,754	[74,263]
Net change in fund balance	4,264	16,318	[16,396]	[78]	\$ -	\$ -	\$ [78]
FUND BALANCE - Beginning of year	7,942	12,250	[12,250]	-			
Prior year cancelled encumbrances	44	78	-	78			
FUND BALANCE - End of year	\$ 12,250	\$ 28,646	\$ [28,646]	\$ -			

See independent auditor's report on the financial statements.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 SPECIAL ASSESSMENT FUND
 For the Year Ended June 30, 2014
 (With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013	June 30, 2014					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 13,840	\$ 14,775	\$ -	\$ 14,775	\$ 22,263	\$ 22,263	\$ [7,488]
Current	798,079	1,000,253	-	1,000,253	991,078	991,078	9,175
Delinquent	8,611	8,176	-	8,176	9,489	9,489	[1,313]
Motor vehicle	98,832	94,744	-	94,744	90,830	90,830	3,914
Rental excise	1,705	1,673	-	1,673	1,500	1,500	173
Total revenues	921,067	1,119,621	-	1,119,621	1,115,160	1,115,160	4,461
EXPENDITURES:							
Facility acquisition and construction	948,310	984,200	-	984,200	1,100,000	1,100,000	115,800
Total expenditures	948,310	984,200	-	984,200	1,100,000	1,100,000	115,800
Net change in fund balance	[27,243]	135,421	-	135,421	\$ 15,160	\$ 15,160	\$ 120,261
FUND BALANCE - Beginning of year	471,971	444,728	-	444,728			
FUND BALANCE - End of year	\$ 444,728	\$ 580,149	\$ -	\$ 580,149			

See independent auditor's report on the financial statements.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 FOOD SERVICE FUND
 For the Year Ended June 30, 2014
 (With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013			June 30, 2014			Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
Federal	\$ 5,476,218	\$ 5,632,029	\$ -	\$ 5,632,029	\$ 5,494,310	\$ 5,494,310	\$ 137,719
State and local	<u>108,003</u>	<u>107,958</u>	<u>-</u>	<u>107,958</u>	<u>97,510</u>	<u>97,510</u>	<u>10,448</u>
Total intergovernmental	5,584,221	5,739,987	-	5,739,987	5,591,820	5,591,820	148,167
Charges for services	5,621,203	5,458,129	-	5,458,129	5,685,310	5,685,310	[227,181]
Investment revenue	<u>252</u>	<u>233</u>	<u>-</u>	<u>233</u>	<u>500</u>	<u>500</u>	<u>[267]</u>
Total revenues	<u>11,205,676</u>	<u>11,198,349</u>	<u>-</u>	<u>11,198,349</u>	<u>11,277,630</u>	<u>11,277,630</u>	<u>[79,281]</u>
EXPENDITURES:							
Operations and maintenance	674,164	565,921	-	565,921	675,000	675,000	109,079
Food service operations	<u>10,971,569</u>	<u>10,632,253</u>	<u>[55,428]</u>	<u>10,576,825</u>	<u>12,738,274</u>	<u>12,738,274</u>	<u>2,161,449</u>
Total expenditures	<u>11,645,733</u>	<u>11,198,174</u>	<u>[55,428]</u>	<u>11,142,746</u>	<u>13,413,274</u>	<u>13,413,274</u>	<u>2,270,528</u>
Net change in fund balance	[440,057]	175	55,428	55,603	\$ [2,135,644]	\$ [2,135,644]	\$ 2,191,247
FUND BALANCE - Beginning of year	2,825,274	2,525,973	[390,330]	2,135,643			
Prior year cancelled encumbrances	<u>140,756</u>	<u>178,319</u>	<u>-</u>	<u>178,319</u>			
FUND BALANCE - End of year	<u>\$ 2,525,973</u>	<u>\$ 2,704,467</u>	<u>\$ [334,902]</u>	<u>\$ 2,369,565</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)
ADULT SUPPLEMENTAL EDUCATION FUND
For the Year Ended June 30, 2014
(With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013	June 30, 2014					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Charges for services	\$ -	\$ 1,792	\$ -	\$ 1,792	\$ -	\$ -	\$ 1,792
Total revenues	-	1,792	-	1,792	-	-	1,792
EXPENDITURES:							
Instruction	-	3,846	2,385	6,231	18,513	18,513	12,282
Total expenditures	-	3,846	2,385	6,231	18,513	18,513	12,282
Net change in fund balance	-	[2,054]	[2,385]	[4,439]	\$ [18,513]	\$ [18,513]	\$ 14,074
FUND BALANCE - Beginning of year	39,428	39,428	-	39,428			
FUND BALANCE - End of year	\$ 39,428	\$ 37,374	\$ [2,385]	\$ 34,989			

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, 2014
 (With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013	June 30, 2014					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
State and local	\$ 2,810,725	\$ 2,819,765	\$ [2,819,765]	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>2,810,725</u>	<u>2,819,765</u>	<u>[2,819,765]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:							
Instruction	2,367,790	2,367,739	[182]	2,367,557	2,524,351	2,524,351	156,794
Student support services	35,538	35,762	-	35,762	34,990	34,990	[772]
Instructional support staff	97,008	97,356	-	97,356	95,229	95,229	[2,127]
Student transportation services	<u>308,535</u>	<u>319,083</u>	<u>-</u>	<u>319,083</u>	<u>303,542</u>	<u>303,542</u>	<u>[15,541]</u>
Total expenditures	<u>2,808,871</u>	<u>2,819,940</u>	<u>[182]</u>	<u>2,819,758</u>	<u>2,958,112</u>	<u>2,958,112</u>	<u>138,354</u>
Excess [deficiency] of revenues over [under] expenditures	<u>1,854</u>	<u>[175]</u>	<u>[2,819,583]</u>	<u>[2,819,758]</u>	<u>[2,958,112]</u>	<u>[2,958,112]</u>	<u>138,354</u>
OTHER FINANCING SOURCES [USES]:							
Transfers in	<u>-</u>	<u>-</u>	<u>2,819,765</u>	<u>2,819,765</u>	<u>2,958,112</u>	<u>2,958,112</u>	<u>[138,347]</u>
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>2,819,765</u>	<u>2,819,765</u>	<u>2,958,112</u>	<u>2,958,112</u>	<u>[138,347]</u>
Net change in fund balance	1,854	[175]	182	7	\$ -	\$ -	\$ 7
FUND BALANCE - Beginning of year	555	2,466	[2,466]	-			
Prior year cancelled encumbrances	<u>57</u>	<u>[7]</u>	<u>-</u>	<u>[7]</u>			
FUND BALANCE - End of year	<u>\$ 2,466</u>	<u>\$ 2,284</u>	<u>\$ [2,284]</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, 2014
(With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013		June 30, 2014				Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Charges for services	\$ 470,074	\$ 489,872	\$ -	\$ 489,872	\$ 500,000	\$ 500,000	\$ [10,128]
Total revenues	<u>470,074</u>	<u>489,872</u>	<u>-</u>	<u>489,872</u>	<u>500,000</u>	<u>500,000</u>	<u>[10,128]</u>
EXPENDITURES:							
Instruction	347,309	269,071	1,086	270,157	606,030	606,030	335,873
Student support services	9,920	9,110	[68]	9,042	12,300	12,300	3,258
School administration	73,638	69,494	-	69,494	69,412	69,412	[82]
Operations and maintenance	<u>63,597</u>	<u>57,924</u>	<u>-</u>	<u>57,924</u>	<u>51,000</u>	<u>51,000</u>	<u>[6,924]</u>
Total expenditures	<u>494,464</u>	<u>405,599</u>	<u>1,018</u>	<u>406,617</u>	<u>738,742</u>	<u>738,742</u>	<u>332,125</u>
Net change in fund balance	[24,390]	84,273	[1,018]	83,255	\$ [238,742]	\$ [238,742]	\$ 321,997
FUND BALANCE - Beginning of year	635,232	611,621	[3,388]	608,233			
Prior year cancelled encumbrances	<u>779</u>	<u>909</u>	<u>-</u>	<u>909</u>			
FUND BALANCE - End of year	<u>\$ 611,621</u>	<u>\$ 696,803</u>	<u>\$ [4,406]</u>	<u>\$ 692,397</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, 2014
(With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013	June 30, 2014					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
State and local	\$ 385,544	\$ 345,877	\$ -	\$ 345,877	\$ 345,877	\$ 345,877	\$ -
Total revenues	385,544	345,877	-	345,877	345,877	345,877	-
EXPENDITURES:							
Student support services	550,639	494,664	2,868	497,532	512,528	512,528	14,996
Instructional support staff	31,156	34,772	-	34,772	55,562	55,562	20,790
General administration	20,276	20,173	-	20,173	-	-	[20,173]
Total expenditures	602,071	549,609	2,868	552,477	568,090	568,090	15,613
Excess [deficiency] of revenues over [under] expenditures	[216,527]	[203,732]	[2,868]	[206,600]	[222,213]	[222,213]	15,613
OTHER FINANCING SOURCES [USES]:							
Transfers in	213,564	206,600	-	206,600	222,213	222,213	[15,613]
Total other financing sources [uses]	213,564	206,600	-	206,600	222,213	222,213	[15,613]
Net change in fund balance	[2,963]	2,868	[2,868]	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	3,460	2,097	[2,097]	-			
Prior year cancelled encumbrances	1,600	-	-	-			
FUND BALANCE - End of year	\$ 2,097	\$ 4,965	\$ [4,965]	\$ -			

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, 2014
(With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013	June 30, 2014					Variance with Final Budget
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Positive [Negative]
					Original	Final	
REVENUES:							
Charges for services	\$ 88,037	\$ 87,868	\$ -	\$ 87,868	\$ 82,000	\$ 82,000	\$ 5,868
Total revenues	88,037	87,868	-	87,868	82,000	82,000	5,868
EXPENDITURES:							
Instruction	57,271	83,270	-	83,270	101,763	101,763	18,493
Other support services	-	-	-	-	100,000	100,000	100,000
Total expenditures	57,271	83,270	-	83,270	201,763	201,763	118,493
Excess [deficiency] of revenues over [under] expenditures	30,766	4,598	-	4,598	\$ [119,763]	\$ [119,763]	\$ 124,361
FUND BALANCE - Beginning of year	198,886	229,652	-	229,652			
FUND BALANCE - End of year	\$ 229,652	\$ 234,250	\$ -	\$ 234,250			

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, 2014
(With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013		June 30, 2014				Variance with
	GAAP	GAAP	Adjustments	Budgetary	Budgeted Amounts		Final Budget
	Basis	Basis	to Budgetary	Basis	Original	Final	Positive
			Basis				[Negative]
REVENUES:							
Intergovernmental:							
Taxes	\$ 2,453	\$ 1,149	\$ -	\$ 1,149	\$ 915	\$ 915	\$ 234
Investment revenue	1,680	3,905	765	4,670	-	-	-
Total revenues	4,133	5,054	765	5,819	915	915	234
EXPENDITURES:							
General administration	126,851	70,983	-	70,983	1,267,275	1,267,275	1,196,292
Business and central support services	80,535	510,350	[208,817]	301,533	-	-	[301,533]
Total expenditures	207,386	581,333	[208,817]	372,516	1,267,275	1,267,275	894,759
Net change in fund balance	[203,253]	[576,279]	209,582	[366,697]	\$ [1,266,360]	\$ [1,266,360]	\$ 894,993
FUND BALANCE - Beginning of year	3,611,924	3,408,671	[214,434]	3,194,237			
FUND BALANCE - End of year	\$ 3,408,671	\$ 2,832,392	\$ [4,852]	\$ 2,827,540			

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, 2014
(With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013	June 30, 2014					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
State and local	\$ 329,835	\$ 336,154	\$ [336,154]	\$ -	\$ -	\$ -	\$ -
Total revenues	329,835	336,154	[336,154]	-	-	-	-
EXPENDITURES:							
Instruction	329,747	335,015	1,131	336,146	336,466	336,466	320
Total expenditures	329,747	335,015	1,131	336,146	336,466	336,466	320
Excess [deficiency] of revenues over [under] expenditures	88	1,139	[337,285]	[336,146]	[336,466]	[336,466]	320
OTHER FINANCING SOURCES [USES]:							
Transfers in	-	-	336,154	336,154	336,466	336,466	[312]
Total other financing sources [uses]	-	-	336,154	336,154	336,466	336,466	[312]
Net change in fund balance	88	1,139	[1,131]	8	\$ -	\$ -	\$ 8
FUND BALANCE - Beginning of year	123	199	[199]	-			
Prior year cancelled encumbrances	[12]	[8]	-	[8]			
FUND BALANCE - End of year	\$ 199	\$ 1,330	\$ [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, 2014

(With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013	June 30, 2014					Variance with Final Budget Positive
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		[Negative]
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 100,198	\$ 84,470	\$ -	\$ 84,470	\$ 127,194	\$ 127,194	\$ [42,724]
Current	4,576,773	4,040,263	-	4,040,263	4,114,229	4,114,229	[73,966]
Delinquent	53,453	69,360	-	69,360	54,236	54,236	15,124
Motor vehicle	695,671	678,554	-	678,554	608,414	608,414	70,140
Total taxes	5,426,095	4,872,647	-	4,872,647	4,904,073	4,904,073	[31,426]
Total revenue	5,426,095	4,872,647	-	4,872,647	4,904,073	4,904,073	[31,426]
EXPENDITURES:							
State payment	5,731,782	5,345,425	-	5,345,425	5,407,455	5,407,455	62,030
Total expenditures	5,731,782	5,345,425	-	5,345,425	5,407,455	5,407,455	62,030
Net change in fund balance	[305,687]	[472,778]	-	[472,778]	\$ [503,382]	\$ [503,382]	\$ 30,604
FUND BALANCE - Beginning of year	809,069	503,382	-	503,382			
FUND BALANCE - End of year	\$ 503,382	\$ 30,604	\$ -	\$ 30,604			

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE 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, 2014
(With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013		June 30, 2014				Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
State and local	\$ 16,838,495	\$ 18,042,311	\$ -	\$ 18,042,311	\$ 20,206,194	\$ 20,206,194	\$ [2,163,883]
Total revenues	16,838,495	18,042,311	-	18,042,311	20,206,194	20,206,194	[2,163,883]
EXPENDITURES:							
Instruction	11,904,817	12,755,913	-	12,755,913	14,285,780	14,285,780	1,529,867
Student support services	976,633	1,046,454	-	1,046,454	1,171,959	1,171,959	125,505
Instructional support staff	572,509	613,439	-	613,439	687,010	687,010	73,571
General administration	84,192	90,212	-	90,212	101,031	101,031	10,819
School administration	993,471	1,064,496	-	1,064,496	1,192,165	1,192,165	127,669
Operations and maintenance	1,229,210	1,317,089	-	1,317,089	1,475,052	1,475,052	157,963
Student transport services	16,838	18,042	-	18,042	20,206	20,206	2,164
Food service	488,316	523,227	-	523,227	585,981	585,981	62,754
Business and central support services	572,509	613,439	-	613,439	687,010	687,010	73,571
Total expenditures	16,838,495	18,042,311	-	18,042,311	20,206,194	20,206,194	2,163,883
Net change in fund balance	-	-	-	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	-	-	-	-			
FUND BALANCE - End of year	\$ -	\$ -	\$ -	\$ -			

See independent auditor's report on the financial statements.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
FEDERAL AND LOCAL GRANTS FUND
For the Year Ended June 30, 2014
(With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013			June 30, 2014			Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
Federal	\$ 5,610,803	\$ 4,670,034	\$ -	\$ 4,670,034	\$ 5,034,198	\$ 5,034,198	\$ [364,164]
Total intergovernmental	5,610,803	4,670,034	-	4,670,034	5,034,198	5,034,198	[364,164]
Other local sources	1,177,661	1,087,232	-	1,087,232	-	-	1,087,232
Total revenues	6,788,464	5,757,266	-	5,757,266	5,034,198	5,034,198	723,068
EXPENDITURES:							
Instruction	4,593,690	3,769,321	[4,424]	3,764,897	3,094,840	3,094,840	[670,057]
Student support services	1,231,325	1,193,783	[3,052]	1,190,731	950,034	950,034	[240,697]
Instructional support staff	745,072	745,973	1,033	747,006	834,883	834,883	87,877
General administration	134,722	164,859	-	168,357	105,927	105,927	[62,430]
Student transportation services	2,636	5,812	-	5,812	-	-	[5,812]
Student activities	90	17,500	660	18,160	-	-	[18,160]
Total expenditures	6,707,535	5,897,248	[5,783]	5,894,963	4,985,684	4,985,684	[909,279]
Net change in fund balance	80,929	[139,982]	5,783	[137,697]	\$ 48,514	\$ 48,514	\$ [186,211]
FUND BALANCE - Beginning of year	966,103	1,049,083	[74,010]	975,073			
Prior year cancelled encumbrances	2,051	11,686	-	11,686			
FUND BALANCE - End of year	\$ 1,049,083	\$ 920,787	\$ [68,227]	\$ 849,062			

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, 2014
 (With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013			June 30, 2014			
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 389,328	\$ 405,149	\$ -	\$ 405,149	\$ 610,499	\$ 610,499	\$ [205,350]
Current	21,889,943	20,415,373	-	20,415,373	20,238,579	20,238,579	176,794
Delinquent	241,690	227,982	-	227,982	260,264	260,264	[32,282]
Motor vehicle	2,683,127	2,644,116	-	2,644,116	2,524,750	2,524,750	119,366
Rental excise	45,620	47,080	-	47,080	-	-	47,080
Total taxes	25,249,708	23,739,700	-	23,739,700	23,634,092	23,634,092	105,608
Investment revenue	50,653	2,183	1,856	4,039	3,850	3,850	189
Other revenue	-	-	-	-	45,000	45,000	[45,000]
Total revenues	25,300,361	23,741,883	1,856	23,743,739	23,682,942	23,682,942	60,797
EXPENDITURES:							
Debt Service							
Principal	15,235,000	17,495,000	-	17,495,000	17,495,000	17,495,000	-
Interest and other charges	8,529,650	7,286,249	-	7,286,249	7,289,511	7,289,511	3,262
Total expenditures	23,764,650	24,781,249	-	24,781,249	24,784,511	24,784,511	3,262
Excess [deficiency] of revenues over [under] expenditures	1,535,711	[1,039,366]	1,856	[1,037,510]	[1,101,569]	[1,101,569]	64,059
OTHER FINANCING SOURCES [USES]:							
Refunding bonds issued	79,790,000	-	-	-	-	-	-
Bond premium	6,046,627	-	-	-	-	-	-
Bond issuance costs	[328,693]	-	-	-	-	-	-
Payment to refunded bond escrow agent	[85,507,934]	-	-	-	-	-	-
Total other financing sources [uses]	-	-	-	-	-	-	-
Net change in fund balance	1,535,711	[1,039,366]	1,856	[1,037,510]	\$ [1,101,569]	\$ [1,101,569]	\$ 64,059
FUND BALANCE - Beginning of year	18,911,711	20,447,422	[1,856]	20,445,566			
FUND BALANCE - End of year	\$ 20,447,422	\$ 19,408,056	\$ -	\$ 19,408,056			

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, 2014
 (With Comparative Amounts for the Year Ended June 30, 2013)

	June 30, 2013	June 30, 2014					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 393,765	\$ 404,702	\$ -	\$ 404,702	\$ 609,804	\$ 609,804	\$ [205,102]
Current	21,865,354	21,984,278	-	21,984,278	21,839,232	21,839,232	145,046
Delinquent	261,569	237,232	-	237,232	259,971	259,971	[22,739]
Motor vehicle	2,691,825	2,663,671	-	2,663,671	2,543,174	2,543,174	120,497
Rental excise	45,615	47,616	-	47,616	45,000	45,000	2,616
Total taxes	25,258,128	25,337,499	-	25,337,499	25,297,181	25,297,181	40,318
Other local sources	461,881	1,581,200	132	1,581,332	28,511	28,511	1,552,821
Total revenues	25,720,009	26,918,699	132	26,918,831	25,325,692	25,325,692	1,593,139
EXPENDITURES:							
Instruction	4,688,823	7,905,077	11,916,645	19,821,722	3,874,359	26,057,098	6,235,376
Student support services	44,533	26,232	-	26,232	28,886	28,886	2,654
Instructional support staff	69,268	27,682	7,651	35,333	36,200	36,200	867
Operations and maintenance	5,429,006	4,087,488	[92,887]	3,994,601	727,020	727,020	[3,267,581]
Other support services	80,673	134,182	[3,529]	130,653	1,011,639	1,011,639	880,986
Business and central support services	1,022,071	877,141	[83,398]	793,743	332,110	332,110	[461,633]
Facility acquisition and construction	26,111,280	15,249,899	173,582	15,423,481	27,569,255	27,569,255	12,145,774
Total expenditures	37,445,654	28,307,701	11,918,064	40,225,765	33,579,469	55,762,208	15,536,443
OTHER FINANCING SOURCES [USES]:							
Temporary notes issued	-	17,851,306	-	17,851,306	-	18,182,739	[331,433]
Total other financing sources [uses]	-	17,851,306	-	17,851,306	-	18,182,739	[331,433]
Net change in fund balance	[11,725,645]	16,462,304	[11,917,932]	4,544,372	\$ [8,253,777]	\$ [12,253,777]	\$ 16,798,149
FUND BALANCE - Beginning of year, as originally stated	35,102,072	23,596,452	[10,342,677]	13,253,775			
Prior year cancelled encumbrances	220,025	390,468	-	390,468			
FUND BALANCE - End of year	\$ 23,596,452	\$ 40,449,224	\$ [22,260,609]	\$ 18,188,615			

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

For the Year Ended June 30, 2014

	Balance June 30, <u>2013</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2014</u>
Assets - cash and investments	<u>\$ 2,155,662</u>	<u>\$ 3,930,231</u>	<u>\$ 3,837,915</u>	<u>\$ 2,247,978</u>
Liabilities - due to student organizations	<u>\$ 2,155,662</u>	<u>\$ 3,930,231</u>	<u>\$ 3,837,915</u>	<u>\$ 2,247,978</u>

See independent auditor's report on the financial statements.

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STATISTICAL SECTION

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.

<u>Contents</u>	Page
Financial Trends	68 - 76
These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time	
Revenue Capacity	77 - 83
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	84 - 88
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.	
Demographic and Economic Information	89 - 91
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	92 - 94
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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net investment in capital assets										
Restricted	\$ 26,924,448	\$ 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
Unrestricted	17,511,593	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
Total Net Position	<u>162,645,454</u>	<u>140,139,078</u>	<u>171,859,713</u>	<u>137,679,779</u>	<u>77,939,314</u>	<u>71,341,002</u>	<u>68,426,450</u>	<u>58,173,988</u>	<u>48,372,632</u>	<u>61,443,636</u>
	\$ 207,081,495	\$ 236,530,759	\$ 265,353,597	\$ 286,153,125	\$ 298,560,332	\$ 299,248,276	\$ 296,812,921	\$ 308,386,099	\$ 322,150,555	\$ 332,218,878

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)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities:										
Instruction	\$ 138,088,248	\$ 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
Student Support Services	11,710,379	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
Instructional Support	7,535,834	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
General Administration	1,508,850	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
School Administration	10,700,053	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
Operations and Maintenance	28,486,650	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
Student Transportation Services	7,144,689	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
Food Service	9,098,594	9,446,498	10,193,201	11,007,453	11,450,798	11,031,971	10,677,553	11,102,506	11,457,954	11,055,516
Student Activities	3,158,418	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
Business and Central Support Services	12,996,232	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
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
Interest on Long-Term Debt	6,907,229	9,586,735	10,167,342	12,739,612	11,785,703	11,119,808	10,582,206	9,939,082	8,012,807	7,108,025
Total Primary Government Expenses	237,333,176	261,303,828	286,808,004	307,600,415	319,880,613	324,801,079	306,479,631	307,881,456	300,941,100	302,748,472
Program Revenues										
Governmental Activities:										
Charges for services										
Instruction	3,153,967	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
Food service operations	7,222,354	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
Operating grants and contributions	35,576,059	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
Total Primary Government Program Revenues	45,952,380	50,875,142	61,741,673	67,153,501	73,047,874	67,188,418	65,347,201	71,816,395	68,656,319	68,038,668
Total Primary Government Net [Expense]	\$ [191,380,796]	\$ [210,428,686]	\$ [225,066,331]	\$ [240,446,914]	\$ [246,832,739]	\$ [257,612,661]	\$ [241,132,430]	\$ [236,065,061]	\$ [232,284,781]	\$ [234,709,804]

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Primary Government Net [Expense]	<u>\$ [191,380,796]</u>	<u>\$ [210,428,686]</u>	<u>\$ [225,066,331]</u>	<u>\$ [240,446,914]</u>	<u>\$ [246,832,739]</u>	<u>\$ [257,612,661]</u>	<u>\$ [241,132,430]</u>	<u>\$ [236,065,061]</u>	<u>\$ [232,284,781]</u>	<u>\$ [234,709,804]</u>
General Revenues and Other Changes in Net Position:										
Property Taxes	125,300,351	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
Grants and Entitlements not Restricted to										
Specific Programs	68,292,821	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
Investment Earnings	2,420,036	6,008,736	6,689,520	6,020,733	1,427,724	228,674	44,357	44,892	95,308	23,647
Miscellaneous	7,584,835	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
Proceeds from Legal Settlement	-	-	-	-	-	-	-	-	-	-
Special items	-	-	-	-	-	-	-	-	-	-
Capital asset impairment losses	-	-	-	-	-	-	[7,481,919]	-	[718,519]	[4,287,468]
Total Primary Government	<u>203,598,043</u>	<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>
Total Primary Government Change in Net Position	<u>\$ 12,217,247</u>	<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>

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 2,259,288	\$ 2,753,966	\$ 3,332,759	\$ 2,383,284	\$ 2,122,870	\$ 1,963,346	\$ -	\$ -	\$ -	\$ -
Unreserved	5,211	60,147	15,687	62,301	42,193	25,182	-	-	-	-
Nonspendable	-	-	-	-	-	-	905,582	888,847	780,738	688,792
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	329,853	317,516	334,857	559,760
Unassigned	-	-	-	-	-	-	29,262	21,352	26,277	13,971
Total General Fund	\$ 2,264,499	\$ 2,814,113	\$ 3,348,446	\$ 2,445,585	\$ 2,165,063	\$ 1,988,528	\$ 1,264,697	\$ 1,227,715	\$ 1,141,872	\$ 1,262,523
All Other Governmental Funds										
Reserved	\$ 71,660,091	\$ 86,514,435	\$ 68,378,270	\$ 82,220,499	\$ 45,910,160	\$ 36,694,454	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	40,966,423	55,910,750	71,684,855	74,461,770	77,904,670	59,551,483	-	-	-	-
Capital project funds	64,608,843	12,018,025	46,684,050	[1,171,447]	[3,806,001]	455,542	-	-	-	-
Nonspendable	-	-	-	-	-	-	107,725	96,722	189,521	198,557
Restricted	-	-	-	-	-	-	74,713,707	64,056,743	55,705,031	63,221,353
Assigned	-	-	-	-	-	-	17,646,655	19,977,946	15,356,317	24,149,575
Unassigned	-	-	-	-	-	-	1,528,813	1,623,281	2,733,230	1,713,483
Total All Other Governmental Funds	\$ 177,235,357	\$ 154,443,210	\$ 186,747,175	\$ 155,510,822	\$ 120,008,829	\$ 96,701,479	\$ 93,996,900	\$ 85,754,692	\$ 73,984,099	\$ 89,282,968

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
(Modified Accrual Basis of Accounting)

LAST TEN FISCAL YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Taxes, Net	\$ 125,300,351	\$ 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
Intergovernmental	102,933,457	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
Charges for Services	10,376,321	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
Investment Revenue	2,404,769	5,990,696	6,666,656	6,005,919	1,424,896	228,674	44,357	44,892	95,308	23,647
Other Local Sources	8,520,258	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
Total revenues	\$ 249,535,156	\$ 288,928,131	\$ 315,615,195	\$ 328,207,049	\$ 333,540,191	\$ 325,481,000	\$ 320,653,990	\$ 325,187,966	\$ 314,924,017	\$ 317,667,007

Source: Shawnee Mission USD #512 Basic Financial Statements

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

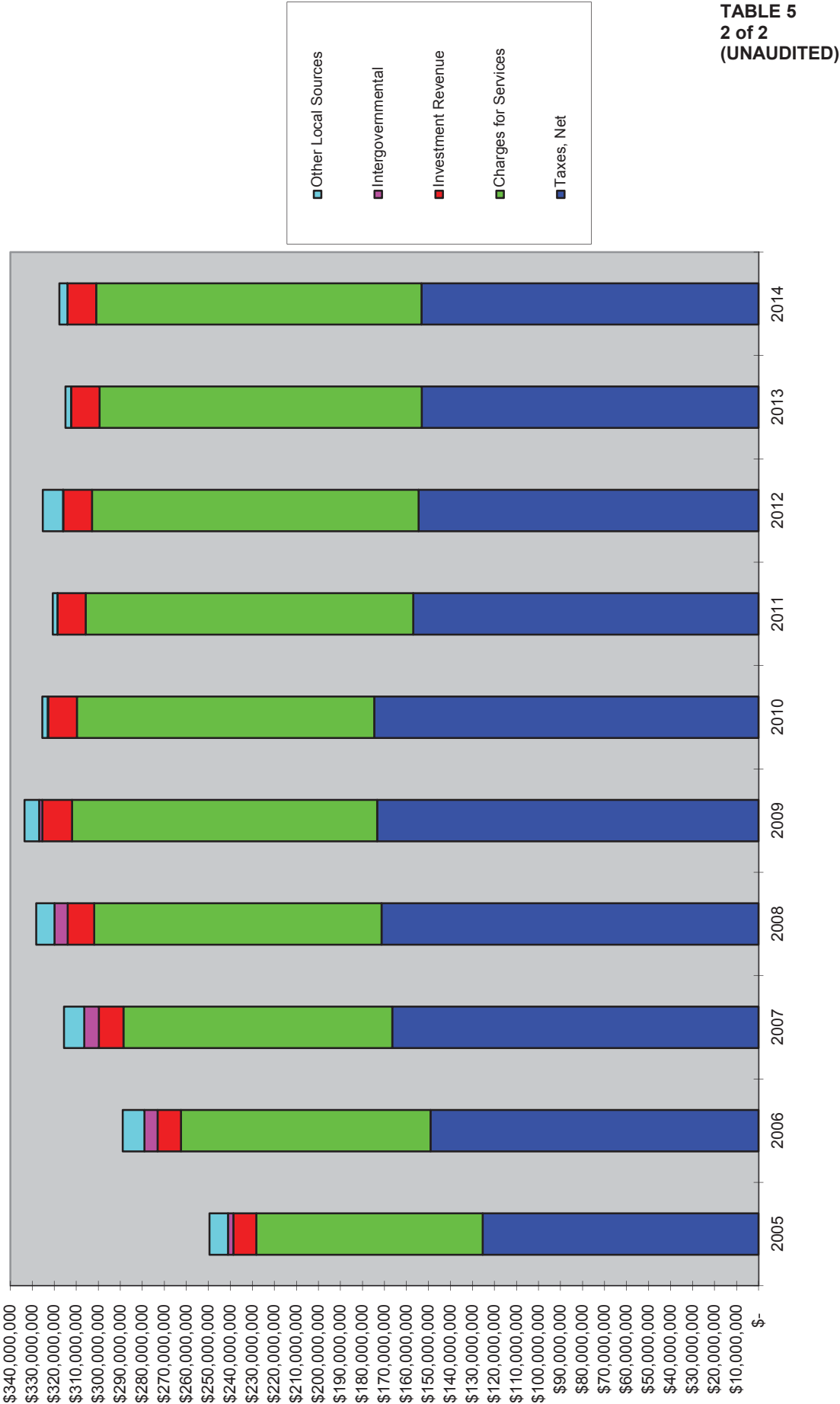


TABLE 6
1 of 2
(UNAUDITED)

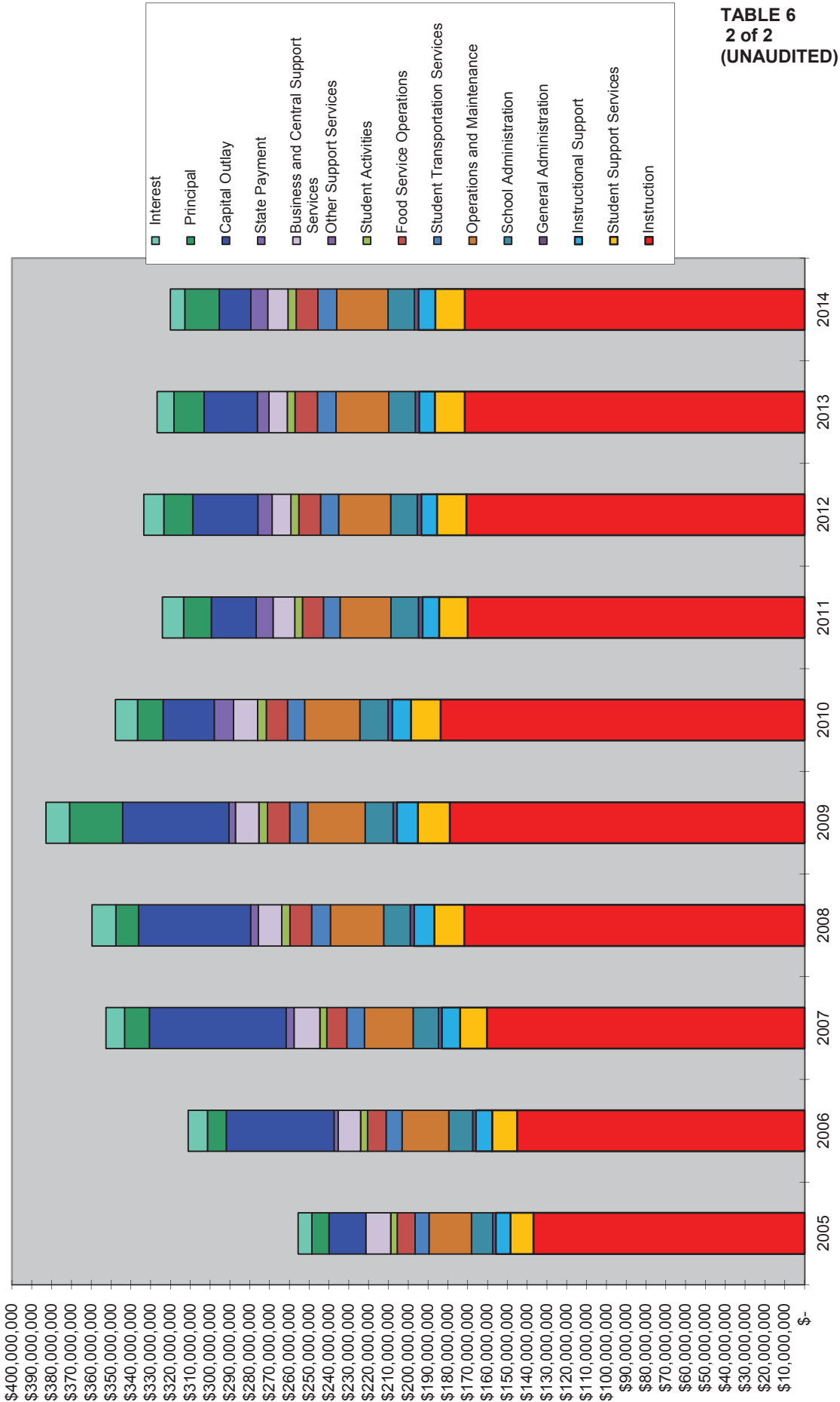
SHAWNEE MISSION USD #512, KANSAS
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction	\$ 136,864,463	\$ 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
Student Support Services	11,491,264	12,461,064	13,505,144	15,064,105	16,043,234	14,907,675	14,328,515	14,823,074	14,999,984	14,795,635
Instructional Support	7,497,731	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
General Administration	1,503,056	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
School Administration	10,696,478	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
Operations and Maintenance	21,427,135	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
Student Transportation Services	7,142,595	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
Food Service Operations	8,925,915	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
Student Activities	3,153,230	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
Other Support Services	161,192	6,728	3,926	10,088	76,951	3,525	-	-	-	-
Business and Central Support Services	12,460,299	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
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
Capital Outlay	18,629,785	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
Debt Service										
Principal	8,710,000	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
Interest	6,939,120	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
Total Expenditures	\$ 255,602,263	\$ 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
Debt service as a percentage of noncapital expenditures	6.60%	7.48%	7.73%	7.75%	11.74%	11.88%	7.66%	8.22%	7.92%	8.14%

(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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Excess of Revenues Over										
[Under] Expenditures	\$ [6,067,107]	\$ [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]
Other Financing Sources [Uses]										
General long term debt issued	93,834,308	-	81,232,467	-	15,850,000	-	-	-	79,790,000	17,851,306
Bond premium	-	-	-	-	591,126	-	-	-	6,046,627	-
Sale of capital assets	634,582	797,411	-	-	-	-	-	-	-	-
Proceeds from legal settlement	-	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Payment to escrow agent	[26,966,195]	-	[10,440,692]	-	-	-	-	-	[328,693]	-
Transfer in	33,280,028	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
Transfer out	[34,183,439]	[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]
Total Other Financing Sources [Uses]	66,599,284	[114,334]	69,802,869	[967,941]	15,185,836	[1,128,313]	-	-	-	17,851,306
Net Change in Fund Balances	\$ 60,532,177	\$ [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

Source: Shawnee Mission USD #512 Basic Financial Statements

TABLE 7
(UNAUDITED)

TABLE 8
1 of 2
(UNAUDITED)

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

Tax Year	Real Property Assessed Value	Personal Property Assessed Value	Utilities Assessed Value	Total Assessed Value	Real Property Estimated Actual Value*	Personal Property Estimated Actual Value*	Utilities Estimated Actual Value*	Total Estimated Actual Value*	Ratio of Total Assessed to Total Estimated Act. Value		Total Direct Rate
									Estimated	Act. Value	
2004	\$ 2,574,608,478	\$ 191,745,181	\$ 116,835,405	\$ 2,883,189,064	\$ 20,182,361,128	\$ 754,197,712	\$ 372,278,290	\$ 21,308,837,130	13.53%		42.655
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

(1)

* Actual values for property within the boundaries of Unified School District No. 512 for years 2004 through 2013 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, 2013 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

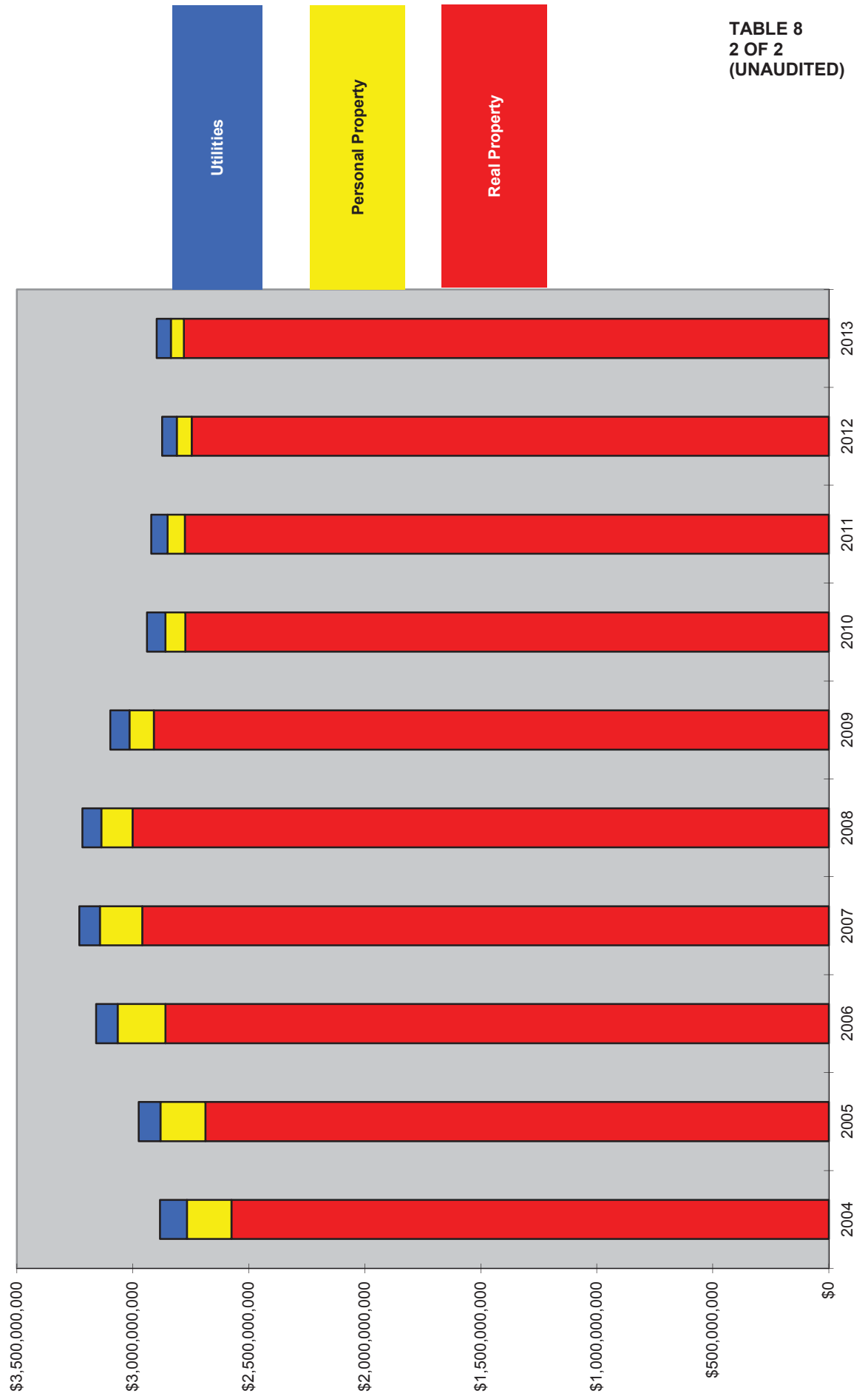


TABLE 9
1 of 2
(UNAUDITED)

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	7,048	12,559	13,980	15,208	15,187	16,566	17,795	17,727	17,796	17,357
Capital Outlay	7,752	9,996	10,007	8,720	8,737	8,000	8,737	7,997	8,000	8,000
Declining Enrollment	0.000	0.706	1.162	0.986	0.765	0.918	1.003	0.188	0.000	1.009
Bond & Interest	6,879	5,827	6,034	6,517	6,893	7,183	8,001	7,907	8,009	7,429
Special Assessment	0.185	0.160	0.174	0.207	0.248	0.245	0.281	0.281	0.292	0.364
Cost of Living	0.000	0.000	0.123	0.120	0.120	2.239	2.094	2.035	1.669	1.452
Special Liability	0.791	0.500	0.500	0.250	0.144	0.167	0.000	0.000	0.000	0.000
Total - Direct	42,655	49,748	51,980	52,008	52,094	55,318	57,192	56,135	55,766	55,611
	(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	16,041	17,922	17,949	19,985	17,767	17,716	17,748	17,700	17,717	17,745
Cities										
Fairway	12,854	12,853	12,856	12,979	12,752	12,853	18,617	18,617	18,621	17,542
Leawood*	24,233	24,218	24,232	24,241	24,251	24,259	24,382	24,393	24,393	19,017
Lenexa*	26,513	26,477	26,468	26,477	26,568	26,574	26,626	29,635	29,668	21,028
Merriam	19,275	19,241	21,181	21,186	27,360	27,352	27,474	27,412	27,522	25,240
Mission	9,935	9,962	13,176	13,198	13,215	13,217	11,213	11,371	11,410	10,363
Mission Hills	22,592	22,170	21,896	21,904	21,912	21,898	21,904	21,905	21,926	19,250
Mission Woods	12,934	12,732	13,821	13,149	13,259	13,311	13,000	11,723	12,084	12,084
Overland Park*	9,037	9,037	8,889	8,832	8,852	8,890	8,876	12,814	12,769	11,873
Prairie Village	15,843	15,720	16,133	18,166	18,182	18,179	18,877	19,491	19,478	14,790
Roeland Park	21,981	21,719	20,485	20,539	18,783	18,770	22,030	23,225	25,872	28,728
Shawnee*	20,856	20,847	24,621	24,652	24,663	24,699	24,717	24,732	24,914	16,339
Westwood	13,090	16,746	19,551	22,604	25,571	23,493	23,499	23,881	24,464	23,676
Westwood Hills	17,010	17,010	17,010	17,009	17,011	18,000	18,000	20,000	20,000	20,000
Merriam Drainage	3,749	3,798	4,050	3,934	2,488	2,615	2,849	3,038	3,091	3,127
Johnson County Consolidated Fire #2	15,947	9,405	9,335	9,356	8,992	8,991	18,336	18,045	10,187	11,004
Monticello Cemetery District*	0.042	0.041	0.045	2.941	0.033	0.032	0.051	0.041	0.040	0.027
Johnson County Community College*	9,438	8,960	8,872	8,749	8,768	8,784	8,799	8,776	8,785	9,551
Johnson County Parks and Recreation*	2,367	2,286	2,290	2,295	2,341	2,346	2,350	2,343	2,344	2,347
Johnson County Library Board*	2,956	2,955	2,960	2,962	3,057	3,151	3,158	3,145	3,149	3,155
	278,193	275,599	287,320	296,658	297,355	296,630	314,006	323,787	319,934	288,386

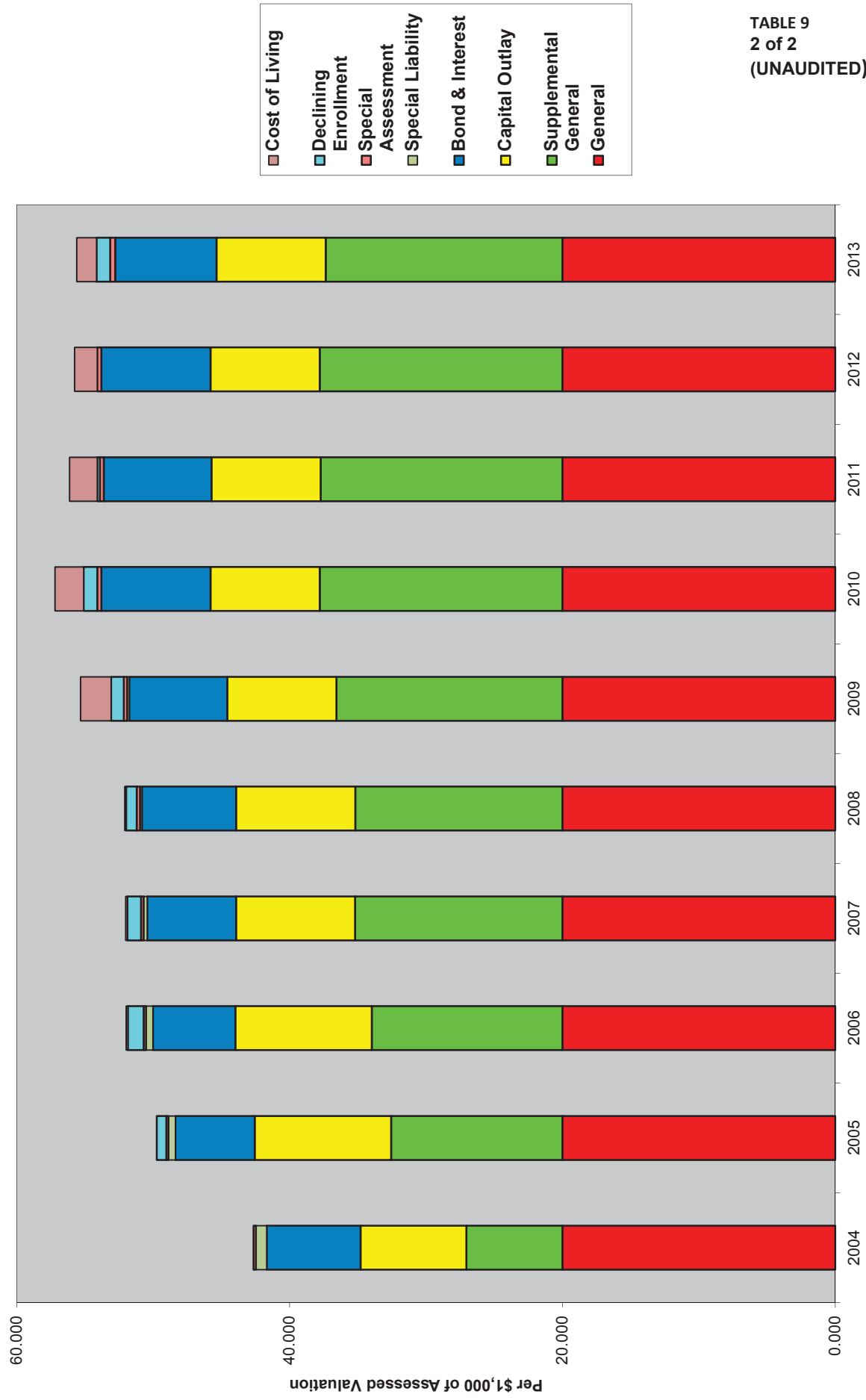
(1) 2005 is the first year that taxes were levied for the Declining Enrollment Fund.

(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, 2014 and Nine Years Ago**

<u>Name</u>	<u>Industry</u>	<u>2014 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>	<u>2005 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Oak Park Mall, LLC	Shopping Center	\$ 67,408,434	2.33%	\$ 33,089,719	1.15%
Kansas City Power & Light Co	Utility	24,008,780	0.83%		
Perg Buildings, LLC	Shopping Center	17,891,280	0.62%	16,256,031	0.56%
Kansas Gas Service	Utility	12,829,483	0.44%		
Tower Properties Company	Real Estate	12,748,015	0.44%	6,582,804	0.23%
Southwestern Bell Telephone	Utility	10,553,784	0.36%		
Hendrick Automotive Group	Automotive	8,600,277	0.30%		
MEPT Kansas	Real Estate	8,339,254	0.29%		
RREEF America	Real Estate	8,257,503	0.28%		
Midwest Division - OPRMC, LLC	Pharmaceuticals	7,992,467	0.28%	8,530,810	0.30%
Highwoods Realty Limited	Real Estate			16,188,423	0.56%
Merriam Town Center, LTD	Real Estate			11,740,577	0.41%
KPERS Realty Holding	Real Estate			10,310,538	0.36%
SPM/WRI Overland Park, L.P.	Shopping Center			8,080,801	0.28%
Mutual Life Insurance Company	Insurance			7,174,305	0.25%
The Shawnee Station, LLC	Real Estate			5,928,374	0.21%
		<u>\$ 178,629,277</u>	<u>6.17%</u>	<u>\$ 123,882,382</u>	<u>4.31%</u>

Source: Johnson County Clerk's Office

TABLE 11
1 of 2
(UNAUDITED)

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

Tax Year/ Collection Year	Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections (Current & Delinquent)	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Outstanding Delinquent Taxes to Total Tax Levy
2004/05	\$ 119,621,320	\$ 116,233,277	97.17%	\$ 902,960	\$ 117,136,237	97.92%	\$ 15,305,526	12.79%
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 (1)	156,398,674 (2)	101.03%	1,542,774 (2)	157,941,448 (2)	102.02%	37,226,314 (2)	24.05%

(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

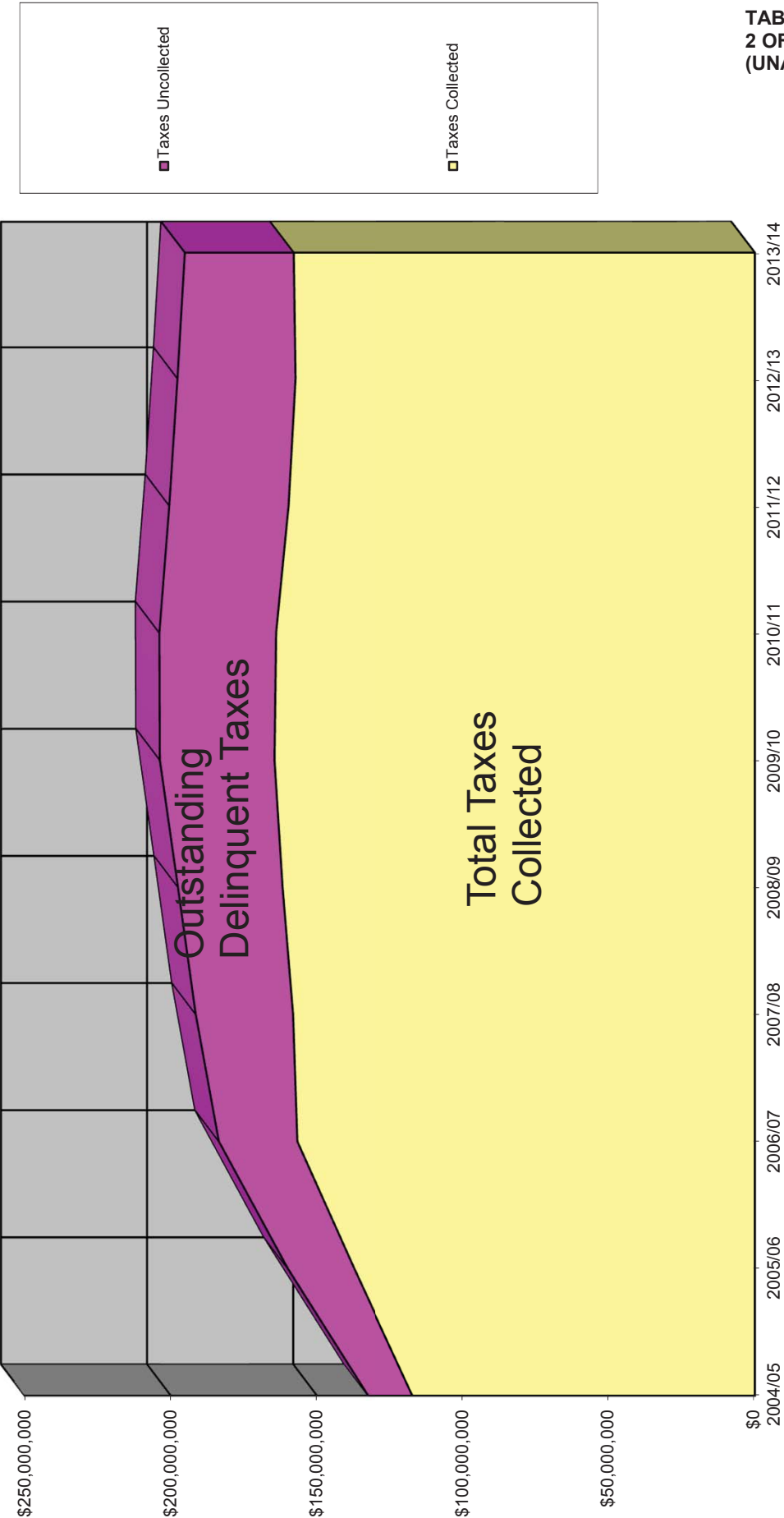


TABLE 11
 2 OF 2
 (UNAUDITED)

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

Fiscal Year	General Obligation Bonds	Temporary Notes	Total	District Population	Personal Income (2)	Per Capita	Percentage of Personal Income
2005	\$ 229,684,452	\$ -	\$ 229,684,452	221,595	\$ 7,333,319,700	1,037	3.13%
2006	220,019,751	-	220,019,751	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%

(1) Population for 2005 through 2010 based on 2000 census. Population for 2011 through 2014 is from the Johnson County Economic Institute.

(2) The 2005 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 2014 personal income information is from the Johnson County Economic Research Institute.

Source: Johnson County Clerk and Shawnee Mission #512 records

TABLE 12
(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
2005		221,595	28,952	\$ 2,883,189,064	\$ 229,684,452	7.97%	1,037	7,933
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

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

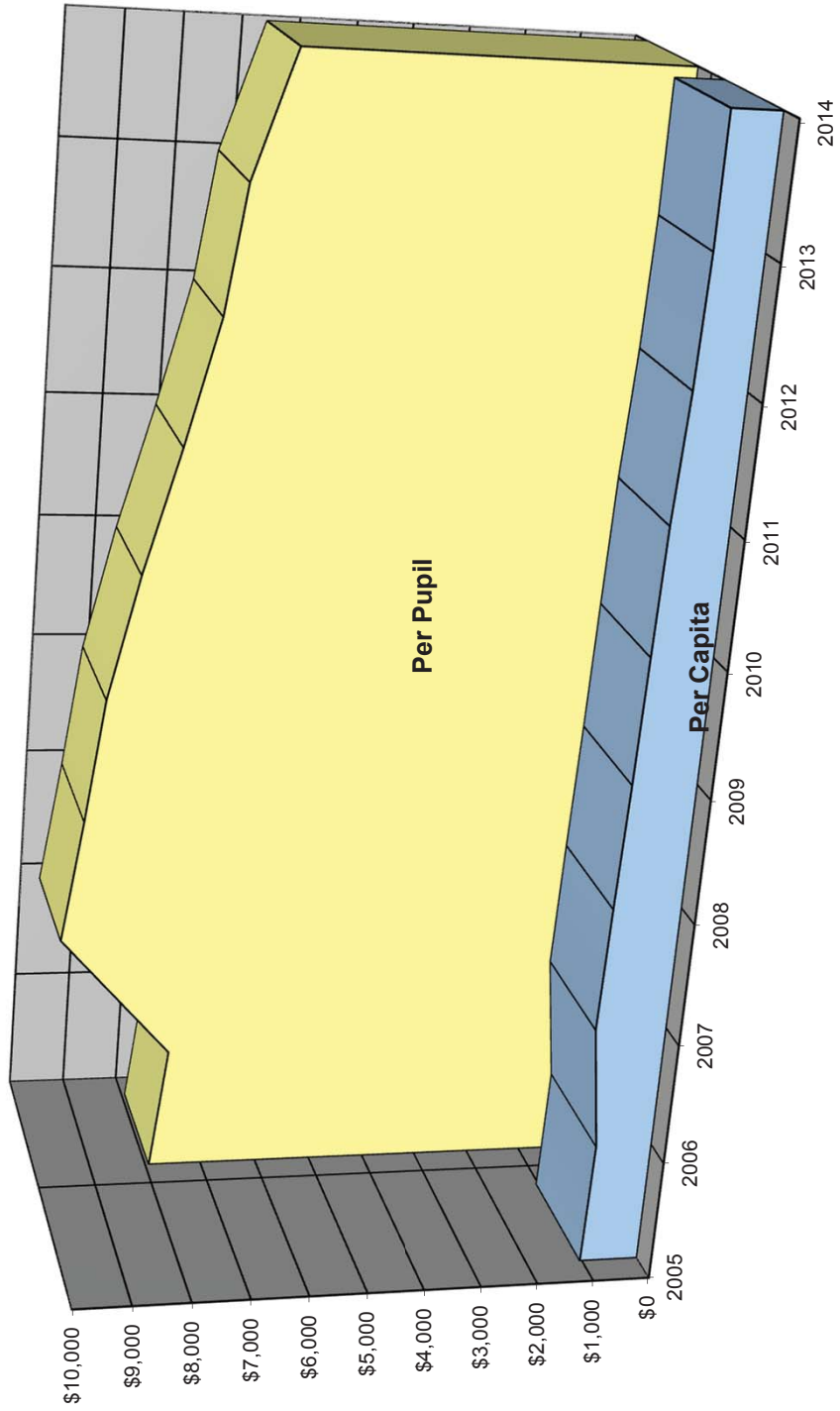


TABLE 13
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(UNAUDITED)

TABLE 14
(UNAUDITED)

SHAWNEE MISSION USD #512, KANSAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2014

		Principal Amount of Outstanding Debt	Percent Applicable to School District	Amount Applicable to School District
Direct				
	Shawnee Mission USD #512	\$ 184,042,742	100.00%	\$ 184,042,742
Overlapping				
	Johnson County	\$ 290,901,090	37.85%	\$ 110,106,063
	Johnson County Park & Recreation	2,660,000	37.85%	1,006,810
	City of Fairway	7,580,000	100.00%	7,580,000
	City of Leawood	64,050,000	20.74%	13,283,970
	City of Lenexa	107,090,000	65.17%	69,790,553
	City of Merriam	10,525,000	100.00%	10,525,000
	City of Mission	35,065,000	100.00%	35,065,000
	City of Mission Hills	4,195,885	100.00%	4,195,885
	City of Overland Park	168,140,000	32.74%	55,049,036
	City of Prairie Village	9,055,000	100.00%	9,055,000
	City of Roeland Park	12,925,000	100.00%	12,925,000
	City of Shawnee	77,280,000	58.10%	44,899,680
	Johnson County Fire Department #2	900,000	100.00%	900,000
	Total Overlapping Debt			<u>\$ 374,381,997</u>
Total Direct and Overlapping Debt				<u><u>\$ 558,424,739</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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Assessed Valuation of Taxable Property	\$ 2,883,189,064	\$ 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
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	403,646,469	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
Total net debt applicable to limit	229,684,452	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
Legal Debt Margin	\$ 173,962,017	\$ 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
Total Net Debt Applicable To The Limit As A Percentage of Debt Limit	56.90%	52.83%	62.89%	58.89%	56.73%	55.87%	55.36%	47.36%	45.79%	45.35%

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)
2005	14,230	4,388	9,604	730	28,952	95.6%	221,595	\$ 7,333,319,700	\$ 33,093	5.0%
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%

Projected Enrollment

Fiscal Year	Elementary School	Middle School	High School	Special Education & Other	Total Projected Student Enrollment
2015	14,716	3,982	8,083	700	27,481
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: 2014 Johnson County CAFR and Shawnee Mission USD #512 records

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

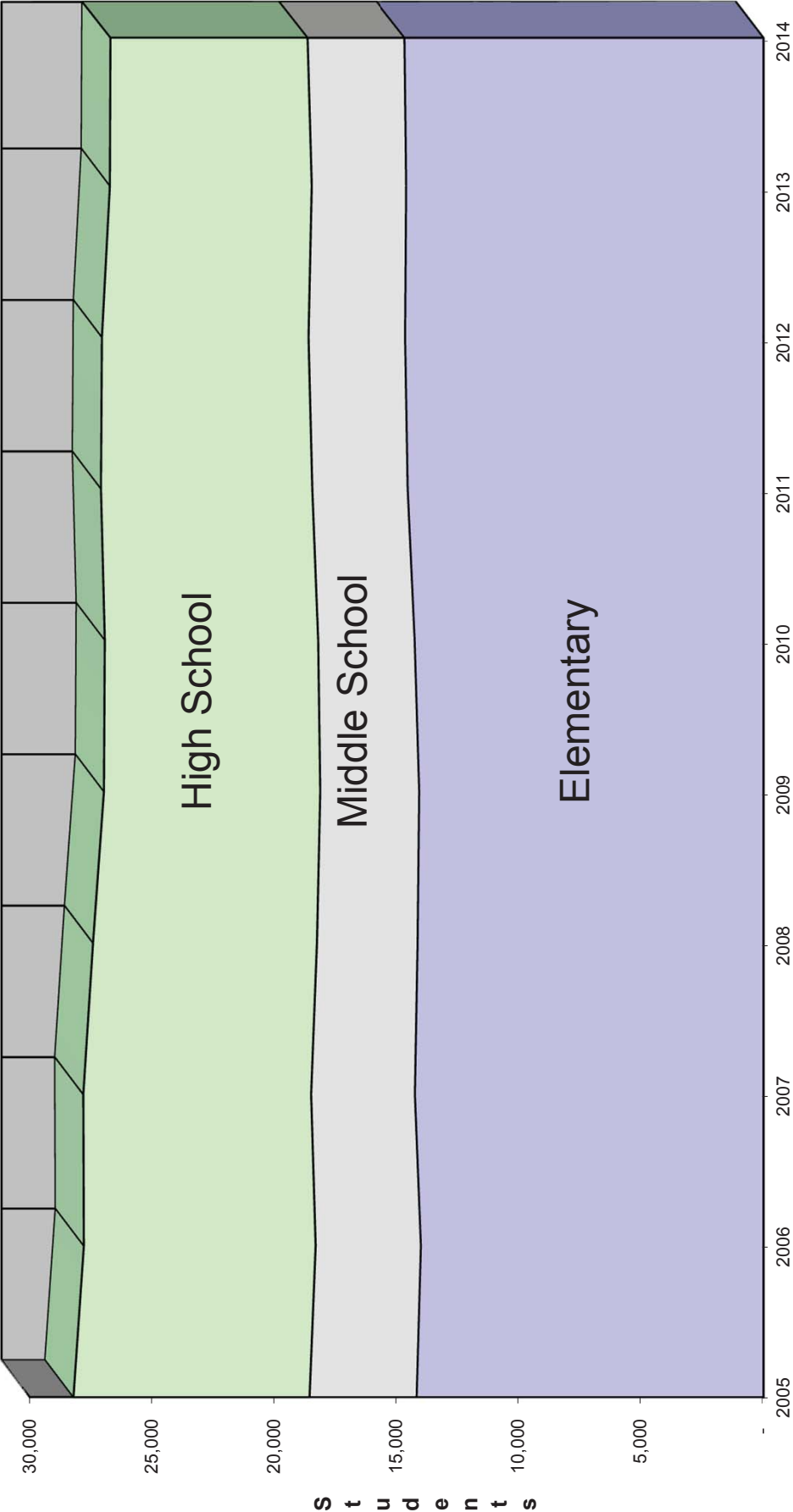


TABLE 16
2 of 2
(UNAUDITED)

**TABLE 17
(UNAUDITED)**

**SHAWNEE MISSION USD #512, KANSAS
PRINCIPAL EMPLOYERS
JUNE 30, 2014 AND 2005**

<u>Employer</u> (1)	June 30, 2014			June 30, 2005		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
USD #232 (DeSoto)	1,000	1	2.83%	248	10	***
FedEx Ground Package System	925	2	2.62%	900	2	***
Deffenbaugh Industries	640	3	1.81%	1,562	1	***
Bayer HealthCare, LLC	583	4	1.65%	373	3	***
Perceptive Software, Inc.	551	5	1.56%			
Wal-Mart	450	6	1.27%			
Harte Hanks	360	7	1.02%	330	5	***
City of Shawnee	275	8	0.78%	266	7	***
NazDar Industries	248	9	0.70%			
Hy-Vee Food & Drug Store	230	10	0.65%	250	8	***
Lowe's Home Center				350	4	***
Shawnee Mission USD #512				277	6	***
Millennium Marketing, Ing.				250	9	***
Total	<u>5,262</u>		<u>14.89%</u>	<u>4,806</u>		<u>***</u>
City of Shawnee	<u>35,338</u>			<u>***</u>		

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

*** Data not available

Source: 2013 City of Shawnee CAFR

TABLE 18
(UNAUDITED)

SHAWNEE MISSION USD #512, KANSAS
DIRECTORY OF SCHOOL FACILITIES
AS OF JUNE 30, 2014

<u>School</u>	<u>Year Opened</u>	<u>Current Capacity</u>	<u>Enrollment As Of Sept. 20, 2013</u>	<u>Percent of Student Capacity</u>
Shawnee Mission East High School	1958	2,388	1,655	69.30%
Shawnee Mission North High School	1921	2,256	1,539	68.22%
Shawnee Mission Northwest High School	1969	2,376	1,771	74.54%
Shawnee Mission South High School	1966	2,232	1,343	60.17%
Shawnee Mission West High School	1962	2,424	1,771	73.06%
Shawnee Mission Horizons	2001	456	107	23.46%
Hocker Grove Middle School	1955	1,188	793	66.75%
Indian Hills Middle School	1955	1,176	821	69.81%
Indian Woods Middle School	1961	1,110	751	67.66%
Trailridge Middle School	1967	1,167	759	65.04%
Westridge Middle School	1962	1,434	911	63.53%
Shawnee Mission Horizons	2001	N/A	-	N/A
Apache Elementary	2011	592	556	93.92%
Belinder Elementary	1952	592	504	85.14%
Benninghoven Elementary	1966	832	645	77.52%
Bluejacket-Flint Elementary	1996	736	469	63.72%
Briarwood Elementary	1959	664	590	88.86%
Broken Arrow Elementary	1990	714	442	61.90%
Brookridge Elementary	1967	688	644	93.60%
Brookwood Elementary	1960	500	371	74.20%
Comanche Elementary	2008	618	513	83.01%
Corinth Elementary	1996	620	512	82.58%
Crestview Elementary	1954	524	332	63.36%
Diemer Elementary	1964	476	266	55.88%
East Antioch Elementary	1958	450	375	83.33%
Highlands Elementary	2010	640	290	45.31%
Marsh Elementary	2006	546	511	93.59%
McAuliffe Elementary	1987	642	453	70.56%
Merriam Park Elementary	2007	568	499	87.85%
Mill Creek Elementary	1978	568	368	64.79%
Nieman Elementary	2008	616	567	92.05%
Oak Park-Carpenter Elementary	2007	546	522	95.60%
Overland Park Elementary	1998	522	409	78.35%
Pawnee Elementary	1965	618	449	72.65%
Prairie Elementary	1993	498	431	86.55%
Rising Star Elementary	1991	714	620	86.83%
Roesland Elementary	2008	568	373	65.67%
Rosehill Elementary	1966	812	571	70.32%
Rushton Elementary	1954	428	358	83.64%
Santa Fe Trail Elementary	1953	642	290	45.17%
Shawano Elementary	1960	570	357	62.63%
Sunflower Elementary	1994	620	583	94.03%
Tomahawk Elementary	1954	498	303	60.84%
Trailwood Elementary	1962	620	372	60.00%
Westwood View Elementary	1968	404	285	70.54%
Preschool & Other Enrollment			361	
Total			27,412	

Source: Shawnee Mission USD #512 records

TABLE 19
(UNAUDITED)

SHAWNEE MISSION USD #512, KANSAS
MISCELLANEOUS STATISTICAL DATA
AS OF JUNE 30, 2014

Year of Incorporation	1969
Form of Government	Elected Board
Area of District	72 Square Miles
Population of District	233,317
Ending Enrollment 2012/2013	27,412
Number of Schools	
Elementary Schools	33
Middle Schools	5
High Schools	5
Total	43
Average Class Size (1)	
Elementary	21.5
Secondary	N/A
Number of Full-Time Equivalent Employees	
Classified	1,522.8
Certified	2,023.3
Total	3,546.1

Teacher Summary				
Degree	Number of Teachers	% of Total	Salary Range	
			Low	High
Bachelors	154	7.3%	\$ 40,515	\$ 45,425
Bachelors + 10	42	2.0%	41,436	48,737
Bachelors + 20	199	9.5%	42,362	54,789
Masters	676	32.1%	47,099	63,298
Masters + 15	177	8.4%	48,453	66,434
Masters + 30	130	6.2%	49,842	70,347
Masters + 45	98	4.7%	51,339	74,375
Masters + 60	603	28.6%	52,799	78,538
Doctorate	26	1.2%	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 Special Ed.	1.0	-	-	-	1.0
Directors Health	1.0	-	-	-	1.0
Directors Vocational Ed.	1.0	-	-	-	1.0
Instructional Coordinators	8.0	-	-	-	8.0
Other Directors	4.0	-	-	-	4.0
Curriculum Specialists	11.2	-	-	-	11.2
Vocational Arts Teachers	-	-	13.6	42.7	56.3
Special Ed. Teachers	-	92.5	32.0	74.0	198.5
Pre-Kindergarten	-	6.0	-	-	6.0
Kindergarten	-	102.5	-	-	102.5
Other Teachers	-	691.3	196.1	411.7	1,299.1
Library Media	-	31.0	5.0	5.0	41.0
Counselors	-	1.0	9.0	26.0	36.0
School Psychologists	17.0	-	-	2.0	19.0
Nurses	-	33.0	5.0	7.0	45.0
Speech Pathologists	1.2	39.3	2.3	3.5	46.3
Audiologists	-	1.0	-	-	1.0
Social Workers	11.0	20.4	3.0	11.0	45.4
Reading	-	56.5	2.0	-	58.5
Other	26.5	17.2	-	-	43.7
	86.9	1,124.7	278.0	604.9	2,094.5

(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
2005	28,952	\$ 221,323,358	\$ 7,644	\$ 237,333,176	\$ 8,197	2,124	14	15.99%
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%

(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, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Passed through Kansas Department of Education (KSDE):					
Title I	84.010	\$ [62,590]	\$ 3,557,407	\$ 3,546,905	\$ [52,088]
Title I - Migrant Education	84.011	-	100,000	100,000	-
Title II-A Teacher Quality	84.367	39,704	625,008	735,460	[70,748]
Title III	84.365	[25,628]	211,678	184,066	1,984
Title VI-B	84.027	-	240,322	240,322	-
Title VI-B Pass Thru	84.027	-	5,699,775	5,699,775	-
Early Childhood Flo Thru	84.173	-	111,557	111,557	-
Carl Perkins	84.048	-	176,717	176,717	-
Total Department of Education Passed Through KSDE			<u>10,722,464</u>	<u>10,794,802</u>	
U.S. Department of Health & Human Services					
Passed through Kansas Department of Education (KSDE):					
Youth Risk Behavior Survey	93.938	-	<u>630</u>	<u>630</u>	-
U.S. Department of Agriculture					
Passed through Kansas Department of Education (KSDE):					
School Breakfast	10.553	-	773,498	773,498	-
Team Nutrition	10.574	-	5,240	5,240	-
National School Lunch Program	10.555	-	4,660,403	4,660,403	-
Summer Food Service Program for Children	10.559	-	57,450	57,450	-
State Administrative Expenses for Child Nutrition	10.560	-	600	600	-
Fresh Fruit & Vegetable Program	10.582	-	<u>135,439</u>	<u>135,439</u>	-
Total Department of Agriculture Passed Through KSDE			<u>5,632,630</u>	<u>5,632,630</u>	
Total			<u>\$ 16,355,724</u>	<u>\$ 16,428,062</u>	

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2014

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, 2014

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:

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

Dollar threshold used to distinguish between type A and type B programs: \$492,842

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, 2014

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

Prior Year Findings

<u>Program</u>	<u>Finding</u>	<u>Conditions</u>	<u>Criteria</u>	<u>Questioned Costs</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Status</u>
Special Education Cluster	2013-1	Personnel costs not supported by required semi-annual time certifications in two instances out of a sample of twenty-five selected for the audit.	OMB Circular A-87 Attachment B	Not determined	The District should adopt a policy to internally audit each semester the District's lists of certifications requested to verify that all certifications are completed timely and accurately.	Agrees	Resolved - Policy has been adopted by District



**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, 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, 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, 2014, 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 10, 2014.

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.

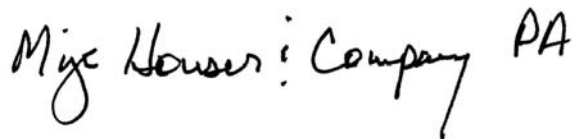
Compliance and Other Matters

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 10, 2014.

Purpose of this Report

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

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

Certified Public Accountants

Lawrence, Kansas
October 10, 2014



**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, 2014. 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, 2014.

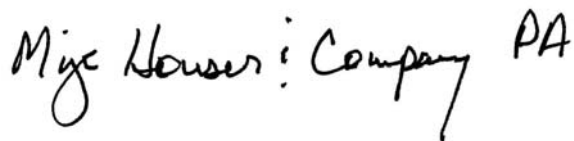
Report on Internal Control Over Compliance

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 charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in 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.

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

Certified Public Accountants

Lawrence, Kansas
October 10, 2014