

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, 2013**

**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, 2013

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INTRODUCTORY SECTION

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Shawnee Mission School District

Office of the Superintendent

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October 30, 2013

**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, 2013, 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. Four Shawnee Mission high schools were listed on the *Washington Post's* 2013 list of top high schools in the country. *Newsweek* also included Shawnee Mission high schools on its list of the nation's best high schools in 2013. Shawnee Mission offers a rigorous academic curriculum designed to prepare students for the high-tech world of 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 \$55 million in scholarship offers.

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 2012-13 school year, the district was comprised of 33 elementary schools, five middle schools, five high schools, one alternative education school, one career and technical facility, four major athletic complexes, and five administrative and support facilities. This represents a physical plant in excess of nearly 5.2 million square feet, having a replacement value in excess of \$1 billion.

On September 20, 2012, enrollment was 27,437, down 329 from the 27,766 students on September 20, 2011. This enrollment represented 14,707 elementary school students, 3,921 middle school students, 8,346 high school students, 351 preschool students and 112 special education 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. In fiscal year 2013, the superintendent was assisted by a deputy superintendent and four associate superintendents. The district employed 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 decreased approximately 1.6% to \$2.9 billion during 2012. 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

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 intramural 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 international 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 Pre-medical and Biomedical Health Science, which provides 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 in order 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 culinary arts instruction, which provides practical application in an on-site American Culinary Federation certified restaurant, and animation.

Twenty district students were named 2013 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 2013, Shawnee Mission students posted scores that exceeded national and state composite scores on the ACT. On the 2013 Kansas Assessments, the percent of Shawnee Mission students scoring at standard or higher was above 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 Milken National Educator award, 2013 Kansas World Language Teacher of the Year, National Outstanding Teacher Award from the Oregon California Trails Association, Kansas State Department of Education Horizon award, and Kansas PTA Outstanding Educator award.

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. Shawnee Mission proudly partners with more than 200 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 \$3.5 million in total grants and gifts benefiting students at every Shawnee Mission school.

The district is dedicated to providing quality educational programs and services to meet the needs of all students. An essential part of this effort is the district's ability to plan for the future. The district continues to evaluate and update its facilities to ensure our schools support the needs of the current educational programs. Each of the five middle schools have recently undergone significant renovation and enhancement projects to add classroom space, update and enlarge kitchen and cafeteria spaces, and add an auxiliary gymnasium.

Technology in Education

The district maintains approximately 14,600 computers, including one for every full-time teacher and every administrative employee who requires one for the performance of his or her duties. Student records and library management systems are installed on an IBM AS/400 computer that is accessible from anywhere in the district. Students, teachers and administrative personnel have high-speed access to the Internet. Guest Wireless access is available for visitors and vendors while conducting business with the district.

All schools have state-of-the-art computers in labs and libraries for student use, as well as in selected classrooms throughout the district. Each school has multiple wireless mobile labs, ranging from at least 3 in the elementary schools, to as many as 19 in the high schools. Each mobile lab consists of 16 notebook computers with wireless access to internal network file shares and printers, and also access to the Internet. A sufficient number of access points have been installed in every school building to provide wireless access from anywhere within those buildings. A controller-based wireless network management system is installed in each building to improve wireless performance and reliability. All computers are configured with the Microsoft Office application suite including Word, Excel and PowerPoint.

Every regular classroom, library, computer lab, and designated special purpose classroom in the district is outfitted with 21st century technology, including a permanently-mounted XGA projector, sound system, combination DVD/VCR, wireless presentation mouse, and other interactive tools.

Student response systems are provided for each school as a shared resource – one 32-transmitter kit for every three classrooms. These devices allow students to interact anonymously to take quizzes, respond to questions, etc. Due to the fact that all students respond at the same time, these devices keep all students fully engaged, and greatly enhances the educational process. Furthermore, it provides instant feedback to the teacher by grading responses automatically, and providing sufficient feedback to identify the specific learning objectives that are not being met.

An Airliner interactive wireless tablet is provided for each classroom in which a projector is installed. These devices enable the user to teach from anywhere in the room and allow students to interact with information from their seats. There is no longer a need to be tethered to the board in the front of the room. Proprietary software is used on these devices to enhance the learning process. Custom content is created by the teachers for the student response systems and for the tablets and stored in a central library for other teachers to access. This content is tailored to specific learning objectives, and is searchable by grade level, subject area, or keyword.

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.

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 Manager of Purchasing Services.

The Cabinet, which consists of the superintendent, a deputy superintendent, 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 2013 were recorded in the following funds:

Debt Service - Investment revenue	\$ 4,464
Debt Service - Accrued Interest	
Received on Bond Refunding	46,189
Special Education	41,874
Health Care Reserve	849
Food Service	252
Special Liability	1,680
Total	\$ 95,308

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 /	\$977,377,456	
Automobile Physical Damage	(\$400,000,000 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.

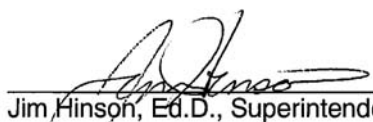
The district is occasionally involved in claims and lawsuits, including claims for unfair or discriminatory personnel practices and personal injury. While these cases may have future financial significance, district management, based on the advice of counsel, believes the ultimate outcome of those various 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, 2013, 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.

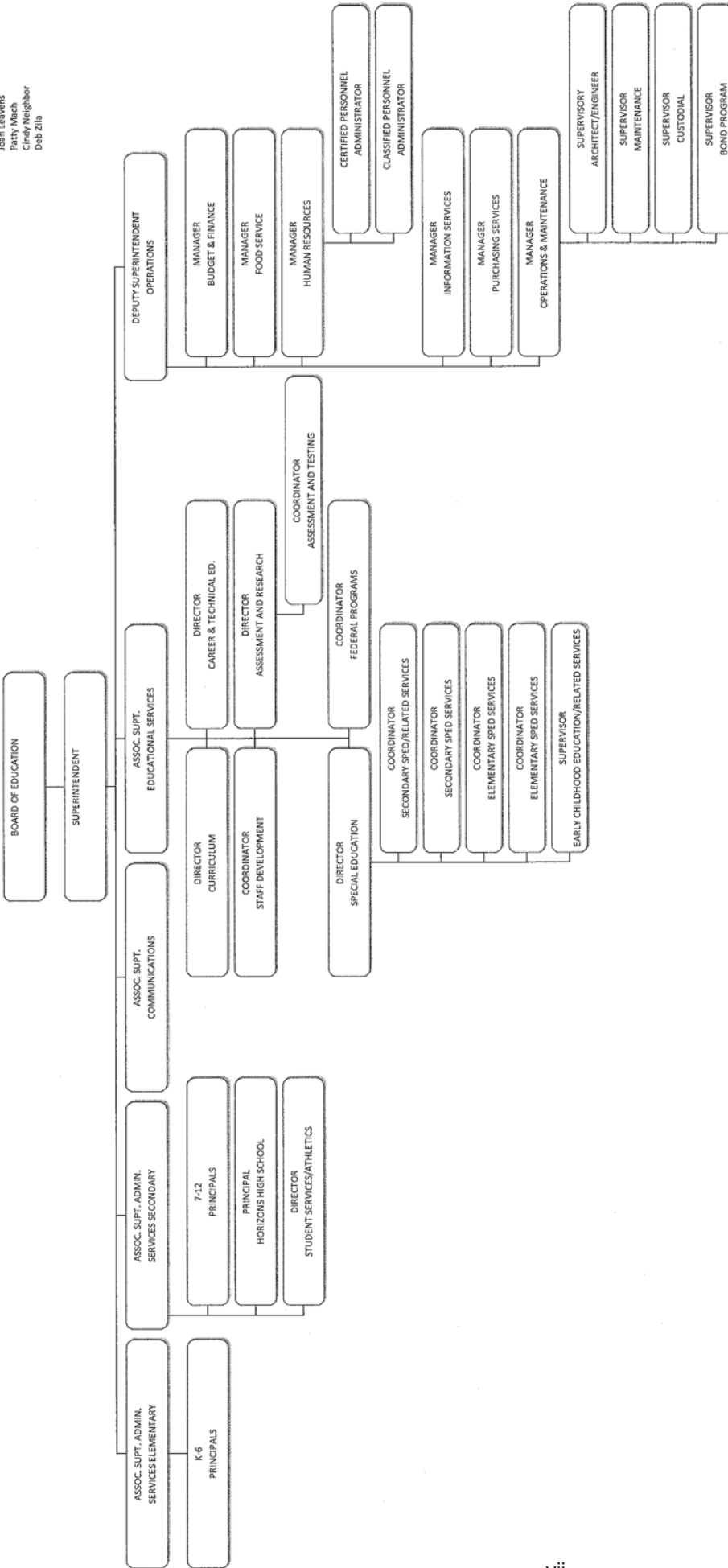


Jim Hinson, Ed.D., Superintendent of Schools

Robert DiPierro, Deputy Superintendent of Schools

SHAWNEE MISSION SCHOOL DISTRICT
ORGANIZATION CHART/ADMINISTRATORS
2012-2013

Board of Education
Donna Byfield
Craig L. Derry, Ph.D., P.E.
Lisa Gaudin
John Leavens
Patty Meek
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, 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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. The prior year partial comparative information has been derived from the District's financial statements for the year ended June 30, 2012 and, in our report dated October 30, 2012, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information.

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 Accounting and Audit Guide." These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Shawnee Mission Unified School District No. 512, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Supplemental General, Special Education and 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, 2012, from which such partial information was derived.

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 42 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 and 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. Such 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 30, 2013, 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

October 30, 2013

Shawnee Mission Unified School District No. 512

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

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, 2013. 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, 2013). 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 \$322.2 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, 2013. This statement answers the question, "How did the district do financially during fiscal year 2013?" 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, 2013

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 15, 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, 2013, than it was the year before, increasing \$13.8 million to \$322.2 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, 2013

Condensed Statement of Net Position (in millions of dollars)

	Balance as of 6/30/2013	Balance as of 6/30/2012	Increase (Decrease) from 2012
<u>Statement Classifications</u>			
Current Assets	\$ 98.5	\$ 111.8	-11.99%
Non-Current Assets	455.8	444.0	2.66%
Deferred Outflow of Resources	5.8	0.0	0.00%
Total Assets & Deferred Outflow	\$ 560.1	\$ 555.8	0.76%
Current Liabilities	37.5	42.0	-10.71%
Non-Current Liabilities	196.6	205.4	-4.28%
Deferred Inflow of Resources	3.8	0.0	0.00%
Total Liabilities & Deferred Inflow	\$ 237.9	\$ 247.4	-3.84%
Net Position			
Invested in capital assets, net of related debt	\$ 253.3	\$ 231.3	9.51%
Restricted	20.5	18.9	7.94%
Unrestricted	48.4	58.2	-16.84%
Total Net Position	\$ 322.2	\$ 308.4	4.44%

Total assets and deferred outflows increased \$4.3 million from fiscal year 2012 and total liabilities and deferred inflows decreased \$9.5 million. The major changes in net position were due to the following:

1. The capital outlay balances decreased by \$11.5 million as middle school renovation projects near completion.
2. Issuance costs and escrow payments costs increased \$4.7 million as 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.
3. The textbook rental fund balance decreased \$506,906. Fees are charged to students to maintain the fund over multiple years. In some years, the proceeds from the fees exceed the cost of the textbook purchases for the year. In other years, the opposite is true. The district sets the fee at a rate that, when collected over a five year period, is equal to the cost of textbooks for the same period.
4. Capital assets increased \$11.8 million based on the completion of capital projects and capital purchases from the capital outlay fund.
5. Liabilities decreased by \$10.2 million according to the bond repayment schedule.

The total costs of all programs and services amounted to \$300.9 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, 2013

	Fiscal Year	Fiscal Year	Increase (Decrease)
	2013	2012	from 2012
<u>Expense Function</u>			
Instruction	57.1%	56.2%	0.9%
Student Support Services	5.0%	4.8%	0.2%
Instructional Support	2.7%	2.6%	0.1%
General Administration	0.7%	0.6%	0.1%
School Administration	4.5%	4.4%	0.1%
Operations and Maintenance	13.9%	14.6%	-0.7%
Student Transportation Services	3.1%	3.0%	0.1%
Food Service Operations	3.8%	3.6%	0.2%
Student Activities	1.3%	1.3%	0.0%
Business Services	3.2%	3.4%	-0.2%
State Payments	2.0%	2.3%	-0.3%
Interest on Long-Term Debt	2.7%	3.2%	-0.5%
Total	100%	100%	0%

The district provided a salary increase in 2012-13 which increased most programs within the operating funds including instruction, student and instructional support, and the administration functions. The operations and maintenance program decreased 0.7%. Capital outlay decreased in fiscal year 2013 as middle school renovation projects were being completed. The decrease 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 lower in 2012-13 due to an enrollment increase in 2011-12. The reduced interest on long-term debt is due to a lower outstanding debt amount.

Total receipts exceeded expenditures, increasing net position \$13.8 million over fiscal year 2012.

Shawnee Mission Unified School District No. 512

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

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

	Fiscal Year 2013	Fiscal Year 2012	Increase (Decrease) from 2012
Revenues:			
Program revenues			
Charges for services	\$12.8	\$13.1	-2.3%
Operating grants and contributions	55.8	58.7	-4.9%
General revenues			
Property taxes	166.8	168.9	-1.2%
Grants and entitlements not restricted to specific programs	78.0	76.4	2.1%
Investment earnings	0.1	0.0	0.0%
Miscellaneous	1.9	2.4	-20.8%
Total Revenues	\$315.4	\$319.5	-1.3%
Expenses:			
Instruction	\$172.1	\$172.6	-0.3%
Student Support Services	15.1	14.9	1.3%
Instructional Support	8.1	8.1	0.0%
General Administration	2.0	2.0	0.0%
School Administration	13.4	13.5	-0.7%
Operations and Maintenance	41.7	44.9	-7.1%
Student Transportation Services	9.3	9.2	1.1%
Food Service Operations	11.5	11.1	3.6%
Student Activities	4.0	4.0	0.0%
Business and Central Support	9.8	10.5	-6.7%
State Payment	5.9	7.2	-18.1%
Interest on Long-Term Debt	8.0	9.9	-19.2%
Total Expenses	\$300.9	\$307.9	-2.3%
Special item - Capital Asset Impairment	(0.7)	0.0	
Increase (decrease) in net position	\$13.8	\$11.6	
Net Position – Beginning	\$308.4	\$296.8	
Restatement	0.0	0.0	
Net Position - Ending	\$322.2	\$308.4	

Shawnee Mission Unified School District No. 512

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

The table, shown above, details the district's changes in net position for the year. The district's total revenues were \$315.4 million. Property taxes and grants and entitlements not restricted to specific programs accounted for most of the district's revenue, with property taxes contributing 52.9%, and unrestricted grants and entitlements contributing 24.7%. Another 17.7% 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 1.2%. The overall tax rate decreased from 56.135 mills to 55.766, a 0.7% decrease, and the assessed valuation dropped 1.6%.
- Operating grants and contributions decreased 4.9%. The state pays the employer's share of the KPERS retirement. In order to have the amount included on district books, the state wires their contribution to the district and immediately withdraws the same amount. In fiscal year 2011, the state decided to defer its fourth quarter contribution to districts until fiscal year 2012. Fiscal year 2012 reflects contributions for five quarters, whereas fiscal year 2013 reflects contributions for four quarters.
- Grants and entitlements not restricted to specific programs increased 2.1%. This was caused by an increase in state aid.
- Based on dollar amount, most expense functions remained relatively the same from the prior year.
- Operations and maintenance decreased 7.1% as middle school renovation projects were being completed.
- The state payment decreased 18.1%. 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 decreased \$1.7 million as enrollment stabilized.
- Interest on long-term debt decreased 19.2% 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	\$172.1	\$131.9
Student Support Services	15.1	11.1
Instructional Support	8.1	6.9
General Administration	2.0	1.1
School Administration	13.4	12.8
Operations and Maintenance	41.7	40.6
Student Transportation Services	9.3	6.0
Food Service Operations	11.5	-0.7
Student Activities	4.0	3.2
Business and Central Support	9.8	9.4
State Payment	5.9	2.0
Interest on Long-Term Debt	8.0	8.0
Total	\$300.9	\$232.3

Shawnee Mission Unified School District No. 512

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

- ◆ Costs of \$12.8 million were financed by users of the district's programs.
- ◆ Federal and state governments subsidized certain programs with grants and contributions totaling \$55.8 million.
- ◆ Most of the district's net cost of services of \$232.3 million was financed by district and state taxpayers.
- ◆ The governmental activities portion was financed with \$166.8 million in property taxes, \$78.0 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 \$75.1 million, a decrease from last year's ending fund balance of \$87.0 million. Expenditures of \$326.8 million exceeded revenues of \$314.9 million

Shawnee Mission Unified School District No. 512

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

	Revenues	Expenditures	Other Financing	End Bal
General	\$99.0	(\$99.3)	\$0.0	\$1.2
Supplemental General	42.6	(27.5)	(13.5)	3.5
AtRisk	41.8	(41.8)	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	0.3	(0.3)	0.0	0.0
Special Education	27.0	(42.4)	13.3	9.2
Vocational	3.8	(3.8)	0.0	0.0
Student Materials	0.8	(0.8)	0.0	0.3
Textbook Rental	2.2	(2.7)	0.0	1.7
Special Liability	0.0	(0.2)	0.0	3.4
KPERS Retirement	16.8	(16.8)	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	5.4	(5.7)	0.0	0.5
Federal and State Grants	6.8	(6.7)	0.0	1.1
Total Basic Education	\$250.5	(\$252.0)	(\$0.2)	\$27.0
Parent education	\$0.4	\$(0.6)	\$0.2	\$0.0
Summer School	0.5	(0.5)	0.0	0.6
Adult Supplemental	0.0	0.0	0.0	0.0
Declining Enrollment	0.3	(0.2)	0.0	0.3
Extraordinary School	0.1	(0.1)	0.0	0.2
Total Expanded Education	\$1.3	(\$1.4)	\$0.2	\$1.1
Capital Outlay	\$25.7	(\$37.2)	\$0.0	\$23.6
Debt Service	25.3	(23.8)	0.0	20.5
Special Assessments	0.9	(0.9)	0.0	0.4
Total Capital	\$51.9	(\$61.9)	\$0.0	\$44.5
Food service	11.2	(11.5)	0.0	2.5
Total	\$314.9	(\$326.8)	\$0.0	\$75.1

The major changes in fund balances were:

1. The capital outlay fund decreased \$11.5 million as the district continued construction on new middle school renovations.
2. The special education fund balance decreased \$2.1 million. The school finance law permits operating balances to be carried over in this fund. Operating expenditures exceeded revenue during 2013 primarily due to the salary stipend approved for district employees.
3. The debt service fund increased \$1.6 million. During fiscal year 2012-13, the district issued general obligation refunding bonds reducing the current year debt obligations.

Shawnee Mission Unified School District No. 512

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

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 2013, the district had invested \$455.8 million in a broad range of capital assets, including school buildings, athletic facilities, computer equipment, and administrative offices. This amount represents a net increase of \$11.8 million, net of depreciation. **See Notes to the Basic Financial Statements – Note 3B for further information.**

	Assets As Of June 30, 2013
Land	\$ 5.6
Art work	0.4
Construction in progress	28.3
Buildings and improvements	502.5
Equipment	60.1
Accumulated Depreciation	[141.1]
Total	<u>\$ 455.8</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 \$442 million, and the district has \$202.5 million outstanding at June 30, 2013. **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, 2013

	Total Governmental <u>Activities</u>
Assets and Deferred Outflows of Resources	
Current assets:	
Cash and cash equivalents	\$ 50,011,122
Investments	43,633,130
Receivables	
Taxes	3,784,100
Interest	5,291
Other	20,000
Material and supplies inventory	970,259
Total current assets	<u>98,423,902</u>
Noncurrent assets:	
Nondepreciable capital assets	34,306,625
Depreciable capital assets	562,616,396
Less: Accumulated depreciation	<u>[141,102,104]</u>
Total noncurrent assets	<u>455,820,917</u>
Total assets	<u>554,244,819</u>
Deferred outflows of resources	
Deferred charge on bond issuance	<u>5,835,175</u>
Total deferred outflows of resources	<u>5,835,175</u>
Total assets and deferred outflows of resources	<u>\$ 560,079,994</u>
Liabilities and Deferred Inflows of Resources	
Liabilities:	
Current liabilities:	
Accounts payable	\$ 5,751,601
Accrued payroll, payroll withholdings and taxes	10,285,438
Accrued interest payable	1,911,283
Claims payable	1,149,511
Long-term liabilities	
Due within one year	<u>18,447,674</u>
Total current liabilities	<u>37,545,507</u>
Noncurrent liabilities:	
Claims payable	762,270
Health care reserve	2,476,347
Net OPEB obligation	9,318,028
Long-term liabilities	
Due in more than one year	<u>184,042,742</u>
Total noncurrent liabilities	<u>196,599,387</u>
Total liabilities	<u>234,144,894</u>
Deferred Inflows of Resources	
Unavailable revenue - property taxes	3,784,100
Unavailable revenue - fees	<u>445</u>
Total deferred inflows of resources	<u>3,784,545</u>
Total liabilities and deferred inflows of resources	<u>\$ 237,929,439</u>
Net Position	
Invested in capital assets, net of related debt	\$ 253,330,501
Restricted for:	
Debt service	20,447,422
Unrestricted	<u>48,372,632</u>
Total net position	<u>\$ 322,150,555</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, 2013

		Program Revenues		Net [Expenses] Revenue and Changes in Net Position
			Operating	Total
	Expenses	Charges for Services	Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction	\$ 172,142,399	\$ 7,220,599	\$ 32,992,308	\$ [131,929,492]
Student support services	15,069,611	-	4,016,043	[11,053,568]
Instructional support	8,085,874	-	1,163,472	[6,922,402]
General administration	2,013,862	-	931,617	[1,082,245]
School administration	13,396,373	-	665,316	[12,731,057]
Operations and maintenance	41,744,327	-	1,187,788	[40,556,539]
Student transportation services	9,335,869	-	3,294,717	[6,041,152]
Food service operations	11,457,954	5,621,203	6,533,518	696,767
Student activities	4,007,889	-	776,745	[3,231,144]
Business and central support services	9,762,803	-	383,585	[9,379,218]
State payment	5,911,332	-	3,869,408	[2,041,924]
Interest on long-term debt	8,012,807	-	-	[8,012,807]
Total school district	<u>\$ 300,941,100</u>	<u>\$ 12,841,802</u>	<u>\$ 55,814,517</u>	<u>[232,284,781]</u>
General Revenues:				
Property taxes levied for				
General purposes				116,265,867
Debt service				25,249,708
Capital outlay				25,258,128
Grants and entitlements not restricted to specific programs				77,982,462
Investments earnings				95,308
Miscellaneous				<u>1,910,593</u>
Subtotal general revenues				<u>246,762,066</u>
Special items				
Capital asset impairment losses				<u>[718,519]</u>
Total general revenues and special items				<u>246,043,547</u>
Change in net position				<u>13,758,766</u>
Net position - beginning, as originally stated				308,386,099
Restatements to beginning net position				<u>5,690</u>
Net position - beginning, as restated				<u>308,391,789</u>
Net position - ending				<u>\$ 322,150,555</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, 2013

	General	Debt Service	Supplemental General	Special Education	Capital Outlay	At Risk (K-12)	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 6,485,432	\$ 1,409,604	\$ 3,577,998	\$ 11,925,483	\$ 14,161,586	\$ 540,166	\$ 11,005,259	\$ 49,105,528
Investments	-	19,035,962	-	-	15,014,597	-	9,482,571	43,533,130
Receivables								
Taxes	1,057,826	610,499	1,356,514	-	609,804	-	149,457	3,784,100
Interest	-	1,856	-	1,911	132	-	1,392	5,291
Other	20,000	-	-	-	-	-	-	20,000
Material and supplies inventory	780,738	-	-	-	-	-	189,521	970,259
Total assets	<u>\$ 8,343,996</u>	<u>\$ 21,057,921</u>	<u>\$ 4,934,512</u>	<u>\$ 11,927,394</u>	<u>\$ 29,786,119</u>	<u>\$ 540,166</u>	<u>\$ 20,828,200</u>	<u>\$ 97,418,308</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 47,316	\$ -	\$ 47,270	\$ 24,158	\$ 5,579,863	\$ 194	\$ 47,206	\$ 5,746,007
Health care reserve	-	-	-	-	-	-	2,476,347	2,476,347
Accrued payroll, payroll withholdings and taxes	6,096,982	-	35	2,737,007	-	539,825	911,589	10,285,438
Total liabilities	<u>6,144,298</u>	<u>-</u>	<u>47,305</u>	<u>2,761,165</u>	<u>5,579,863</u>	<u>540,019</u>	<u>3,435,142</u>	<u>18,507,792</u>
Deferred inflows of resources:								
Unavailable revenue - student fees	-	-	-	-	-	-	445	445
Unavailable revenue - property taxes	1,057,826	610,499	1,356,514	-	609,804	-	149,457	3,784,100
Total deferred inflows of resources	<u>1,057,826</u>	<u>610,499</u>	<u>1,356,514</u>	<u>-</u>	<u>609,804</u>	<u>-</u>	<u>149,902</u>	<u>3,784,545</u>
Total liabilities and deferred inflows of resources	<u>7,202,124</u>	<u>610,499</u>	<u>1,403,819</u>	<u>2,761,165</u>	<u>6,189,667</u>	<u>540,019</u>	<u>3,585,044</u>	<u>22,292,337</u>
Fund balance:								
Nonspendable	780,738	-	-	-	-	-	189,521	970,259
Restricted	-	20,447,422	-	8,988,360	10,732,090	-	15,537,159	55,705,031
Assigned	334,857	-	797,463	177,869	12,864,362	147	1,516,476	15,691,174
Unassigned	26,277	-	2,733,230	-	-	-	-	2,759,507
Total fund balances	<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>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,343,996</u>	<u>\$ 21,057,921</u>	<u>\$ 4,934,512</u>	<u>\$ 11,927,394</u>	<u>\$ 29,786,119</u>	<u>\$ 540,166</u>	<u>\$ 20,828,200</u>	<u>\$ 97,418,308</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, 2013

Total Governmental Fund Balances		\$ 75,125,971
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.		5,835,175
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
The cost of capital assets is	596,923,021	
Accumulated depreciation is	<u>141,102,104</u>	455,820,917
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.		[911,781]
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	202,490,416	
Net OPEB obligation	9,318,028	
Accrued interest on the bonds	<u>1,911,283</u>	<u>[213,719,727]</u>
Net Position of Governmental Activities		<u>\$ 322,150,555</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, 2013

	<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	\$ 53,350,188	\$ 25,249,708	\$ 42,580,844	\$ -	\$ 25,258,128	\$ -	\$ 6,643,979	\$ 153,082,847
Intergovernmental	42,097,678	-	-	26,932,350	-	41,731,971	35,548,176	146,310,175
Charges for services	3,699,681	-	-	-	-	-	9,142,121	12,841,802
Investment revenue	-	50,653	-	41,874	-	-	2,781	95,308
Other local sources	-	-	-	4,891	461,881	53,852	2,073,261	2,593,885
Total revenues	<u>99,147,547</u>	<u>25,300,361</u>	<u>42,580,844</u>	<u>26,979,115</u>	<u>25,720,009</u>	<u>41,785,823</u>	<u>53,410,318</u>	<u>314,924,017</u>
EXPENDITURES:								
Current								
Instruction	49,946,893	-	17,554,761	32,720,560	4,688,823	40,959,586	25,680,678	171,551,301
Student support services	7,609,630	-	9,280	4,321,659	44,533	212,427	2,802,455	14,999,984
Instructional support staff	5,846,143	-	15,160	-	69,268	65	2,015,681	7,946,317
General administration	1,521,202	-	113,327	-	-	-	366,041	2,000,570
School administration	11,877,728	-	-	-	-	274,916	1,152,641	13,305,285
Operations and maintenance	10,140,518	-	8,899,915	-	5,429,006	199,437	2,057,808	26,726,684
Student transportation services	3,210,110	-	-	5,364,312	-	155,397	550,282	9,280,101
Food service operations	-	-	-	-	-	-	11,319,129	11,319,129
Student activities	2,539,288	-	-	-	80,673	-	1,345,688	3,965,649
Business and central support services	6,541,878	-	940,928	11,965	1,022,071	-	653,044	9,169,886
State payment	-	-	-	-	-	-	5,911,332	5,911,332
Capital outlay	-	-	-	-	25,891,255	-	948,310	26,839,565
Debt service								
Principal retirement	-	15,235,000	-	-	-	-	-	15,235,000
Interest and other charges	-	8,529,650	-	-	-	-	-	8,529,650
Total expenditures	<u>99,233,390</u>	<u>23,764,650</u>	<u>27,533,371</u>	<u>42,418,496</u>	<u>37,225,629</u>	<u>41,801,828</u>	<u>54,803,089</u>	<u>326,780,453</u>
Excess [deficiency] of revenue over [under] expenditures	<u>[85,843]</u>	<u>1,535,711</u>	<u>15,047,473</u>	<u>[15,439,381]</u>	<u>[11,505,620]</u>	<u>[16,005]</u>	<u>[1,392,771]</u>	<u>[11,856,436]</u>
OTHER FINANCING SOURCES [USES]								
Transfers in	-	-	-	13,327,608	-	-	213,564	13,541,172
Transfers out	-	-	[13,541,172]	-	-	-	-	[13,541,172]
Refunding bonds issued	-	79,790,000	-	-	-	-	-	79,790,000
Bond premium	-	6,046,627	-	-	-	-	-	6,046,627
Bond issuance costs	-	[328,693]	-	-	-	-	-	[328,693]
Payment to refunded bond escrow agent	-	[85,507,934]	-	-	-	-	-	[85,507,934]
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>[13,541,172]</u>	<u>13,327,608</u>	<u>-</u>	<u>-</u>	<u>213,564</u>	<u>-</u>
Net change in fund balance	<u>[85,843]</u>	<u>1,535,711</u>	<u>1,506,301</u>	<u>[2,111,773]</u>	<u>[11,505,620]</u>	<u>[16,005]</u>	<u>[1,179,207]</u>	<u>[11,856,436]</u>
FUND BALANCE - Beginning of year	<u>1,227,715</u>	<u>18,911,711</u>	<u>2,024,392</u>	<u>11,278,002</u>	<u>35,102,072</u>	<u>16,152</u>	<u>18,422,363</u>	<u>86,982,407</u>
FUND BALANCE - End 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>

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, 2013

Total Net Change In Fund Balances - Governmental Funds		\$ [11,856,436]
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.		7,057,391
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	29,596,235	
Depreciation expense	<u>[15,979,487]</u>	13,616,748
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	[220,187]	
Loss on sale of capital assets	<u>[850,340]</u>	[1,070,527]
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 \$718,519.		[718,519]
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 \$1,618,293.		[1,618,293]
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.		516,843
Bond proceeds and premium are other financing sources in the governmental funds, but they increase long-term liabilities in the statement of net position and do not affect the statement of activities.		[85,836,627]
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.		[96,814]
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>93,765,000</u>
Changes In Net Position of Governmental Activities		<u>\$ 13,758,766</u>

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
GENERAL FUND
For the Year Ended June 30, 2013
(With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012		June 30, 2013				Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 1,225,508	\$ 924,330	\$ -	\$ 924,330	\$ 1,102,068	\$ 1,102,068	\$ [177,738]
Current	52,551,876	51,805,581	-	51,805,581	50,926,529	50,926,529	879,052
Delinquent	693,373	620,277	-	620,277	682,569	682,569	[62,292]
Total taxes	54,470,757	53,350,188	-	53,350,188	52,711,166	52,711,166	639,022
Intergovernmental							
General aid	39,919,692	42,097,678	32,350,303	74,447,981	81,391,325	78,459,000	[4,011,019]
Federal aid	71,272	-	-	-	-	-	-
Special education aid	-	-	19,689,845	19,689,845	20,017,529	20,017,529	[327,684]
Total intergovernmental	39,990,964	42,097,678	52,040,148	94,137,826	101,408,854	98,476,529	[4,338,703]
Charges for services	3,542,448	3,699,681	-	3,699,681	-	-	3,699,681
Total revenues	98,004,169	99,147,547	52,040,148	151,187,695	154,120,020	151,187,695	-
EXPENDITURES:							
Instruction	49,249,334	49,972,496	[3,606,486]	46,366,010	43,091,894	43,091,894	[3,274,116]
Student support	7,631,365	7,609,630	[2,665]	7,606,965	7,768,025	7,768,025	161,060
Instructional support staff	5,640,991	5,846,143	[45,014]	5,801,129	5,921,599	5,921,599	120,470
General administration	1,303,521	1,521,202	-	1,521,202	1,348,926	1,348,926	[172,276]
School administration	11,838,953	11,877,728	3,569	11,881,297	11,930,115	11,930,115	48,818
Operations and maintenance	10,321,651	10,140,518	-	10,140,518	10,776,781	10,776,781	636,263
Student transportation services	2,979,269	3,210,110	[204]	3,209,906	3,161,426	3,161,426	[48,480]
Student activities	2,546,874	2,539,288	9,794	2,549,082	-	-	[2,549,082]
Business and central support services	6,550,206	6,541,878	15,757	6,557,635	9,029,094	9,029,094	2,471,459
Adjustment to Comply with Legal Maximum Budget	-	-	-	-	-	[2,932,999]	[2,932,999]
Total expenditures	98,062,164	99,258,993	[3,625,249]	95,633,744	93,027,860	90,094,861	[5,538,883]
Excess [deficiency] of revenues over [under] expenditures	[57,995]	[111,446]	55,665,397	55,553,951	61,092,160	61,092,834	[5,538,883]
OTHER FINANCING SOURCES [USES]:							
Transfers out	-	-	[55,574,629]	[55,574,629]	[61,113,512]	[61,113,512]	5,538,883
Total other financing sources [uses]	-	-	[55,574,629]	[55,574,629]	[61,113,512]	[61,113,512]	5,538,883
Net change in fund balance	[57,995]	[111,446]	90,768	[20,678]	\$ [21,352]	\$ [20,678]	\$ -
FUND BALANCE - Beginning of year	1,264,697	1,227,715	[1,206,363]	21,352			
Prior year cancelled encumbrances	21,013	25,603	-	25,603			
FUND BALANCE - End of year	\$ 1,227,715	\$ 1,141,872	\$ [1,115,595]	\$ 26,277			

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, 2013
(With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012		June 30, 2013				Variance with
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Final Budget Positive [Negative]
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 1,106,936	\$ 872,856	\$ -	\$ 872,856	\$ 1,352,629	\$ 1,352,629	\$ [479,773]
Current	34,863,656	34,948,620	13,690,856	48,639,476	46,927,794	46,927,794	1,711,682
Delinquent	576,763	541,231	-	541,231	642,373	642,373	[101,142]
Motor vehicle	4,910,526	5,981,532	-	5,981,532	5,431,033	5,431,033	550,499
Supplemental general aid	-	135,141	-	135,141	139,168	139,168	[4,027]
Rental excise	97,831	101,464	-	101,464	-	-	101,464
Total taxes	41,555,712	42,580,844	13,690,856	56,271,700	54,492,997	54,492,997	1,778,703
Total revenues	41,555,712	42,580,844	13,690,856	56,271,700	54,492,997	54,492,997	1,778,703
EXPENDITURES:							
Instruction	16,636,106	17,575,086	[70,293]	17,504,793	23,527,540	23,527,540	6,022,747
Student support	-	9,280	-	9,280	5,280	5,280	[4,000]
Instructional support staff	32,022	15,160	-	15,160	17,389	17,389	2,229
General administration	217,525	113,327	[2,181]	111,146	166,179	166,179	55,033
Operations and maintenance	8,173,027	8,899,915	23,633	8,923,548	8,824,527	8,824,527	[99,021]
Business and central support services	1,476,134	940,928	445,194	1,386,122	2,282,391	2,282,391	896,269
Adjustment to Comply with Legal Maximum Budget	-	-	-	-	-	[934,202]	[934,202]
Total expenditures	26,534,814	27,553,696	396,353	27,950,049	34,823,306	33,889,104	5,939,055
Excess [deficiency] of revenues over [under] expenditures	15,020,898	15,027,148	13,294,503	28,321,651	19,669,691	20,603,893	7,717,758
OTHER FINANCING SOURCES [USES]:							
Transfers out	[14,969,513]	[13,541,172]	[13,690,855]	[27,232,027]	[21,292,973]	[21,292,973]	[5,939,054]
Total other financing sources [uses]	[14,969,513]	[13,541,172]	[13,690,855]	[27,232,027]	[21,292,973]	[21,292,973]	[5,939,054]
Net change in fund balance	51,385	1,485,976	[396,352]	1,089,624	\$ [1,623,282]	\$ [689,080]	\$ 1,778,704
FUND BALANCE - Beginning of year	1,952,151	2,024,392	[401,111]	1,623,281			
Prior year cancelled encumbrances	20,856	20,325	-	20,325			
FUND BALANCE - End of year	\$ 2,024,392	\$ 3,530,693	\$ [797,463]	\$ 2,733,230			

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, 2013
 (With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012	June 30, 2013						Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts			
					Original	Final		
REVENUES:								
Intergovernmental:								
Federal	\$ 7,283,624	\$ 7,239,730	\$ -	\$ 7,239,730	\$ 6,806,161	\$ 6,806,161	\$	433,569
State and local	19,977,872	19,692,620	[19,689,845]	2,775	4,500	4,500		[1,725]
Total intergovernmental	27,261,496	26,932,350	[19,689,845]	7,242,505	6,810,661	6,810,661		431,844
Investment revenue	31,392	41,874	[1,911]	39,963	31,000	31,000		8,963
Other local funds	2,866	4,891	-	4,891	3,368,000	3,368,000		[3,363,109]
Total revenues	27,295,754	26,979,115	[19,691,756]	7,287,359	10,209,661	10,209,661		[2,922,302]
EXPENDITURES:								
Instruction	32,388,671	32,738,368	64,646	32,803,014	33,526,035	33,526,035		723,021
Student support services	4,056,438	4,321,659	[1,592]	4,320,067	4,317,968	4,317,968		[2,099]
Business and central support services	6,736	11,965	-	11,965	16,174	16,174		4,209
Operations and maintenance	-	-	-	-	10,087	10,087		10,087
Student transportation services	5,440,168	5,364,312	-	5,364,312	5,384,825	5,384,825		20,513
Total expenditures	41,892,013	42,436,304	63,054	42,499,358	43,255,089	43,255,089		755,731
Excess [deficiency] of revenues over [under] expenditures	[14,596,259]	[15,457,189]	[19,754,810]	[35,211,999]	[33,045,428]	[33,045,428]		[2,166,571]
OTHER FINANCING SOURCES [USES]:								
Transfers in	14,799,771	13,327,608	19,689,845	33,017,453	27,448,820	27,448,820		5,568,633
Total other financing sources [uses]	14,799,771	13,327,608	19,689,845	33,017,453	27,448,820	27,448,820		5,568,633
Net change in fund balance	203,512	[2,129,581]	[64,965]	[2,194,546]	\$ [5,596,608]	\$ [5,596,608]	\$	3,402,062
FUND BALANCE - Beginning of year	11,049,227	11,278,002	[114,815]	11,163,187				
Prior year cancelled encumbrances	25,263	17,808	-	17,808				
FUND BALANCE - End of year	\$ 11,278,002	\$ 9,166,229	\$ [179,780]	\$ 8,986,449				

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, 2013
 (With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012			June 30, 2013			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	\$ 42,374,188	\$ 41,731,971	\$ [41,731,971]	\$ -	\$ -	\$ -	\$ -
Other local sources	23,187	53,852	-	53,852	23,000	23,000	30,852
Total revenues	42,397,375	41,785,823	[41,731,971]	53,852	23,000	23,000	30,852
EXPENDITURES:							
Instruction	41,590,317	40,959,586	[16,005]	40,943,581	46,359,963	46,359,963	5,416,382
Student support services	159,172	212,427	-	212,427	216,609	216,609	4,182
Instructional support staff	39,633	65	-	65	400	400	335
School administration	269,931	274,916	-	274,916	270,896	270,896	[4,020]
Operations and maintenance	184,681	199,437	-	199,437	198,323	198,323	[1,114]
Student transportation services	138,975	155,397	-	155,397	133,033	133,033	[22,364]
Total expenditures	42,382,709	41,801,828	[16,005]	41,785,823	47,179,224	47,179,224	5,393,401
Excess [deficiency] of revenues over [under] expenditures	14,666	[16,005]	[41,715,966]	[41,731,971]	[47,156,224]	[47,156,224]	5,424,253
OTHER FINANCING SOURCES [USES]:							
Transfers in	-	-	41,731,971	41,731,971	47,156,224	47,156,224	[5,424,253]
Total other financing sources [uses]	-	-	41,731,971	41,731,971	47,156,224	47,156,224	[5,424,253]
Net change in fund balance	14,666	[16,005]	16,005	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year,	1,486	16,152	[16,152]	-			
FUND BALANCE - End of year	\$ 16,152	\$ 147	\$ [147]	\$ -			

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 June 30, 2013 and 2012

	Internal Service Fund	
	2013	2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,005,594	\$ 1,000,000
Total assets	<u>\$ 1,005,594</u>	<u>\$ 1,000,000</u>
Liabilities		
Current liabilities:		
Accrued claims payable	\$ 1,149,511	\$ 1,052,697
Accounts payable	5,594	-
Total current liabilities	<u>1,155,105</u>	<u>1,052,697</u>
Noncurrent liabilities:		
Accrued claims payable	<u>762,270</u>	<u>762,270</u>
Total noncurrent liabilities	<u>762,270</u>	<u>762,270</u>
Total liabilities	<u>\$ 1,917,375</u>	<u>\$ 1,814,967</u>
Net position		
Unrestricted	<u>[911,781]</u>	<u>[814,967]</u>
Total net position	<u>\$ [911,781]</u>	<u>\$ [814,967]</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, 2013 and 2012

	Internal Service Fund Year Ended June 30,	
	2013	2012
Operating revenues		
Other local sources	\$ 714,556	\$ 1,049,747
Total operating revenues	<u>714,556</u>	<u>1,049,747</u>
Operating expenses		
General government	<u>811,370</u>	<u>880,388</u>
Total operating expenses	<u>811,370</u>	<u>880,388</u>
Net income	[96,814]	169,359
Net position, Beginning of year	<u>[814,967]</u>	<u>[984,326]</u>
Net position, End of year	<u>\$ [911,781]</u>	<u>\$ [814,967]</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, 2013 and 2012

	Internal Service Fund Year Ended June 30,	
	2013	2012
Cash flows from operating activities		
Cash paid to other suppliers of goods or services	\$ [708,962]	\$ [1,049,747]
Other operating receipts	<u>714,556</u>	<u>1,049,747</u>
Net cash [used in] operating activities	<u>5,594</u>	<u>-</u>
Net increase [decrease] in cash and cash equivalents	5,594	-
Cash and cash equivalents, Beginning of year	<u>1,000,000</u>	<u>1,000,000</u>
Cash and cash equivalents, End of year	<u>\$ 1,005,594</u>	<u>\$ 1,000,000</u>
Reconciliation of operating [loss] to net cash [used in] operating activities		
Operating income	\$ [96,814]	\$ 169,359
Adjustments to reconcile operating [loss] to net cash [used in] operating activities		
Increase [decrease] in claims payable	96,814	[169,359]
Increase [decrease] in accounts payable	<u>5,594</u>	<u>-</u>
Net cash [used in] operating activities	<u>\$ 5,594</u>	<u>\$ -</u>

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND

June 30, 2013 and 2012

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
ASSETS:		
Cash and cash equivalents	<u>\$ 2,155,662</u>	<u>\$ 2,230,187</u>
Total assets	<u>\$ 2,155,662</u>	<u>\$ 2,230,187</u>
LIABILITIES		
Due to student organizations	<u>\$ 2,155,662</u>	<u>\$ 2,230,187</u>
Total liabilities	<u>\$ 2,155,662</u>	<u>\$ 2,230,187</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, 2013

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 27,437 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, 2013

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, 2013

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, 2013

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 Fund	Debt Service Fund	Supplemental General Fund	Special Education Fund	Capital Outlay Fund	At Risk (K-12) Fund	Governmental Funds	Governmental Funds
Fund Balances:								
Nonspendable								
Inventory	\$ 780,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,521	\$ 970,259
Restricted for:								
Debt retirement	-	20,447,422	-	-	-	-	-	20,447,422
Special education instruction	-	-	-	8,988,360	-	-	-	8,988,360
School construction and equipment	-	-	-	-	10,732,090	-	444,728	11,176,818
Instruction	-	-	-	-	-	-	3,128,681	3,128,681
Operations and maintenance	-	-	-	-	-	-	5,638,052	5,638,052
Food service operations	-	-	-	-	-	-	2,135,643	2,135,643
Student activities	-	-	-	-	-	-	491,672	491,672
Business services	-	-	-	-	-	-	3,195,001	3,195,001
State payment	-	-	-	-	-	-	503,382	503,382
Assigned for:								
Special education instruction	-	-	-	177,869	-	-	-	177,869
School construction and equipment	-	-	-	-	12,864,362	-	-	12,864,362
Instruction	334,857	-	797,463	-	-	147	1,087,650	2,220,117
Student support services	-	-	-	-	-	-	2,097	2,097
Instructional support staff	-	-	-	-	-	-	12,250	12,250
Business services	-	-	-	-	-	-	213,670	213,670
Food service operations	-	-	-	-	-	-	200,809	200,809
Unassigned:	26,277	-	2,733,230	-	-	-	-	2,759,507
Total Fund Balances	\$ 1,141,872	\$ 20,447,422	\$ 3,530,693	\$ 9,166,229	\$ 23,596,452	\$ 147	\$ 17,243,156	\$ 75,125,971

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2013

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:

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

Restricted - This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Restricted net position includes \$20,447,422 for debt service.

Unrestricted - This consists of net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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. The budget was not amended for the year ended June 30, 2013.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2013

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, 2013	\$ 1,141,872	\$ 20,447,422	\$ 3,530,693	\$ 9,166,229	\$ 23,596,452	\$ 147	\$ 17,243,156	\$ 75,125,971
Adjustments:								
Unreserved fund balances not subject to the Kansas Budget Law:								
Textbook	-	-	-	-	-	-	[1,728,973]	[1,728,973]
Contingency Reserve	-	-	-	-	-	-	[5,638,052]	[5,638,052]
Health Care Reserve	-	-	-	-	-	-	[849]	[849]
Student Material Revolving	-	-	-	-	-	-	[254,711]	[254,711]
Gate Receipts	-	-	-	-	-	-	[491,672]	[491,672]
Interest receivable	-	[1,856]	-	[1,911]	[132]	-	[764]	[4,663]
Accounts payable - retainage	-	-	-	-	2,521,817	-	-	2,521,817
Reserve for encumbrances	[334,857]	-	[797,463]	[177,869]	[12,864,362]	[147]	[518,683]	[14,693,381]
Reserve for material and supplies inventory	[780,738]	-	-	-	-	-	[189,521]	[970,259]
Total deductions	[1,115,595]	[1,856]	[797,463]	[179,780]	[10,342,677]	[147]	[8,823,225]	[21,260,743]
BUDGETARY FUND BALANCE								
June 30, 2013	\$ 26,277	\$ 20,445,566	\$ 2,733,230	\$ 8,986,449	\$ 13,253,775	\$ -	\$ 8,419,931	\$ 53,865,228

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2013

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, 2012 was as follows:

Real estate	\$ 2,746,861,974
Personal property	63,945,359
Utilities	<u>63,547,939</u>
Total assessed valuation	<u>\$ 2,874,355,272</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	17.796
Capital Outlay	8.000
Special Assessment	0.292
Cost of Living	1.669
Bond and Interest	<u>8.009</u>
Total tax levy	<u>\$ 55.766</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, 2013, the district has received property tax amounting to approximately 99% of the November 1, 2012, 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, 2013

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, 2013, the District has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Weighted Average Maturity</u>
U.S. Government Securities	<u>\$ 43,533,130</u>	NA	100 days
Total fair value	<u>\$ 43,533,130</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, 2013

Note 3. DETAILED NOTES ON ALL FUNDS (Continued)

B. Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows:

	Balance June 30, 2012	Restatement*	Balance June 30, 2012 Restated	Additions/ Adjustments	Impairments**	Retirements	Balance June 30, 2013
Governmental activities:							
Nondepreciable assets:							
Land	\$ 5,577,929	\$ -	\$ 5,577,929	\$ -	\$ -	\$ -	\$ 5,577,929
Artwork	392,318	-	392,318	-	-	-	392,318
Construction in progress	27,090,408	-	27,090,408	24,451,199	-	[23,205,229]	28,336,378
Depreciable assets:							
Buildings and improvements	481,447,432	-	481,447,432	22,016,160	[718,519]	[203,079]	502,541,994
Equipment	<u>58,246,036</u>	<u>-</u>	<u>58,246,036</u>	<u>6,334,105</u>	<u>-</u>	<u>[4,505,739]</u>	<u>60,074,402</u>
Totals at historical cost	<u>572,754,123</u>	<u>-</u>	<u>572,754,123</u>	<u>52,801,464</u>	<u>[718,519]</u>	<u>[27,914,047]</u>	<u>596,923,021</u>
Less accumulated depreciation for:							
Buildings and improvements	87,815,498	[12,139]	87,803,359	10,655,241	-	[20,814]	98,437,786
Equipment	<u>40,951,103</u>	<u>6,446</u>	<u>40,957,549</u>	<u>5,324,246</u>	<u>-</u>	<u>[3,617,477]</u>	<u>42,664,318</u>
Totals accumulated depreciation	<u>128,766,601</u>	<u>[5,693]</u>	<u>128,760,908</u>	<u>15,979,487</u>	<u>-</u>	<u>[3,638,291]</u>	<u>141,102,104</u>
Governmental activities capital assets, net	<u>\$ 443,987,522</u>	<u>\$ 5,693</u>	<u>\$ 443,993,215</u>	<u>\$ 36,821,977</u>	<u>\$ [718,519]</u>	<u>\$ [24,275,756]</u>	<u>\$ 455,820,917</u>

* See explanation for restatement on page 37.

** See explanation for impairments on page 41.

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,735,720
Instructional support	37,375
Student support	147,587
General administration	2,143
School administration	330
Operations and maintenance	11,818,392
Student transport	201
Food service	60,309
Business services and central support services	1,102,504
Student activities	<u>74,926</u>
Total depreciation	<u>\$ 15,979,487</u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2013

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, 2012	Additions	Reductions	Balance June 30, 2013	Amounts Due Within One Year
Governmental activities					
General Obligation Bonds	\$212,687,122	\$ 85,836,627	\$ [96,033,333]	\$ 202,490,416	\$ 18,447,674
Total governmental activities					
Long-term liabilities	\$212,687,122	\$ 85,836,627	\$ [96,033,333]	\$ 202,490,416	\$ 18,447,674

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

	Date Issued	Date Matures	Interest Rate	Original Amount	Outstanding June 30, 2013
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	5,575,761
Advance refunding bonds	06/01/04	10/01/15	3.00% to 5.00%	22,580,455	9,057,614
Advance refunding bonds	1/15/05	10/1/17	2.75% to 5.00%	23,412,809	12,300,696
General obligation bonds	5/15/05	10/1/14	3.00% to 5.00%	66,776,331	5,912,633
Current refunding bonds	7/1/06	10/1/13	4.25% to 5.00%	10,334,061	1,368,437
General obligation bonds	4/15/07	10/1/27	4.00% to 5.00%	70,729,969	61,022,477
General obligation bonds	7/8/08	10/1/19	3.00% to 5.00%	16,441,126	11,381,171
General obligation bonds	11/1/12	10/1/25	1.25% to 5.00%	85,836,627	85,836,627
Total general obligation bonds payable				\$ 371,018,605	\$ 202,490,416

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
2014	\$ 18,447,674	\$ 7,284,510	\$ 25,732,184
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
2019-2023	67,425,595	13,059,868	80,485,463
2024-2028	47,422,870	3,613,735	51,036,605
Total	\$ 202,490,416	\$ 45,447,816	\$ 247,938,232

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2013

Note 3. DETAILED NOTES ON ALL FUNDS (Concluded)

C. Long - Term Liabilities (Concluded)

During 2012, the District issued \$79,790,000, in general obligation refunding bonds with interest ranging from 1.25 to 5.00 to advance refund \$35,490,000 of 2004-A General Obligation Bonds with an interest rate of 5.00% and to advance refund \$43,040,000 of 2005-C General Obligation Bonds with interest rates ranging from 4.25% to 5.00%. The net proceeds were used to establish an escrow account invested in U.S. Government Securities to pay the outstanding principal of the 2004-A and 2005-C General Obligation Bonds and the interest due on the refunding general obligation bonds. As a result, these portions of the 2004-A and 2005-C bonds are considered to be defeased and the liability for the defeased bonds has been removed from the District's financial statements. The transaction resulted in an economic gain of \$10,511,758 and a reduction of \$11,843,051 in future debt payments.

The district is subject to Kansas statutes and may issue general obligation bonds for capital improvements upon the approval of a majority of the voters. Remaining debt service requirements for general obligation bonds will be repaid from the Debt Service Fund and Capital Outlay Fund with future tax assessments. Such general obligation indebtedness may not exceed the amount allowed for the district under K.S.A. 72-6761. The district's statutory limit for such bonded indebtedness was about \$442 million at June 30, 2013.

D. Operating Leases

The district leases copiers under a noncancelable operating lease. Total costs for this lease was \$563,701 for the year ended June 30, 2013. The future minimum lease payments for the lease are as follows:

<u>Year ending</u> <u>June 30</u>	<u>Amount</u>
2014	\$ 479,340
2015	<u>154,385</u>
Total	<u>\$ 633,725</u>

E. Net Position

The amount reported on the statement of net position identified as invested in capital assets, net of related debt is comprised of the following:

	<u>Governmental</u> <u>Activities</u>
Total net capital assets	\$ 455,820,917
Less:	
Current portion of general obligation bonds	[18,447,674]
Noncurrent portion of general obligation bonds	<u>[184,042,742]</u>
Net position - invested in capital assets, net of related debt	<u>\$ 253,330,501</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:

	<u>Governmental</u> <u>Activities</u>
Net Position, June 30, 2012	\$ 308,386,099
Accumulated Depreciation Adjustment	<u>5,690</u>
Net Position June 30, 2012, Restated	<u>\$ 308,391,789</u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2013

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 K.S.A. 74-4901 et seq. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas Avenue, Topeka, Kansas 66603-3925).

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% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the statutory required employers share. The estimated State of Kansas contributions to KPERS for the district employees for the years ending June 30, 2013, 2012, and 2011 were \$16,838,495, \$19,511,905, and \$11,919,748, respectively, equal to the required contributions for each year. The district recognizes these on-behalf payments as revenues and expenditures in the applicable funds as required.

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, 2013, such interfund premiums did not exceed reimbursable expenditures.

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2013

Note 4. OTHER INFORMATION (Continued)

B. Risk Management (Concluded)

Changes in the balances of claims liabilities for the years ended June 30, 2013 and 2012 are as follows:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Unpaid claims, beginning of year	\$ 1,814,967	\$ 1,984,326
Incurred claims (including IBNR)	672,773	661,901
Claim payments	<u>[575,959]</u>	<u>[831,260]</u>
Unpaid claims, end of year	<u>\$ 1,911,781</u>	<u>\$ 1,814,967</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>\$13,327,608</u>	<u>\$ 213,564</u>	<u>\$ 13,541,172</u>
Total	<u>\$13,327,608</u>	<u>\$ 213,564</u>	<u>\$ 13,541,172</u>

D. Contingent Liabilities

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

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

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

E. Comparative Data/Reclassifications

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2013

Note 4. OTHER INFORMATION (Continued)

F. Postemployment Healthcare Plan

Plan Description. The District operates a single employer defined benefit healthcare plan administered by the District. The Employee Benefit Plan (the Plan) provides medical and pharmacy benefits to eligible retirees and their dependents. KSA 12-5040 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 the age of 65 years. 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, 2013, plan participants contributed \$1,320,000 to the Plan (100% of total premiums) through the following required annual contributions:

<u>Coverage</u>	<u>Retiree Contributions</u>		<u>Spousal Contributions</u>	
	<u>Pre-65</u>	<u>Post-65</u>	<u>Pre-65</u>	<u>Post-65</u>
Medical - HMO Plan	\$ 7,110	\$ 4,902	\$ 7,458	\$ 5,268
Medical - PPO Plan	\$ 7,110	\$ 4,902	\$ 7,458	\$ 5,268
High Deductible (HAS)	\$ 5,160	\$ 3,528	\$ 5,406	\$ 3,558

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

Annual required contribution	\$ 3,044,148
Interest on Net OPEB Obligation	346,488
ARC Adjustment	<u>[452,343]</u>
Annual OPEB cost (expense)	2,938,293
Benefit payments	<u>1,320,000</u>
Change in net OPEB obligation	1,618,293
Net OPEB obligation - beginning of year	<u>7,699,735</u>
Net OPEB obligation - end of year	<u>\$ 9,318,028</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, 2013 was as follows:

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2013

Note 4. OTHER INFORMATION (Concluded)

F. Postemployment Healthcare Plan (Concluded)

Funding Status and Funding Progress. As of the year ended July 1, 2011, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$23,002,636 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$23,002,636. The covered payroll (annual payroll of active employees covered by the plan) was \$138,397,176, and the ratio of the UAAL to the covered payroll was 16.6%.

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

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

In the year ended June 30, 2012, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% 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 9% 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, 2013, the District sold a former school building, Moody Elementary, and the land on which the facility was located for \$1,300,000. At June 30, 2013, the book value of the building which was sold was written down to the sales price of the building. The write down in the values of this capital asset is shown as an impairment loss of \$718,519 on the Statement of Activities.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2013

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%

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%

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.

Driver Training Fund: This fund is used to account for state aid revenues used to provide drivers' education training to students.

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, 2013

	Vocational Education	Declining Enrollment	Driver Training	Professional Development	Special Assessment	Food Service	Adult Supplemental Education	Bilingual Education	Summer School	Parent Education Program
ASSETS										
Cash and cash equivalents	\$ 273,812	\$ 289,555	\$ -	\$ 12,250	\$ 444,728	\$ 2,370,440	\$ 39,428	\$ 171,184	\$ 615,070	\$ 2,168
Investments	-	-	-	-	-	-	-	-	-	-
Receivables										
Taxes	-	-	-	-	22,263	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-	189,521	-	-	-	-
Total assets	\$ 273,812	\$ 289,555	\$ -	\$ 12,250	\$ 466,991	\$ 2,559,961	\$ 39,428	\$ 171,184	\$ 615,070	\$ 2,168
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 1,700	\$ -	\$ -	\$ -	\$ -	\$ 172	\$ -	\$ 5,674	\$ 2,040	\$ 71
Health care reserve	-	-	-	-	-	-	-	-	-	-
Accrued payroll, payroll withholdings and taxes	262,318	-	-	-	-	33,816	-	163,044	1,409	-
Total liabilities	264,018	-	-	-	-	33,988	-	168,718	3,449	71
Deferred inflows of resources:										
Unavailable revenue - student fees	-	-	-	-	-	-	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-	22,263	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	22,263	-	-	-	-	-
Total liabilities and deferred inflows of resources	264,018	-	-	-	22,263	33,988	-	168,718	3,449	71
Fund balances:										
Nonspendable	-	-	-	-	-	189,521	-	-	-	-
Restricted	-	289,555	-	-	444,728	2,135,643	39,428	-	608,233	-
Assigned	9,794	-	-	12,250	-	200,809	-	2,466	3,388	2,097
Total fund balances	9,794	289,555	-	12,250	444,728	2,525,973	39,428	2,466	611,621	2,097
Total liabilities, deferred inflows of resources and fund balances	\$ 273,812	\$ 289,555	\$ -	\$ 12,250	\$ 466,991	\$ 2,559,961	\$ 39,428	\$ 171,184	\$ 615,070	\$ 2,168

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
\$ 229,963	\$ 1,405,072	\$ 41,059	\$ 503,382	\$ -	\$ 1,494,281	\$ 491,672	\$ 1,730,927	\$ 630,966	\$ 3,918	\$ 255,384	\$ 11,005,259
-	2,002,835	-	-	-	-	-	-	5,007,086	2,472,650	-	9,482,571
-	-	-	127,194	-	-	-	-	-	-	-	149,457
-	764	-	-	-	-	-	-	-	628	-	1,392
-	-	-	-	-	-	-	-	-	-	-	189,521
<u>\$ 229,963</u>	<u>\$ 3,408,671</u>	<u>\$ 41,059</u>	<u>\$ 630,576</u>	<u>\$ -</u>	<u>\$ 1,494,281</u>	<u>\$ 491,672</u>	<u>\$ 1,730,927</u>	<u>\$ 5,638,052</u>	<u>\$ 2,477,196</u>	<u>\$ 255,384</u>	<u>\$ 20,828,200</u>
\$ 97	\$ -	\$ -	\$ -	\$ -	\$ 35,056	\$ -	\$ 1,954	\$ -	\$ -	\$ 442	\$ 47,206
-	-	-	-	-	-	-	-	-	2,476,347	-	2,476,347
-	-	40,860	-	-	410,142	-	-	-	-	-	911,589
97	-	40,860	-	-	445,198	-	1,954	-	2,476,347	442	3,435,142
214	-	-	-	-	-	-	-	-	-	231	445
-	-	-	127,194	-	-	-	-	-	-	-	149,457
214	-	-	127,194	-	-	-	-	-	-	231	149,902
311	-	40,860	127,194	-	445,198	-	1,954	-	2,476,347	673	3,585,044
-	-	-	-	-	-	-	-	-	-	-	189,521
229,652	3,195,001	-	503,382	-	975,073	491,672	736,960	5,638,052	849	248,931	15,537,159
-	213,670	199	-	-	74,010	-	992,013	-	-	5,780	1,516,476
<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>\$ 229,963</u>	<u>\$ 3,408,671</u>	<u>\$ 41,059</u>	<u>\$ 630,576</u>	<u>\$ -</u>	<u>\$ 1,494,281</u>	<u>\$ 491,672</u>	<u>\$ 1,730,927</u>	<u>\$ 5,638,052</u>	<u>\$ 2,477,196</u>	<u>\$ 255,384</u>	<u>\$ 20,828,200</u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2013

	Vocational Education	Declining Enrollment	Driver Training	Professional Development	Special Assessment	Food Service	Adult Supplemental Education	Bilingual Education	Summer School	Parent Education Program
REVENUES:										
Taxes	\$ -	\$ 294,364	\$ -	\$ -	\$ 921,067	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,731,933	-	-	256,620	-	5,584,221	-	2,810,725	-	385,544
Charges for services	21,667	-	-	-	-	5,621,203	-	-	470,074	-
Investment revenue	-	-	-	-	-	252	-	-	-	-
Other local sources	-	-	-	-	-	-	-	-	-	-
Total revenues	3,753,600	294,364	-	256,620	921,067	11,205,676	-	2,810,725	470,074	385,544
EXPENDITURES:										
Current										
Instruction	2,997,384	-	-	-	-	-	-	2,367,733	346,530	-
Student support services	-	-	-	-	-	-	-	35,538	9,920	549,039
Instructional support staff	299,175	-	-	252,312	-	-	-	97,008	-	31,156
General administration	-	-	-	-	-	-	-	-	-	20,276
School administration	85,532	-	-	-	-	-	-	-	73,638	-
Operations and maintenance	90,837	-	-	-	-	674,164	-	-	63,597	-
Student transportation services	222,273	-	-	-	-	-	-	308,535	-	-
Food service operations	-	-	-	-	-	10,830,813	-	-	-	-
Student activities	77,761	-	-	-	-	-	-	-	-	-
Business and central support services	-	-	-	-	-	-	-	-	-	-
State payment	-	179,550	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	948,310	-	-	-	-	-
Total expenditures	3,772,962	179,550	-	252,312	948,310	11,504,977	-	2,808,814	493,685	600,471
Excess [deficiency] of revenues over [under] expenditures	[19,362]	114,814	-	4,308	[27,243]	[299,301]	-	1,911	[23,611]	[214,927]
OTHER FINANCING SOURCES [USES]:										
Transfers in	-	-	-	-	-	-	-	-	-	213,564
Total other financing sources [uses]	-	-	-	-	-	-	-	-	-	213,564
Net change in fund balances	[19,362]	114,814	-	4,308	[27,243]	[299,301]	-	1,911	[23,611]	[1,363]
Fund balance - Beginning of year	29,156	174,741	-	7,942	471,971	2,825,274	39,428	555	635,232	3,460
Fund balance - End of year	\$ 9,794	\$ 289,555	\$ -	\$ 12,250	\$ 444,728	\$ 2,525,973	\$ 39,428	\$ 2,466	\$ 611,621	\$ 2,097

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
\$ -	\$ 2,453	\$ -	\$ 5,426,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,643,979
-	-	329,835	-	16,838,495	5,610,803	-	-	-	-	-	35,548,176
88,037	-	-	-	-	-	-	2,156,098	-	-	785,042	9,142,121
-	1,680	-	-	-	-	-	-	-	849	-	2,781
-	-	-	-	-	1,177,661	895,600	-	-	-	-	2,073,261
88,037	4,133	329,835	5,426,095	16,838,495	6,788,464	895,600	2,156,098	-	849	785,042	53,410,318
57,271	-	329,759	-	11,904,817	4,591,639	-	2,663,004	-	-	422,541	25,680,678
-	-	-	-	976,633	1,231,325	-	-	-	-	-	2,802,455
-	-	-	-	572,509	745,072	-	-	-	-	18,449	2,015,681
-	126,851	-	-	84,192	134,722	-	-	-	-	-	366,041
-	-	-	-	993,471	-	-	-	-	-	-	1,152,641
-	-	-	-	1,229,210	-	-	-	-	-	-	2,057,808
-	-	-	-	16,838	2,636	-	-	-	-	-	550,282
-	-	-	-	488,316	-	-	-	-	-	-	11,319,129
-	-	-	-	-	90	891,859	-	-	-	375,978	1,345,688
-	80,535	-	-	572,509	-	-	-	-	-	-	653,044
-	-	-	5,731,782	-	-	-	-	-	-	-	5,911,332
-	-	-	-	-	-	-	-	-	-	-	948,310
57,271	207,386	329,759	5,731,782	16,838,495	6,705,484	891,859	2,663,004	-	-	816,968	54,803,089
30,766	[203,253]	76	[305,687]	-	82,980	3,741	[506,906]	-	849	[31,926]	[1,392,771]
-	-	-	-	-	-	-	-	-	-	-	213,564
-	-	-	-	-	-	-	-	-	-	-	213,564
30,766	[203,253]	76	[305,687]	-	82,980	3,741	[506,906]	-	849	[31,926]	[1,179,207]
198,886	3,611,924	123	809,069	-	966,103	487,931	2,235,879	5,638,052	-	286,637	18,422,363
\$ 229,652	\$ 3,408,671	\$ 199	\$ 503,382	\$ -	\$ 1,049,083	\$ 491,672	\$ 1,728,973	\$ 5,638,052	\$ 849	\$ 254,711	\$ 17,243,156

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, 2013
 (With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012		June 30, 2013				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	\$ 3,728,124	\$ 3,731,933	\$ [3,731,933]	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	173,312	173,312	[173,312]
Total intergovernmental	3,728,124	3,731,933	[3,731,933]	-	173,312	173,312	[173,312]
Charges for services	27,764	21,667	-	21,667	25,000	25,000	[3,333]
Total revenues	3,755,888	3,753,600	[3,731,933]	21,667	198,312	198,312	[176,645]
EXPENDITURES:							
Instruction	3,002,009	3,000,540	[18,717]	2,981,823	3,336,285	3,336,285	354,462
Instructional support staff	281,434	299,175	-	299,175	288,825	288,825	[10,350]
School administration	69,867	85,532	[645]	84,887	86,611	86,611	1,724
Operations and maintenance	90,683	90,837	-	90,837	106,321	106,321	15,484
Student transport services	232,169	222,273	-	222,273	-	-	[222,273]
Other support services	75,238	77,761	-	77,761	225,828	225,828	148,067
Total expenditures	3,751,400	3,776,118	[19,362]	3,756,756	4,043,870	4,043,870	287,114
Excess [deficiency] of revenues over [under] expenditures	4,488	[22,518]	[3,712,571]	[3,735,089]	[3,845,558]	[3,845,558]	110,469
OTHER FINANCING SOURCES [USES]:							
Transfers in	-	-	3,731,933	3,731,933	3,845,558	3,845,558	[113,625]
Total other financing sources [uses]	-	-	3,731,933	3,731,933	3,845,558	3,845,558	[113,625]
Net change in fund balance	4,488	[22,518]	19,362	[3,156]	\$ -	\$ -	\$ [3,156]
FUND BALANCE - Beginning of year	23,415	29,156	[29,156]	-			
Prior year cancelled encumbrances	1,253	3,156	-	3,156			
FUND BALANCE - End of year	\$ 29,156	\$ 9,794	\$ [9,794]	\$ -			

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, 2013
(With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012		June 30, 2013				Variance with
	GAAP	GAAP	Adjustments	Budgetary	Budgeted Amounts		Final Budget
	Basis	Basis	to Budgetary	Basis	Original	Final	Positive
			Basis				[Negative]
REVENUES:							
Taxes:							
In process	\$ 68,752	\$ 16,410	\$ -	\$ 16,410	\$ 13,829	\$ 13,829	\$ 2,581
Current	521,676	18	-	18	-	-	18
Delinquent	32,716	22,755	-	22,755	6,813	6,813	15,942
Motor vehicle	<u>272,488</u>	<u>255,181</u>	<u>-</u>	<u>255,181</u>	<u>222,940</u>	<u>222,940</u>	<u>32,241</u>
Total taxes	<u>895,632</u>	<u>294,364</u>	<u>-</u>	<u>294,364</u>	<u>243,582</u>	<u>243,582</u>	<u>50,782</u>
Total revenues	<u>895,632</u>	<u>294,364</u>	<u>-</u>	<u>294,364</u>	<u>243,582</u>	<u>243,582</u>	<u>50,782</u>
EXPENDITURES:							
State payment	<u>1,266,401</u>	<u>179,550</u>	<u>-</u>	<u>179,550</u>	<u>179,550</u>	<u>179,550</u>	<u>-</u>
Total expenditures	<u>1,266,401</u>	<u>179,550</u>	<u>-</u>	<u>179,550</u>	<u>\$ 179,550</u>	<u>\$ 179,550</u>	<u>\$ -</u>
Net change in fund balance	[370,769]	114,814	-	114,814			
FUND BALANCE - Beginning of year	<u>545,510</u>	<u>174,741</u>	<u>-</u>	<u>174,741</u>			
FUND BALANCE - End of year	<u>\$ 174,741</u>	<u>\$ 289,555</u>	<u>\$ -</u>	<u>\$ 289,555</u>			

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

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

For the Year Ended June 30, 2013
(With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012	June 30, 2013					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustment to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
State and local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-	-	-
EXPENDITURES:							
Instruction	43,949	-	-	-	43,949	43,949	43,949
Total expenditures	43,949	-	-	-	43,949	43,949	43,949
Net change in fund balance	[43,949]	-	-	-	\$ [43,949]	\$ [43,949]	\$ [43,949]
FUND BALANCE - Beginning of year	43,949	-	-	-			
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)
PROFESSIONAL DEVELOPMENT FUND
For the Year Ended June 30, 2013
(With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012	June 30, 2013					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	\$ 256,603	\$ 256,620	\$ [256,620]	\$ -	\$ -	\$ -	\$ -
Total revenues	256,603	256,620	[256,620]	-	-	-	-
EXPENDITURES:							
Instructional support staff	254,158	252,356	4,308	256,664	277,018	277,018	20,354
Total expenditures	254,158	252,356	4,308	256,664	277,018	277,018	20,354
Excess [deficiency] of revenues over [under] expenditures	2,445	4,264	[260,928]	[256,664]	[277,018]	[277,018]	20,354
OTHER FINANCING SOURCES [USES]:							
Transfers in	-	-	256,620	256,620	277,018	277,018	[20,398]
Total other financing sources [uses]	-	-	256,620	256,620	277,018	277,018	[20,398]
Net change in fund balance	2,445	4,264	[4,308]	[44]	\$ -	\$ -	\$ [44]
FUND BALANCE - Beginning of year	3,547	7,942	[7,942]	-			
Prior year cancelled encumbrances	1,950	44	-	44			
FUND BALANCE - End of year	\$ 7,942	\$ 12,250	\$ [12,250]	\$ -			

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, 2013
 (With Comparative Amounts for the Year Ended June 30, 2012)

	<u>June 30, 2012</u>			<u>June 30, 2013</u>			
	<u>GAAP</u>	<u>GAAP</u>	<u>Adjustments</u>	<u>Budgetary</u>	<u>Budgeted Amounts</u>		<u>Variance with</u>
	<u>Basis</u>	<u>Basis</u>	<u>to Budgetary</u>	<u>Basis</u>	<u>Original</u>	<u>Final</u>	<u>Final Budget</u>
			<u>Basis</u>				<u>Positive</u>
							<u>[Negative]</u>
REVENUES:							
Taxes:							
In process	\$ 18,604	\$ 13,840	\$ -	\$ 13,840	\$ 21,437	\$ 21,437	\$ [7,597]
Current	778,974	798,079	-	798,079	788,437	788,437	9,642
Delinquent	9,047	8,611	-	8,611	10,182	10,182	[1,571]
Motor vehicle	75,410	98,832	-	98,832	89,307	89,307	9,525
Rental excise	1,447	1,705	-	1,705	1,400	1,400	305
Total revenues	<u>883,482</u>	<u>921,067</u>	<u>-</u>	<u>921,067</u>	<u>910,763</u>	<u>910,763</u>	<u>10,304</u>
EXPENDITURES:							
Facility acquisition and construction	<u>876,504</u>	<u>948,310</u>	<u>-</u>	<u>948,310</u>	<u>975,000</u>	<u>975,000</u>	<u>26,690</u>
Total expenditures	<u>876,504</u>	<u>948,310</u>	<u>-</u>	<u>948,310</u>	<u>975,000</u>	<u>975,000</u>	<u>26,690</u>
Net change in fund balance	6,978	[27,243]	-	[27,243]	\$ [64,237]	\$ [64,237]	\$ 36,994
FUND BALANCE - Beginning of year	<u>464,993</u>	<u>471,971</u>	<u>-</u>	<u>471,971</u>			
FUND BALANCE - End of year	<u>\$ 471,971</u>	<u>\$ 444,728</u>	<u>\$ -</u>	<u>\$ 444,728</u>			

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, 2013
 (With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012	June 30, 2013					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
Federal	\$ 5,282,546	\$ 5,476,218	\$ -	\$ 5,476,218	\$ 5,226,228	\$ 5,226,228	\$ 249,990
State and local	<u>93,648</u>	<u>108,003</u>	<u>-</u>	<u>108,003</u>	<u>102,467</u>	<u>102,467</u>	<u>5,536</u>
Total intergovernmental	5,376,194	5,584,221	-	5,584,221	5,328,695	5,328,695	255,526
Charges for services	5,964,756	5,621,203	-	5,621,203	6,019,807	6,019,807	[398,604]
Investment revenue	<u>314</u>	<u>252</u>	<u>-</u>	<u>252</u>	<u>500</u>	<u>500</u>	<u>[248]</u>
Total revenues	<u>11,341,264</u>	<u>11,205,676</u>	<u>-</u>	<u>11,205,676</u>	<u>11,349,002</u>	<u>11,349,002</u>	<u>[143,326]</u>
EXPENDITURES:							
Instruction	555	-	-	-	-	-	-
Operations and maintenance	675,000	674,164	-	674,164	675,000	675,000	836
Food service operations	<u>10,454,767</u>	<u>10,971,569</u>	<u>139,385</u>	<u>11,110,954</u>	<u>13,181,815</u>	<u>13,181,815</u>	<u>2,070,861</u>
Total expenditures	<u>11,130,322</u>	<u>11,645,733</u>	<u>139,385</u>	<u>11,785,118</u>	<u>13,856,815</u>	<u>13,856,815</u>	<u>2,071,697</u>
Net change in fund balance	210,942	[440,057]	[139,385]	[579,442]	\$ [2,507,813]	\$ [2,507,813]	\$ 1,928,371
FUND BALANCE - Beginning of year	2,610,054	2,825,274	[250,945]	2,574,329			
Prior year cancelled encumbrances	<u>4,278</u>	<u>140,756</u>	<u>-</u>	<u>140,756</u>			
FUND BALANCE - End of year	<u>\$ 2,825,274</u>	<u>\$ 2,525,973</u>	<u>\$ [390,330]</u>	<u>\$ 2,135,643</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, 2013
(With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012	June 30, 2013					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-	-	-
EXPENDITURES:							
Instruction	-	-	-	-	18,518	18,518	18,518
Total expenditures	-	-	-	-	18,518	18,518	18,518
Net change in fund balance	-	-	-	-	\$ [18,518]	\$ [18,518]	\$ 18,518
FUND BALANCE - Beginning of year	39,428	39,428	-	39,428			
FUND BALANCE - End of year	\$ 39,428	\$ 39,428	\$ -	\$ 39,428			

See independent auditor's report on the financial statements.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 BILINGUAL EDUCATION FUND
 For the Year Ended June 30, 2013
 (With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012	June 30, 2013					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	\$ 2,993,701	\$ 2,810,725	\$ [2,810,725]	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>2,993,701</u>	<u>2,810,725</u>	<u>[2,810,725]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:							
Instruction	2,551,621	2,367,790	1,911	2,369,701	2,674,272	2,674,272	304,571
Student support services	30,087	35,538	-	35,538	35,799	35,799	261
Instructional support staff	95,902	97,008	-	97,008	97,036	97,036	28
Student transportation services	<u>322,759</u>	<u>308,535</u>	<u>-</u>	<u>308,535</u>	<u>338,140</u>	<u>338,140</u>	<u>29,605</u>
Total expenditures	<u>3,000,369</u>	<u>2,808,871</u>	<u>1,911</u>	<u>2,810,782</u>	<u>3,145,247</u>	<u>3,145,247</u>	<u>334,465</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[6,668]</u>	<u>1,854</u>	<u>[2,812,636]</u>	<u>[2,810,782]</u>	<u>[3,145,247]</u>	<u>[3,145,247]</u>	<u>334,465</u>
OTHER FINANCING SOURCES [USES]:							
Transfers in	<u>-</u>	<u>-</u>	<u>2,810,725</u>	<u>2,810,725</u>	<u>3,145,247</u>	<u>3,145,247</u>	<u>[334,522]</u>
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>2,810,725</u>	<u>2,810,725</u>	<u>3,145,247</u>	<u>3,145,247</u>	<u>[334,522]</u>
Net change in fund balance	[6,668]	1,854	[1,911]	[57]	\$ -	\$ -	\$ [57]
FUND BALANCE - Beginning of year	6,098	555	[555]	-			
Prior year cancelled encumbrances	<u>1,125</u>	<u>57</u>	<u>-</u>	<u>57</u>			
FUND BALANCE - End of year	<u>\$ 555</u>	<u>\$ 2,466</u>	<u>\$ [2,466]</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, 2013
(With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012		June 30, 2013				Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Charges for services	\$ 528,443	\$ 470,074	\$ -	\$ 470,074	\$ 600,000	\$ 600,000	\$ [129,926]
Total revenues	<u>528,443</u>	<u>470,074</u>	<u>-</u>	<u>470,074</u>	<u>600,000</u>	<u>600,000</u>	<u>[129,926]</u>
EXPENDITURES:							
Instruction	364,700	347,309	[62]	347,247	611,763	611,763	264,516
Student support services	9,648	9,920	159	10,079	6,800	6,800	[3,279]
School administration	78,503	73,638	-	73,638	73,491	73,491	[147]
Operations and maintenance	<u>72,000</u>	<u>63,597</u>	<u>-</u>	<u>63,597</u>	<u>51,000</u>	<u>51,000</u>	<u>[12,597]</u>
Total expenditures	<u>524,851</u>	<u>494,464</u>	<u>97</u>	<u>494,561</u>	<u>743,054</u>	<u>743,054</u>	<u>248,493</u>
Net change in fund balance	3,592	[24,390]	[97]	[24,487]	\$ [143,054]	\$ [143,054]	\$ 118,567
FUND BALANCE - Beginning of year	630,421	635,232	[3,291]	631,941			
Prior year cancelled encumbrances	<u>1,219</u>	<u>779</u>	<u>-</u>	<u>779</u>			
FUND BALANCE - End of year	<u>\$ 635,232</u>	<u>\$ 611,621</u>	<u>\$ [3,388]</u>	<u>\$ 608,233</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, 2013
(With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012	June 30, 2013					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	\$ 426,214	\$ 385,544	\$ -	\$ 385,544	\$ 408,951	\$ 408,951	\$ [23,407]
Total revenues	426,214	385,544	-	385,544	408,951	408,951	[23,407]
EXPENDITURES:							
Student support services	618,180	550,639	[1,247]	549,392	552,783	552,783	3,391
Instructional support staff	32,296	31,156	[116]	31,040	56,677	56,677	25,637
General administration	19,476	20,276	-	20,276	-	-	[20,276]
Total expenditures	669,952	602,071	[1,363]	600,708	609,460	609,460	8,752
Excess [deficiency] of revenues over [under] expenditures	[243,738]	[216,527]	1,363	[215,164]	[200,509]	[200,509]	[14,655]
OTHER FINANCING SOURCES [USES]:							
Transfers in	169,742	213,564	-	213,564	200,509	200,509	13,055
Total other financing sources [uses]	169,742	213,564	-	213,564	200,509	200,509	13,055
Net change in fund balance	[73,996]	[2,963]	1,363	[1,600]	\$ -	\$ -	\$ [1,600]
FUND BALANCE - Beginning of year	74,928	3,460	[3,460]	-			
Prior year cancelled encumbrances	2,528	1,600	-	1,600			
FUND BALANCE - End of year	\$ 3,460	\$ 2,097	\$ [2,097]	\$ -			

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, 2013
(With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012		June 30, 2013				Variance with
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Final Budget Positive [Negative]
					Original	Final	
REVENUES:							
Charges for services	\$ 85,786	\$ 88,037	\$ -	\$ 88,037	\$ 71,000	\$ 71,000	\$ 17,037
Total revenues	85,786	88,037	-	88,037	71,000	71,000	17,037
EXPENDITURES:							
Instruction	30,341	57,271	-	57,271	82,786	82,786	25,515
Total expenditures	30,341	57,271	-	57,271	82,786	82,786	25,515
Excess [deficiency] of revenues over [under] expenditures	55,445	30,766	-	30,766	\$ [11,786]	\$ [11,786]	\$ 42,552
FUND BALANCE - Beginning of year	143,441	198,886	-	198,886			
FUND BALANCE - End of year	\$ 198,886	\$ 229,652	\$ -	\$ 229,652			

See independent auditor's report on the financial statements.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
SPECIAL LIABILITY FUND
For the Year Ended June 30, 2013
(With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012		June 30, 2013				Variance with
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Final Budget Positive [Negative]
					Original	Final	
REVENUES:							
Intergovernmental:							
Taxes	\$ 41,085	\$ 2,453	\$ -	\$ 2,453	\$ -	\$ -	\$ 2,453
Investment revenue	-	1,680	[765]	915	-	-	-
Total revenues	41,085	4,133	[765]	3,368	-	-	2,453
EXPENDITURES:							
General administration	216,658	126,851	-	126,851	1,267,275	1,267,275	1,140,424
Business and central support services	310,927	80,535	213,669	294,204	-	-	[294,204]
Total expenditures	527,585	207,386	213,669	421,055	1,267,275	1,267,275	846,220
Net change in fund balance	[486,500]	[203,253]	[214,434]	[417,687]	\$ [1,267,275]	\$ [1,267,275]	\$ 848,673
FUND BALANCE - Beginning of year	4,098,424	3,611,924	-	3,611,924			
FUND BALANCE - End of year	\$ 3,611,924	\$ 3,408,671	\$ [214,434]	\$ 3,194,237			

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, 2013
(With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012	June 30, 2013					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	\$ 326,021	\$ 329,835	\$ [329,835]	\$ -	\$ -	\$ -	\$ -
Total revenues	326,021	329,835	[329,835]	-	-	-	-
EXPENDITURES:							
Instruction	327,470	329,747	76	329,823	333,109	333,109	3,286
Total expenditures	327,470	329,747	76	329,823	333,109	333,109	3,286
Excess [deficiency] of revenues over [under] expenditures	[1,449]	88	[329,911]	[329,823]	[333,109]	[333,109]	3,286
OTHER FINANCING SOURCES [USES]:							
Transfers in	-	-	329,835	329,835	333,109	333,109	[3,274]
Total other financing sources [uses]	-	-	329,835	329,835	333,109	333,109	[3,274]
Net change in fund balance	[1,449]	88	[76]	12	\$ -	\$ -	\$ 12
FUND BALANCE - Beginning of year	1,155	123	[123]	-			
Prior year cancelled encumbrances	417	[12]	-	[12]			
FUND BALANCE - End of year	\$ 123	\$ 199	\$ [199]	\$ -			

See independent auditor's report on the financial statements.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
COST OF LIVING FUND
For the Year Ended June 30, 2013
(With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012	June 30, 2013					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 130,256	\$ 100,198	\$ -	\$ 100,198	\$ 155,243	\$ 155,243	\$ [55,045]
Current	5,656,815	4,576,773	-	4,576,773	4,171,179	4,171,179	405,594
Delinquent	52,330	53,453	-	53,453	73,742	73,742	[20,289]
Motor vehicle	637,193	695,671	-	695,671	633,723	633,723	61,948
Total taxes	6,476,594	5,426,095	-	5,426,095	5,033,887	5,033,887	392,208
Total revenue	6,476,594	5,426,095	-	5,426,095	5,033,887	5,033,887	392,208
EXPENDITURES:							
State payment	5,935,707	5,731,782	-	5,731,782	5,842,957	5,842,957	111,175
Total expenditures	5,935,707	5,731,782	-	5,731,782	5,842,957	5,842,957	111,175
Net change in fund balance	540,887	[305,687]	-	[305,687]	\$ [809,070]	\$ [809,070]	\$ 503,383
FUND BALANCE - Beginning of year	268,182	809,069	-	809,069			
FUND BALANCE - End of year	\$ 809,069	\$ 503,382	\$ -	\$ 503,382			

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, 2013
(With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012	June 30, 2013					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	\$ 19,511,905	\$ 16,838,495	\$ -	\$ 16,838,495	\$ 19,153,954	\$ 19,153,954	\$ [2,315,459]
Total revenues	19,511,905	16,838,495	-	16,838,495	19,153,954	19,153,954	[2,315,459]
EXPENDITURES:							
Instruction	13,794,916	11,904,817	-	11,904,817	13,541,846	13,541,846	1,637,029
Student support services	1,131,691	976,633	-	976,633	1,110,929	1,110,929	134,296
Instructional support staff	663,405	572,509	-	572,509	651,234	651,234	78,725
General administration	97,560	84,192	-	84,192	95,770	95,770	11,578
School administration	1,151,202	993,471	-	993,471	1,130,083	1,130,083	136,612
Operations and maintenance	1,424,369	1,229,210	-	1,229,210	1,398,239	1,398,239	169,029
Student transport services	19,512	16,838	-	16,838	19,154	19,154	2,316
Food service	565,845	488,316	-	488,316	555,465	555,465	67,149
Business and central support services	663,405	572,509	-	572,509	651,234	651,234	78,725
Total expenditures	19,511,905	16,838,495	-	16,838,495	19,153,954	19,153,954	2,315,459
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, 2013
 (With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012	June 30, 2013					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
Federal	\$ 6,097,800	\$ 5,610,803	\$ -	\$ 5,610,803	\$ 5,857,043	\$ 5,857,043	\$ [246,240]
Total intergovernmental	6,097,800	5,610,803	-	5,610,803	5,857,043	5,857,043	[246,240]
Other local sources	1,084,410	1,177,661	-	1,177,661	-	-	1,177,661
Total revenues	7,182,210	6,788,464	-	6,788,464	5,857,043	5,857,043	931,421
EXPENDITURES:							
Instruction	5,216,733	4,593,690	[8,743]	4,584,947	3,786,022	3,786,022	[798,925]
Student support services	1,163,920	1,231,325	[1,553]	1,229,772	937,149	937,149	[292,623]
Instructional support staff	812,242	745,072	[12,642]	732,430	894,613	894,613	162,183
General administration	113,991	134,722	-	134,722	108,141	108,141	[26,581]
Student transportation services	2,733	2,636	-	2,636	-	-	[2,636]
Student activities	5,374	90	-	90	-	-	[90]
Total expenditures	7,314,993	6,707,535	[22,938]	6,684,597	5,725,925	5,725,925	[958,672]
Net change in fund balance	[132,783]	80,929	22,938	103,867	\$ 131,118	\$ 131,118	\$ [27,251]
FUND BALANCE - Beginning of year	1,094,106	966,103	[96,948]	869,155			
Prior year cancelled encumbrances	4,780	2,051	-	2,051			
FUND BALANCE - End of year	\$ 966,103	\$ 1,049,083	\$ [74,010]	\$ 975,073			

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, 2013
 (With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012			June 30, 2013			
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 497,702	\$ 389,328	\$ -	\$ 389,328	\$ 603,293	\$ 603,293	\$ [213,965]
Current	21,919,307	21,889,943	-	21,889,943	21,644,246	21,644,246	245,697
Delinquent	256,709	241,690	-	241,690	286,526	286,526	[44,836]
Motor vehicle	2,151,380	2,683,127	-	2,683,127	2,434,950	2,434,950	248,177
Rental excise	42,419	45,620	-	45,620	-	-	45,620
Total taxes	24,867,517	25,249,708	-	25,249,708	24,969,015	24,969,015	280,693
Investment revenue	5,209	50,653	[1,578]	49,075	6,000	6,000	43,075
Other revenue	-	-	-	-	40,000	40,000	[40,000]
Total revenues	24,872,726	25,300,361	[1,578]	25,298,783	25,015,015	25,015,015	283,768
EXPENDITURES:							
Debt Service							
Principal	14,575,000	15,235,000	-	15,235,000	15,235,000	15,235,000	-
Interest and other charges	10,107,289	8,529,650	-	8,529,650	9,396,616	9,396,616	866,966
Total expenditures	24,682,289	23,764,650	-	23,764,650	24,631,616	24,631,616	866,966
Excess [deficiency] of revenues over [under] expenditures	190,437	1,535,711	[1,578]	1,534,133	383,399	383,399	1,150,734
OTHER FINANCING SOURCES [USES]:							
Refunding bonds issued	-	79,790,000	[79,790,000]	-	-	-	-
Bond premium	-	6,046,627	[6,046,627]	-	-	-	-
Bond issuance costs	-	[328,693]	328,693	-	-	-	-
Payment to refunded bond escrow agent	-	[85,507,934]	85,507,934	-	-	-	-
Total other financing sources [uses]	-	-	-	-	-	-	-
Net change in fund balance	190,437	1,535,711	[1,578]	1,534,133	\$ 383,399	\$ 383,399	\$ 1,150,734
FUND BALANCE - Beginning of year	18,721,274	18,911,711	[278]	18,911,433			
FUND BALANCE - End of year	\$ 18,911,711	\$ 20,447,422	\$ [1,856]	\$ 20,445,566			

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, 2013
 (With Comparative Amounts for the Year Ended June 30, 2012)

	June 30, 2012	June 30, 2013					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 497,640	\$ 393,765	\$ -	\$ 393,765	\$ 610,211	\$ 610,211	\$ [216,446]
Current	22,168,752	21,865,354	-	21,865,354	21,649,503	21,649,503	215,851
Delinquent	290,636	261,569	-	261,569	289,787	289,787	[28,218]
Motor vehicle	2,325,236	2,691,825	-	2,691,825	2,444,236	2,444,236	247,589
Rental excise	47,244	45,615	-	45,615	47,000	47,000	[1,385]
Total taxes	25,329,508	25,258,128	-	25,258,128	25,040,737	25,040,737	217,391
Investment revenue	7,977	-	-	-	-	-	-
Other local sources	7,068,389	461,881	8,659	470,540	28,511	28,511	442,029
Total revenues	32,405,874	25,720,009	8,659	25,728,668	25,069,248	25,069,248	659,420
EXPENDITURES:							
Instruction	3,378,246	4,688,823	[1,545,714]	3,143,109	3,878,783	3,878,783	735,674
Student support services	25,101	44,533	-	44,533	46,289	46,289	1,756
Instructional support staff	70,780	69,268	[17,927]	51,341	52,884	52,884	1,543
Operations and maintenance	5,299,924	5,429,006	[1,363,262]	4,065,744	675,878	675,878	[3,389,866]
Other support services	148,032	80,673	7,265	87,938	534,867	534,867	446,929
Business and central support services	425,566	1,022,071	[67,333]	954,738	10,255,199	10,255,199	9,300,461
Facility acquisition and construction	32,103,021	26,111,280	[3,935,770]	22,175,510	22,453,343	22,453,343	277,833
Total expenditures	41,450,670	37,445,654	[6,922,741]	30,522,913	37,897,243	37,897,243	7,374,330
Net change in fund balance	[9,044,796]	[11,725,645]	6,931,400	[4,794,245]	\$ [12,827,995]	\$ [12,827,995]	\$ 8,033,750
FUND BALANCE - Beginning of year, as originally stated	44,072,430	35,102,072	[17,274,077]	17,827,995			
Prior year cancelled encumbrances	74,438	220,025	-	220,025			
FUND BALANCE - End of year	\$ 35,102,072	\$ 23,596,452	\$ [10,342,677]	\$ 13,253,775			

See independent auditor's report on the financial statements.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

For the Year Ended June 30, 2013

	Balance June 30, <u>2012</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2013</u>
Assets - cash and investments	<u>\$ 2,230,187</u>	<u>\$ 3,725,072</u>	<u>\$ 3,799,597</u>	<u>\$ 2,155,662</u>
Liabilities - due to student organizations	<u>\$ 2,230,187</u>	<u>\$ 3,725,072</u>	<u>\$ 3,799,597</u>	<u>\$ 2,155,662</u>

See independent auditor's report on the financial statements.

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Invested in capital assets, net of related debt	\$ 76,968,424	\$ 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
Restricted	11,897,006	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
Unrestricted	106,620,553	162,645,454	140,139,078	171,859,713	137,679,779	77,939,314	71,341,002	68,426,450	58,173,988	48,372,632
Total Net Position	\$ 195,485,983	\$ 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

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)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities:										
Instruction	\$ 139,713,722	\$ 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
Student Support Services	11,515,159	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
Instructional Support	7,283,295	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
General Administration	1,698,357	1,506,850	1,610,285	1,760,380	1,869,740	1,927,114	2,153,630	2,039,379	1,984,847	2,013,862
School Administration	10,642,623	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
Operations and Maintenance	24,648,460	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
Student Transportation Services	7,180,909	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
Food Service	9,316,068	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
Student Activities	3,311,934	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
Business and Central Support Services	10,729,478	12,986,232	12,835,703	14,328,849	13,272,667	13,568,008	13,878,967	11,023,101	10,479,838	9,762,803
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
Interest on Long-Term Debt	6,171,619	6,907,229	9,566,735	10,167,342	12,739,612	11,785,703	11,119,808	10,582,206	9,939,082	8,012,807
Total Primary Government Expenses	232,211,624	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
Program Revenues										
Governmental Activities:										
Charges for services										
Instruction	3,167,584	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
Food service operations	7,083,194	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
Operating grants and contributions	33,934,160	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
Total Primary Government Program Revenues	44,184,938	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
Total Primary Government Net [Expense]	\$ [188,026,686]	\$ [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]

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Primary Government Net [Expense]	\$ [188,026,686]	\$ [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]
General Revenues and Other Changes in Net Position:										
Property Taxes	106,932,457	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
Grants and Entitlements not Restricted to										
Specific Programs	51,727,508	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
Investment Earnings	641,369	2,420,036	6,008,736	6,689,520	6,020,733	1,427,724	228,674	44,357	44,892	95,308
Miscellaneous	6,264,192	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
Proceeds from Legal Settlement	700,000	-	-	-	-	-	-	-	-	-
Special items	-	-	-	-	-	-	-	-	-	-
Capital asset impairment losses	-	-	-	-	-	-	-	[7,481,919]	-	[718,519]
Total Primary Government	166,265,526	203,598,043	238,071,029	253,896,386	261,068,362	260,495,144	258,292,582	248,417,329	247,638,239	246,043,547
Total Primary Government Change in Net Position	\$ [21,761,160]	\$ [12,217,247]	\$ [27,642,343]	\$ [28,830,055]	\$ [20,621,448]	\$ [13,662,405]	\$ [679,921]	\$ [7,284,899]	\$ [11,573,178]	\$ [13,758,766]

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 2,185,468	\$ 2,259,288	\$ 2,753,966	\$ 3,332,759	\$ 2,383,284	\$ 2,122,870	\$ 1,963,346	\$ -	\$ -	\$ -
Unreserved	60,291	5,211	60,147	15,687	62,301	42,193	25,182	-	-	-
Nonspendable	-	-	-	-	-	-	-	905,582	888,847	780,738
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	329,853	317,516	334,857
Unassigned	-	-	-	-	-	-	-	29,262	21,352	26,277
Total General Fund	\$ 2,245,759	\$ 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
All Other Governmental Funds										
Reserved	\$ 17,588,414	\$ 71,660,091	\$ 86,514,435	\$ 68,378,270	\$ 82,220,499	\$ 45,910,160	\$ 36,694,454	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	47,698,466	40,966,423	55,910,750	71,684,855	74,461,770	77,904,670	59,551,483	-	-	-
Capital project funds	51,436,540	64,608,843	12,018,025	46,684,050	[1,171,447]	[3,806,001]	455,542	-	-	-
Nonspendable	-	-	-	-	-	-	-	107,725	96,722	189,521
Restricted	-	-	-	-	-	-	-	74,713,707	64,056,743	55,705,031
Assigned	-	-	-	-	-	-	-	17,646,655	19,977,946	15,356,317
Unassigned	-	-	-	-	-	-	-	1,528,813	1,623,281	2,733,230
Total All Other Governmental Funds	\$ 116,723,420	\$ 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

(a) & (b) The increases in Fund Balance for All Other Governmental Funds in 2004 and 2005 were due to bond issuances in the capital project fund.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Taxes, Net	\$ 106,932,457	\$ 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
Intergovernmental	84,897,893	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
Charges for Services	10,250,778	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
Investment Revenue	632,348	2,404,769	5,990,696	6,666,656	6,005,919	1,424,896	228,674	44,357	44,892	95,308
Other Local Sources	7,027,967	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
Total revenues	\$ 209,741,443	\$ 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

Source: Shawnee Mission USD #512 Basic Financial Statements

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

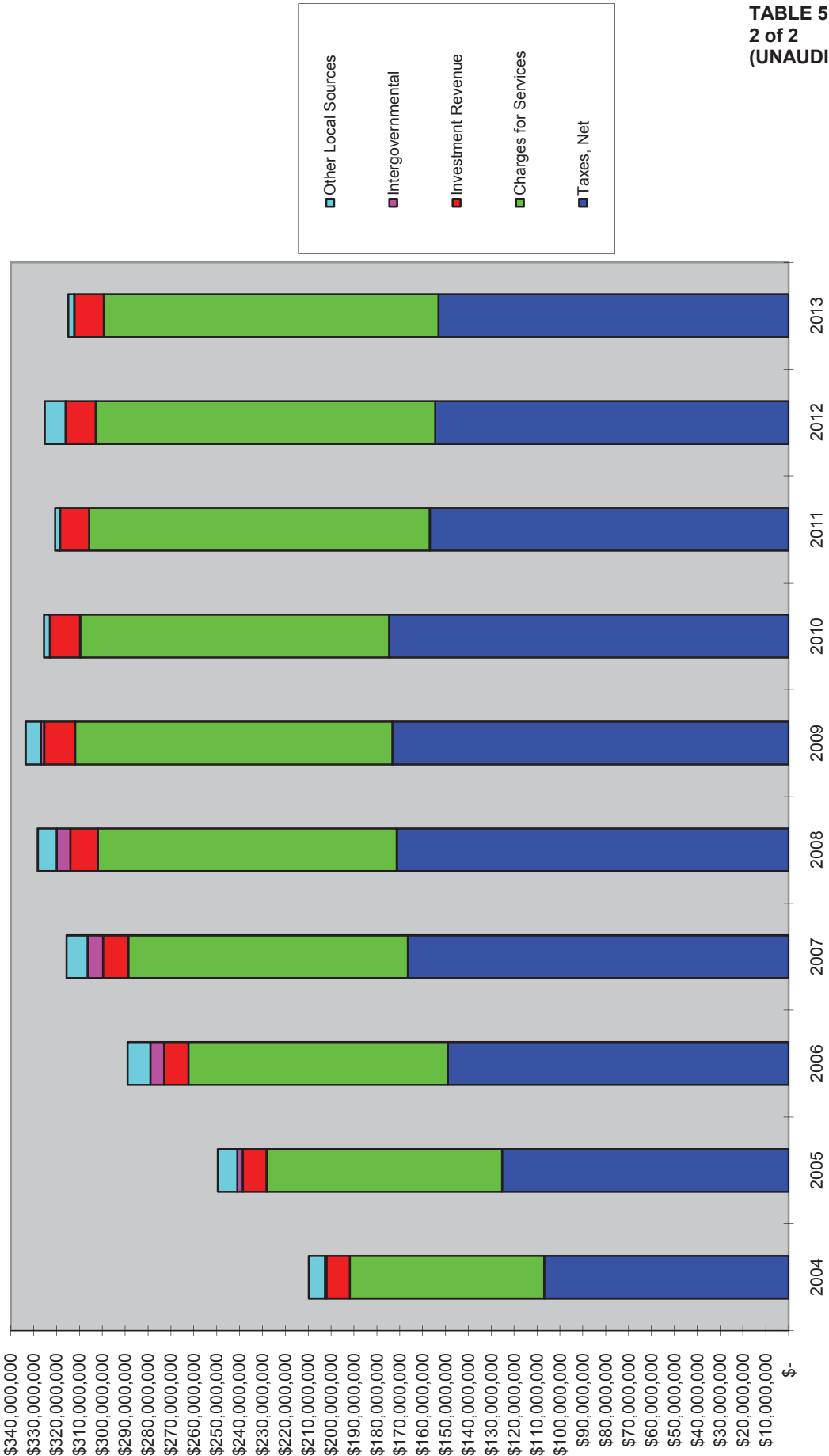


TABLE 6
1 of 2
(UNAUDITED)

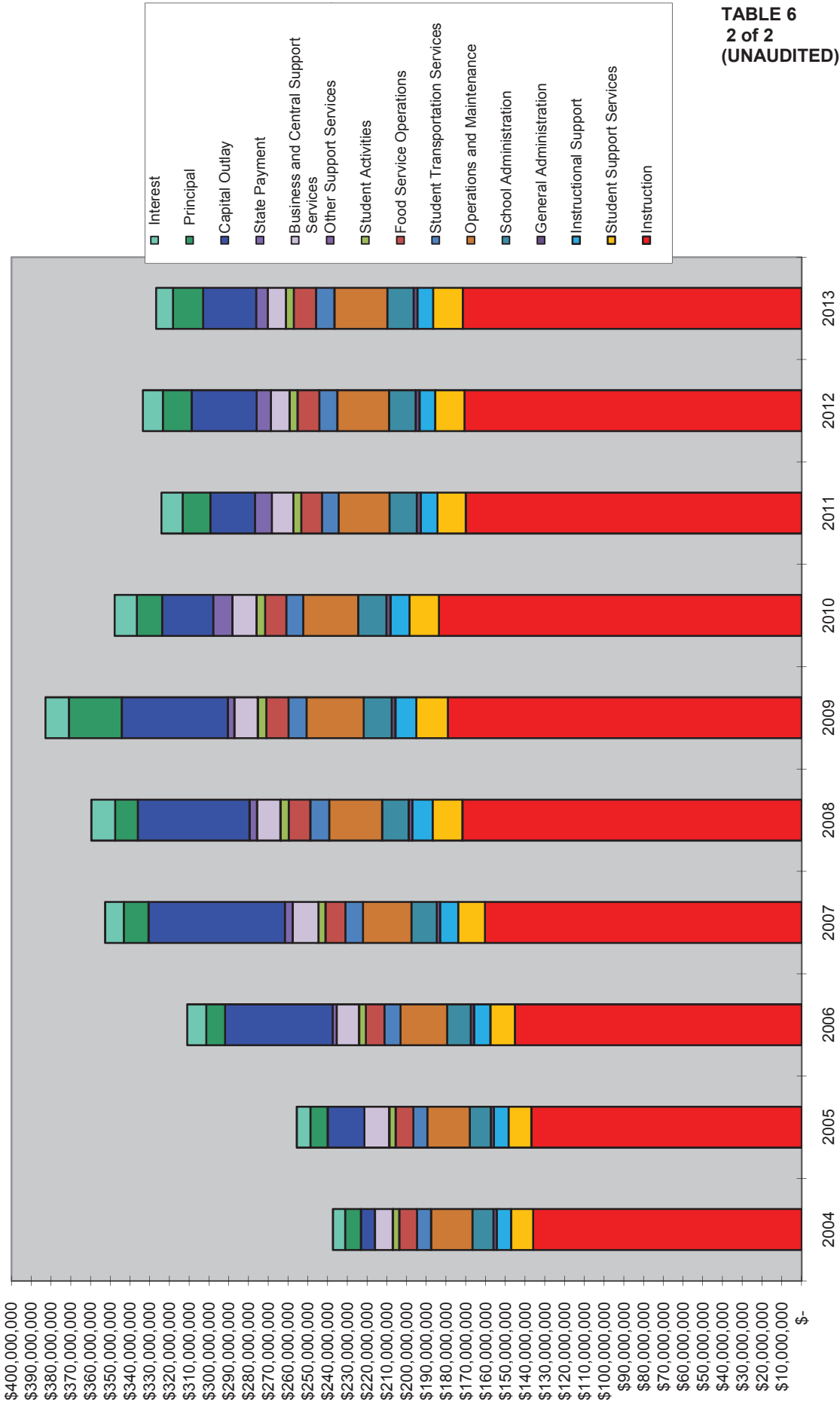
SHAWNEE MISSION USD #512, KANSAS
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction	\$ 135,914,955	\$ 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
Student Support Services	11,205,878	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
Instructional Support	7,246,309	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
General Administration	1,695,345	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
School Administration	10,640,824	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
Operations and Maintenance	20,923,328	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
Student Transportation Services	7,164,686	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
Food Service Operations	8,916,383	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
Student Activities	3,296,441	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
Other Support Services	2,052	161,192	6,728	3,926	10,088	76,951	3,525	-	-	-
Business and Central Support Services	9,057,719	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
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
Capital Outlay	7,043,419	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
Debt Service										
Principal	8,030,000	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
Interest	6,123,878	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
Total Expenditures	\$ 237,261,217	\$ 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
Debt service as a percentage of noncapital expenditures	6.15%	6.60%	7.48%	7.73%	7.75%	11.74%	11.88%	7.66%	8.22%	7.92%

(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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Excess of Revenues Over [Under] Expenditures	\$ [27,519,774]	\$ [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]
Other Financing Sources [Uses]										
General long term debt issued	52,682,682	93,834,308	-	81,232,467	-	15,850,000	-	-	-	79,790,000
Bond premium	-	-	-	-	-	591,126	-	-	-	6,046,627
Sale of capital assets	1,405,424	634,582	797,411	-	-	-	-	-	-	-
Proceeds from legal settlement	700,000	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	[328,693]
Payment to escrow agent	[1,104,221]	[26,966,195]	-	[10,440,692]	-	-	-	-	-	[85,507,934]
Transfer in	36,489,343	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
Transfer out	[36,489,343]	[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]
Total Other Financing Sources [Uses]	53,683,885	66,599,284	[114,334]	69,802,869	[967,941]	15,185,836	[1,128,313]	-	-	-
Net Change in Fund Balances	\$ 26,164,111	\$ 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]

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	
2003	\$ 2,485,401,860	\$ 199,303,975	\$ 117,474,693	\$ 2,802,180,528	\$ 19,518,131,276	\$ 783,928,968	\$ 374,492,634	\$ 20,676,552,878	13.55%		37.774
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

(1)

* Actual values for property within the boundaries of Unified School District No. 512 for years 2003 through 2012 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, 2012 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

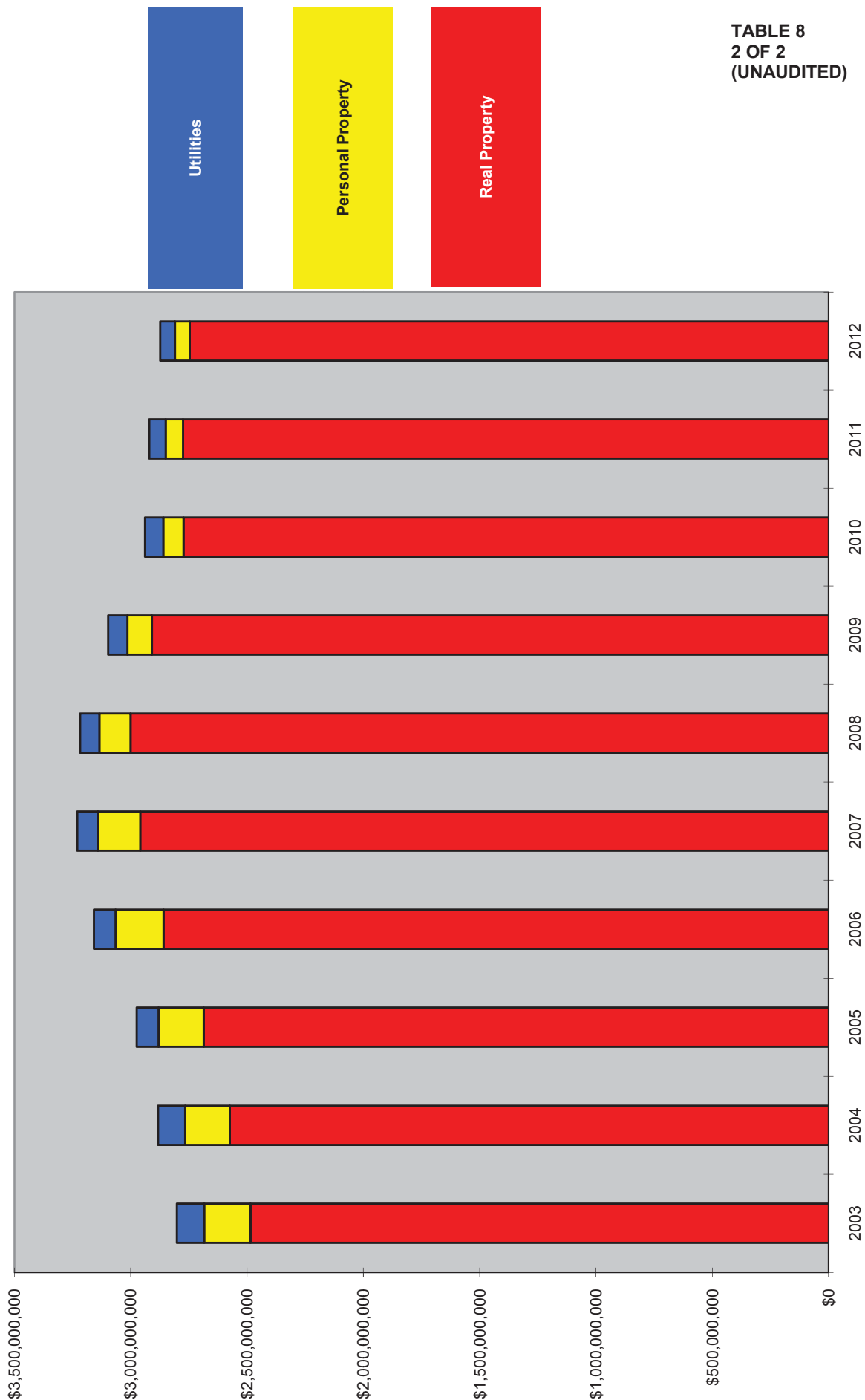


TABLE 9
1 of 2
(UNAUDITED)

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	8,771	7,048	12,559	13,980	15,208	15,187	16,566	17,795	17,727	17,796
Capital Outlay	4,000	7,752	9,996	10,007	8,720	8,737	8,000	8,000	7,997	8,000
Declining Enrollment	0,000	0,000	0,706	1,162	0,986	0,765	0,918	1,003	0,188	0,000
Bond & Interest	4,879	6,879	5,827	6,034	6,517	6,893	7,183	8,001	7,907	8,009
Special Assessment	0,124	0,185	0,160	0,174	0,207	0,248	0,245	0,299	0,281	0,292
Cost of Living	0,000	0,000	0,000	0,123	0,120	0,120	2,239	2,094	2,035	1,869
Special Liability	0,000	0,791	0,500	0,500	0,250	0,144	0,167	0,000	0,000	0,000
Total - Direct	37,774	42,655	49,748	51,980	52,008	52,094	55,318	57,192	56,135	55,766
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	16,381	16,041	17,922	17,949	19,985	17,767	17,716	17,748	17,700	17,717
Cities					(3)					
Fairway	12,855	12,854	12,853	12,856	12,979	12,752	12,853	18,617	18,617	18,621
Leawood*	24,074	24,233	24,218	24,232	24,241	24,251	24,259	24,382	24,393	24,393
Lenexa*	26,553	26,513	26,477	26,468	26,477	26,568	26,574	26,626	29,635	29,668
Merriam	19,285	19,275	19,241	21,181	21,186	27,360	27,352	27,474	27,412	27,522
Mission	5,041	9,935	9,962	13,176	13,198	13,215	13,217	11,213	11,371	11,410
Mission Hills	20,880	22,592	22,170	21,896	21,896	21,912	21,898	21,904	21,905	21,926
Mission Woods	13,203	12,934	12,732	13,821	13,149	13,259	13,311	13,000	11,723	12,084
Overland Park*	9,057	9,037	9,037	8,889	8,832	8,852	8,890	8,876	12,814	12,769
Prairie Village	15,765	15,843	15,720	16,133	18,166	18,182	18,179	18,877	19,491	19,478
Roeland Park	21,976	21,981	21,719	20,485	20,539	18,783	18,770	22,030	23,225	25,872
Shawnee*	20,845	20,856	20,847	24,621	24,652	24,693	24,699	24,717	24,732	24,914
Westwood	12,902	13,090	16,746	19,551	22,604	25,571	23,493	23,499	23,881	24,464
Westwood Hills	15,224	17,010	17,010	17,010	17,009	17,011	18,000	18,000	20,000	20,000
Merriam Drainage	3,612	3,749	3,798	4,050	3,934	2,488	2,615	2,849	3,038	3,091
Johnson County Consolidated Fire #2	16,377	15,947	9,405	9,335	9,356	8,992	8,991	18,336	18,045	10,187
Monticello Cemetery District*	0,043	0,042	0,041	0,045	2,941	0,033	0,032	0,051	0,041	0,040
Johnson County Community College*	9,432	9,438	8,960	8,872	8,749	8,768	8,784	8,799	8,776	8,785
Johnson County Parks and Recreation*	2,365	2,367	2,286	2,290	2,295	2,341	2,346	2,350	2,343	2,344
Johnson County Library Board*	2,954	2,956	2,955	2,960	2,962	3,057	3,151	3,158	3,145	3,149
	270,324	278,193	275,599	287,320	296,658	297,355	296,630	314,006	323,787	319,934

(1) 2004 is the first year that taxes were levied for the Special Liability Fund.

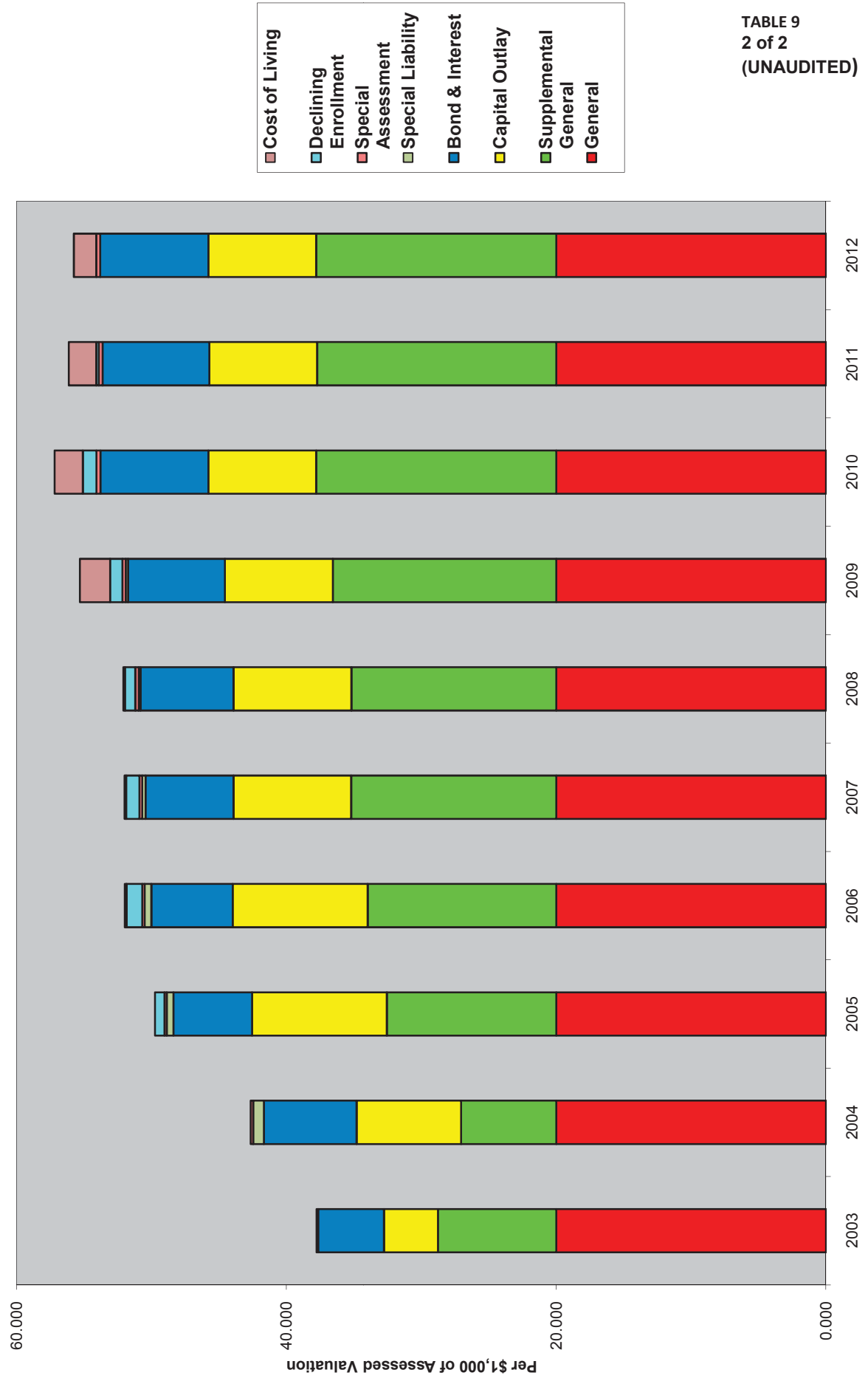
(2) 2005 is the first year that taxes were levied for the Declining Enrollment Fund.

(3) 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, 2013 and Nine Years Ago**

<u>Name</u>	<u>Industry</u>	<u>2013 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>	<u>2004 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Oak Park Mall, LLC	Shopping Center	\$ 43,039,969	1.50%	\$ 33,477,062	
Kansas City Power & Light Co	Utility	22,219,449	0.77%	23,182,049	
Perg Buildings, LLC	Shopping Center	17,954,970	0.62%	17,274,565	0.61%
Southwestern Bell Telephone	Utility	15,504,024	0.54%	35,002,132	
Tower Properties Company	Real Estate	13,121,369	0.46%		0.26%
Kansas Gas Service	Utility	12,736,750	0.44%		
MEPT Kansas	Real Estate	8,344,031	0.29%		
RREEF America	Real Estate	7,915,753	0.28%		
Merriam Town Center, LTD	Real Estate	7,658,003	0.27%	10,634,352	0.39%
Midwest Division - OPRMC, LLC	Pharmaceuticals	7,174,681	0.25%		
Sprint Communications Co., LP	Utility			39,976,160	
Highwoods Realty Limited	Real Estate			16,614,507	0.59%
KPERS Realty Holding	Real Estate			10,659,521	0.39%
Overland Park Regional Medical Center	Medical			7,788,260	0.30%
Mutual Life Insurance Company	Insurance			7,398,780	0.28%
		<u>\$ 155,668,999</u>	<u>5.42%</u>	<u>\$ 202,007,388</u>	<u>2.82%</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
2003/04	\$ 102,495,911	\$ 100,230,766	97.79%	\$ 1,315,803	\$ 101,546,569	99.07%	\$ 12,820,443	12.51%
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%
	(1)	(2)		(2)	(2)		(2)	

(1) Tax year balances.

(2) Collection year balances.

Source: Johnson County Treasurer's Office

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

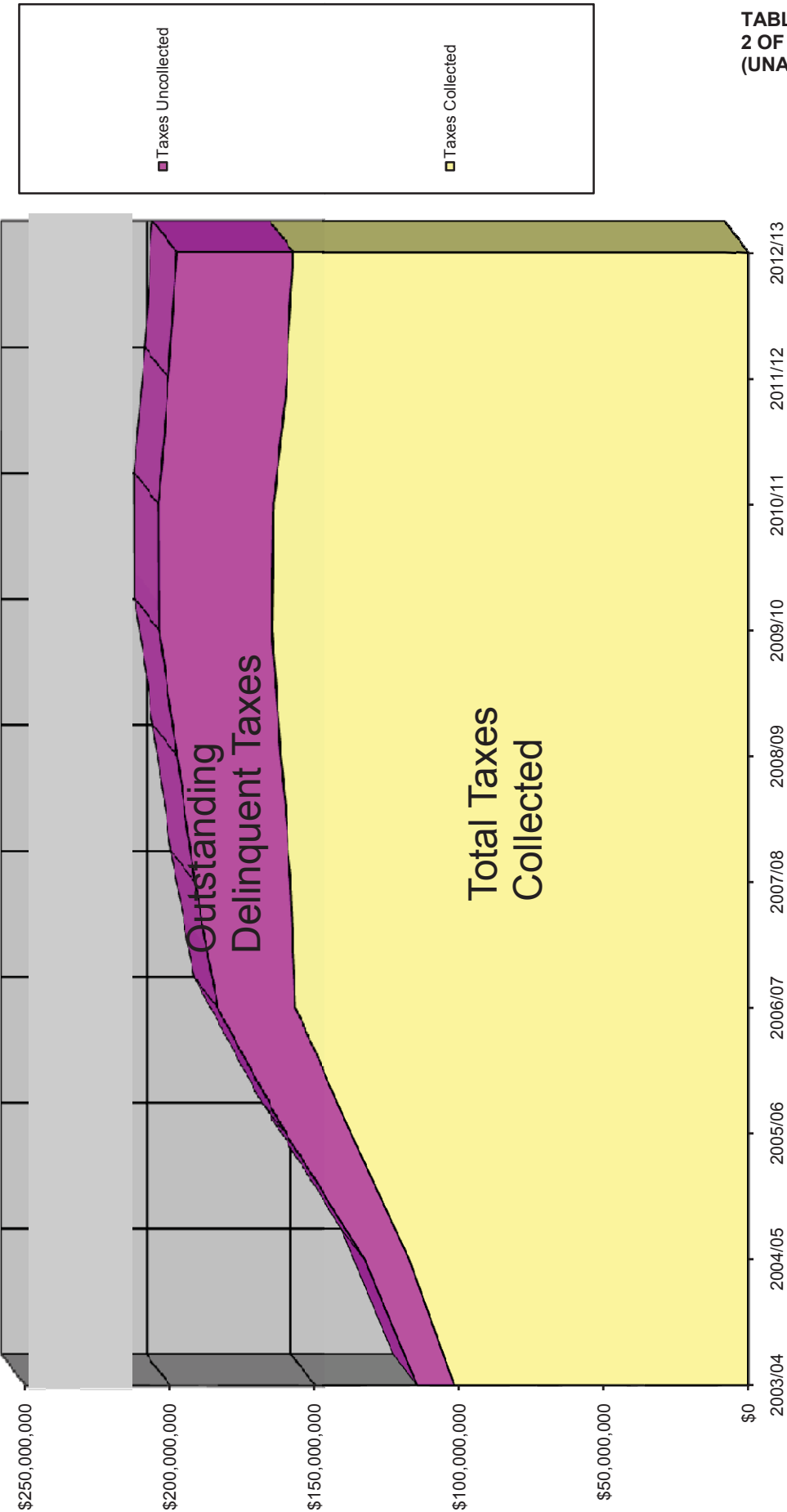


TABLE 11
 2 OF 2
 (UNAUDITED)

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

Fiscal Year	General Obligation		Total	District Population	Personal Income	Per Capita	Percentage of Personal Income
	Bonds						
2004	\$	170,397,682	\$	(1) 221,595	(2) 6,654,338,100	769	2.56%
2005		229,684,452		221,595	7,333,319,700	1,037	3.13%
2006		220,019,751		221,595	7,333,319,700	993	3.00%
2007		278,094,882		221,595	7,333,319,700	1,255	3.79%
2008		266,322,547		221,595	7,333,319,700	1,202	3.63%
2009		255,599,839		224,838	7,333,319,700	1,137	3.49%
2010		242,277,267		223,000	7,333,319,700	1,086	3.30%
2011		227,754,694		221,000	8,248,383,000	1,031	2.76%
2012		212,687,122		230,000	8,050,000,000	925	2.64%
2013		202,490,416		233,250	8,327,025,000	868	2.43%

(1) Population for 2004 through 2010 based on 2000 census. Population for 2011 through 2013 is from the Johnson County Economic Institute.

(2) The 2004 personal income information is from 2000 census data, 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 2013 personal income information is from the Johnson County Economic Research Institute.

Source: Johnson County Clerk and Shawnee Mission #512 records

TABLE 12
(UNAUDITED)

TABLE 13
1 of 2
(UNAUDITED)

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

Fiscal	Year	District Population	District Enrollment	Total Assessed Value	Bonded Debt	Ratio of Bonded Debt to Assessed Value	Bonded Debt Per Capita	Bonded Debt Per Pupil
2004		221,595	29,371	\$ 2,802,180,528	\$ 170,397,682	6.08%	769	5,802
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

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

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

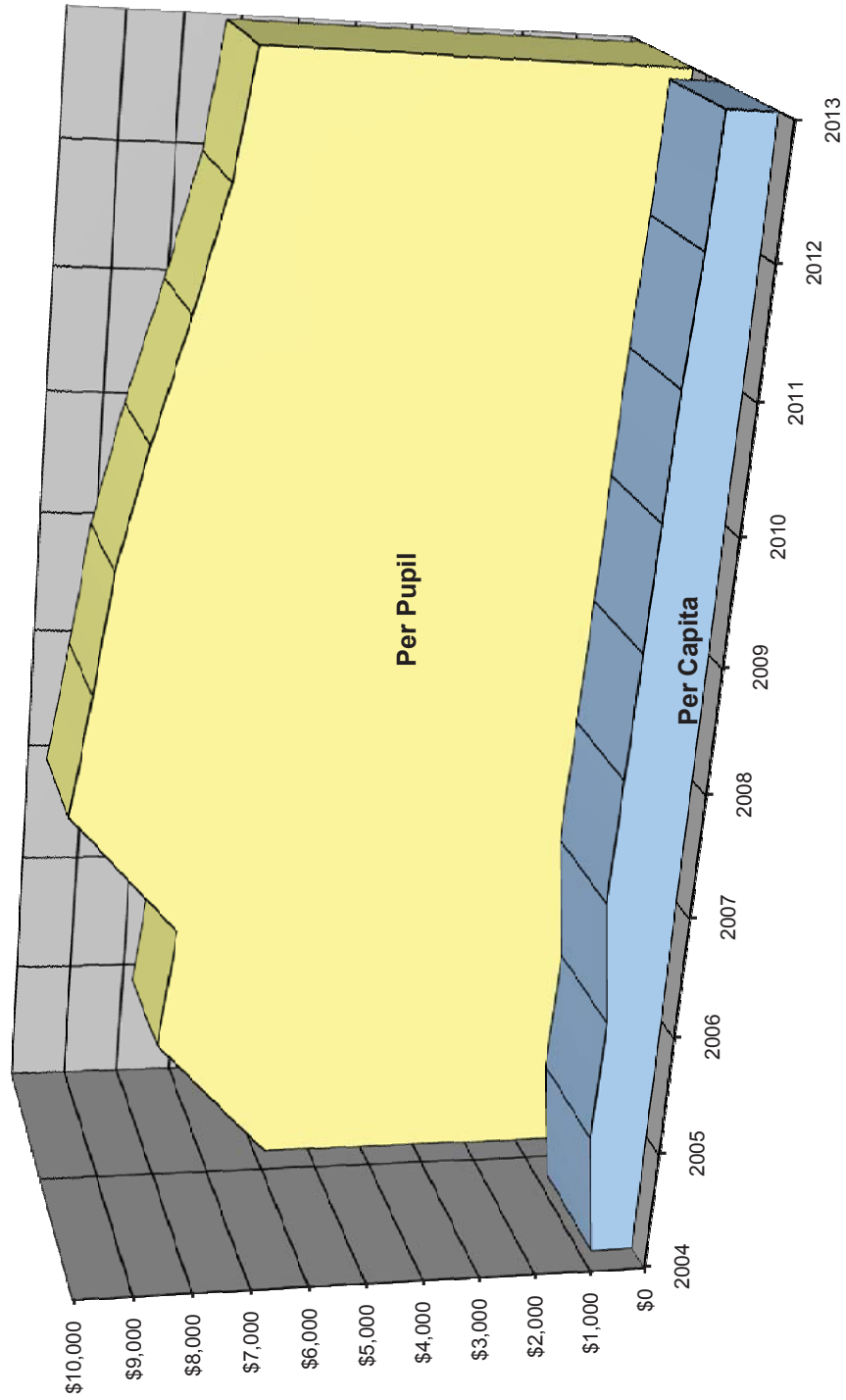


TABLE 13
2 of 2
(UNAUDITED)

TABLE 14
(UNAUDITED)

SHAWNEE MISSION USD #512, KANSAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2013

		Principal Amount of Outstanding Debt	Percent Applicable to School District	Amount Applicable to School District
Direct				
	Shawnee Mission USD #512	\$ 202,490,416	100.00%	\$ 202,490,416
Overlapping				
	Johnson County	\$ 290,901,090	38.11%	\$ 110,862,405
	Johnson County Park & Recreation	2,660,000	38.11%	1,013,726
	City of Fairway	7,580,000	100.00%	7,580,000
	City of Leawood	64,050,000	21.03%	13,469,715
	City of Lenexa	107,090,000	66.44%	71,150,596
	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	33.12%	55,687,968
	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	58.86%	45,487,008
	Johnson County Fire Department #2	900,000	100.00%	900,000
	Total Overlapping Debt			<u>\$ 377,917,303</u>
Total Direct and Overlapping Debt				<u><u>\$ 580,407,719</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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Assessed Valuation of Taxable Property	\$ 2,802,180,528	\$ 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
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	392,305,274	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
Total net debt applicable to limit	170,397,682	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
Legal Debt Margin	\$ 221,907,592	\$ 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
Total Net Debt Applicable To The Limit										
As A Percentage of Debt Limit	43.43%	56.90%	52.83%	62.89%	58.89%	56.73%	55.87%	55.36%	47.36%	45.79%

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

TABLE 15
(UNAUDITED)

TABLE 16
1 of 2
(UNAUDITED)

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

Fiscal Year	Elementary School	Middle School	High School	Special Education & Other	Total Student Enrollment (1)	Average Daily Attendance	Total District Population	Personal Income	Per Capita Personal Income	Unemployment Rate (2)
2004	14,220	4,639	9,676	836	29,371	95.6%	221,595	\$ 6,654,338,100	\$ 30,029	5.2%
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	6.5%
2012	14,699	3,960	8,404	704	27,766	95.7%	230,000	8,050,000,000	35,000	5.9%
2013	14,656	3,873	8,211	697	27,437	95.7%	233,250	8,327,025,000	35,700	5.2%

(1) Enrollment counts as of September 20th.

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

Source: 2012 Johnson County CAFR and Shawnee Mission USD #512 records

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

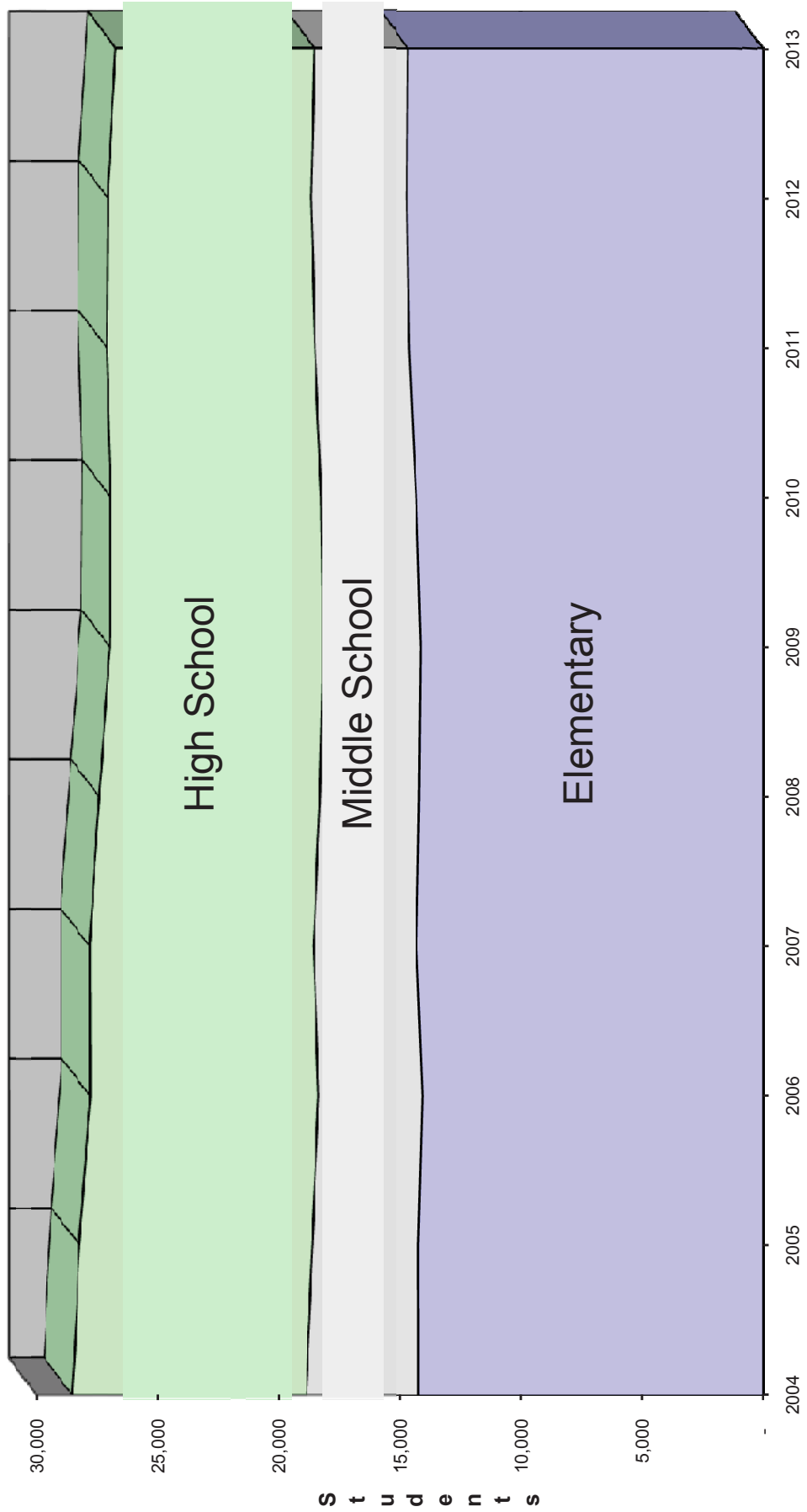


TABLE 16
2 of 2
(UNAUDITED)

TABLE 17
(UNAUDITED)

SHAWNEE MISSION USD #512, KANSAS
PRINCIPAL EMPLOYERS
JUNE 30, 2013 AND 2004

<u>Employer</u> (1)	June 30, 2013			June 30, 2004		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
USD #232 (DeSoto)	950	1	3.50%			
FedEx Ground Package System	950	2	3.50%	500	2	***
Deffenbaugh Industries	750	3	2.77%	1,200	1	***
Bayer HealthCare, LLC	583	4	2.15%	300	7	***
Perceptive Software, Inc.	551	5	2.03%			
Wal-Mart	450	6	1.66%	500	3	***
City of Shawnee	271	7	1.00%			
Hy-Vee Food & Drug Store	230	8	0.85%	460	4	***
McClane Food Service	200	9	0.74%			
Target	196	10	0.72%			
Lowe's				350	5	***
Harte Hanks Kansas City				330	6	***
Airsys ATM Inc.				260	8	***
Home Depot				200	9	***
Millennium Marketing, Ing.				200	10	***
Total	<u>5,131</u>		<u>18.92%</u>	<u>4,300</u>		<u>***</u>
City of Shawnee	<u>27,117</u>			<u>***</u>		

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

*** Data not available

Source: 2012 City of Shawnee CAFR

TABLE 18
(UNAUDITED)

SHAWNEE MISSION USD #512, KANSAS
DIRECTORY OF SCHOOL FACILITIES
AS OF JUNE 30, 2013

<u>School</u>	<u>Year Opened</u>	<u>Current Capacity</u>	<u>Enrollment As Of Sept. 20, 2012</u>	<u>Percent of Student Capacity</u>
Shawnee Mission East High School	1958	2,388	1,738	72.78%
Shawnee Mission North High School	1921	2,256	1,497	66.36%
Shawnee Mission Northwest High School	1969	2,376	1,776	74.75%
Shawnee Mission South High School	1966	2,232	1,309	58.65%
Shawnee Mission West High School	1962	2,424	1,787	73.72%
Shawnee Mission Horizons	2001	456	104	22.81%
Hocker Grove Middle School	1955	1,188	773	65.07%
Indian Hills Middle School	1955	1,176	743	63.18%
Indian Woods Middle School	1961	1,110	681	61.35%
Trailridge Middle School	1967	1,167	757	64.87%
Westridge Middle School	1962	1,434	919	64.09%
Shawnee Mission Horizons	2001	N/A	-	N/A
Apache Elementary	2011	592	566	95.61%
Belinder Elementary	1952	592	495	83.61%
Benninghoven Elementary	1966	832	626	75.24%
Bluejacket-Flint Elementary	1996	736	401	54.48%
Briarwood Elementary	1959	664	541	81.48%
Broken Arrow Elementary	1990	714	400	56.02%
Brookridge Elementary	1967	688	641	93.17%
Brookwood Elementary	1960	500	363	72.60%
Comanche Elementary	2008	618	482	77.99%
Corinth Elementary	1996	620	542	87.42%
Crestview Elementary	1954	524	375	71.56%
Diemer Elementary	1964	476	266	55.88%
East Antioch Elementary	1958	450	380	84.44%
Highlands Elementary	2010	640	295	46.09%
Marsh Elementary	2006	546	522	95.60%
McAuliffe Elementary	1987	642	439	68.38%
Merriam Park Elementary	2007	568	493	86.80%
Mill Creek Elementary	1978	568	371	65.32%
Nieman Elementary	2008	616	554	89.94%
Oak Park-Carpenter Elementary	2007	546	507	92.86%
Overland Park Elementary	1998	522	371	71.07%
Pawnee Elementary	1965	618	440	71.20%
Prairie Elementary	1993	498	429	86.14%
Rising Star Elementary	1991	714	625	87.54%
Roesland Elementary	2008	568	369	64.96%
Rosehill Elementary	1966	812	549	67.61%
Rushton Elementary	1954	428	338	78.97%
Santa Fe Trail Elementary	1953	642	281	43.77%
Shawano Elementary	1960	570	378	66.32%
Sunflower Elementary	1994	620	593	95.65%
Tomahawk Elementary	1954	498	315	63.25%
Trailwood Elementary	1962	620	350	56.45%
Westwood View Elementary	1968	404	286	70.79%
Preschool & Other Enrollment			770	
Total			<u>27,437</u>	

Source: Shawnee Mission USD #512 records

TABLE 19
(UNAUDITED)

SHAWNEE MISSION USD #512, KANSAS
MISCELLANEOUS STATISTICAL DATA
AS OF JUNE 30, 2013

Year of Incorporation		1969	
Form of Government		Elected Board	
Area of District		72 Square Miles	
Population of District		233,250	
Ending Enrollment 2012/2013		27,437	
Number of Schools		Average Class Size (1)	
Elementary Schools	33	Elementary	21
Middle Schools	5	Secondary	N/A
High Schools	5		
Total	43	Number of Full-Time Equivalent Employees	
		Classified	1,505.1
		Certified	2,036.2
		Total	3,541.3

Teacher Summary

Degree	Number of Teachers	% of Total	Salary Range	
			Low	High
Bachelors	147	7.2%	\$ 39,240	\$ 43,995
Bachelors + 10	38	1.9%	40,132	47,203
Bachelors + 20	192	9.4%	41,029	53,064
Masters	648	31.7%	45,616	61,306
Masters + 15	171	8.4%	46,928	64,343
Masters + 30	126	6.2%	48,273	68,133
Masters + 45	95	4.7%	49,723	72,034
Masters + 60	600	29.4%	51,137	76,066
Doctorate	26	1.3%	53,518	78,546

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	-	-	13.5	43.2	56.7
Special Ed. Teachers	-	96.5	30.5	74.5	201.5
Pre-Kindergarten	-	6.0	-	-	6.0
Kindergarten	-	98.0	-	-	98.0
Other Teachers	-	707.8	194.9	415.8	1,318.5
Library Media	-	31.0	5.0	5.0	41.0
Counselors	-	1.3	9.0	27.0	37.3
School Psychologists	18.0	-	-	2.0	20.0
Nurses	-	34.0	5.0	7.0	46.0
Speech Pathologists	1.0	39.5	2.3	3.5	46.3
Audiologists	-	1.0	-	-	1.0
Social Workers	11.0	19.6	3.0	9.0	42.6
Reading	-	59.0	2.0	-	61.0
Other	27.3	16.2	-	-	43.5
	88.5	1,142.9	275.2	609.0	2,115.6

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

Source: Shawnee Mission USD #512 records

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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Expenses	Cost Per Pupil	Teaching Staff	Pupil - Teacher Ratio	Percentage of Students Receiving Free or Reduced Meals
2004	29,371	\$ 216,063,920	\$ 7,356	\$ 232,211,624	\$ 7,906	2,147	14	14.23%
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%

(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, 2013

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	\$ [26,803]	\$ 4,209,000	\$ 4,244,787	\$ [62,590]
Title I - Program Improvement	84.010	[4,702]	37,000	32,298	-
Title I - Migrant Education	84.011	[15,360]	122,880	107,520	-
Title I - Migrant Health Care	84.011	-	720	720	-
Title II-A Teacher Quality	84.367	[55,567]	827,000	731,729	39,704
Title III	84.365	[28,686]	241,611	238,553	[25,628]
Title VI-B	84.027	-	233,322	233,322	-
Title VI-B Pass Thru	84.027	-	5,755,032	5,755,032	-
Early Childhood Flo Thru	84.173	-	111,592	111,592	-
Carl Perkins	84.048	-	173,312	173,312	-
Grants for State Assessments & Related Activities	84.369	-	388	388	-
Total Department of Education Passed Through KSDE			<u>11,711,857</u>	<u>11,629,253</u>	
U.S. Department of Health & Human Services					
Passed through Kansas Department of Education (KSDE):					
Youth Risk Behavior Survey	93.938	-	<u>1,000</u>	<u>1,000</u>	-
U.S. Department of Agriculture					
Passed through Kansas Department of Education (KSDE):					
School Breakfast	10.553	-	779,680	779,680	-
Team Nutrition	10.574	-	8,655	8,655	-
National School Lunch Program	10.555	-	4,486,076	4,486,076	-
Summer Food Service Program for Children	10.559	-	39,958	39,958	-
State Administrative Expenses for Child Nutrition	10.560	-	350	350	-
Fresh Fruit & Vegetable Program	10.582	-	<u>145,154</u>	<u>145,154</u>	-
Total Department of Agriculture Passed Through KSDE			<u>5,459,873</u>	<u>5,459,873</u>	
Total			<u>\$ 17,172,730</u>	<u>\$ 17,090,126</u>	

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2013

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, 2013

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? X Yes No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.010

Title I

84.027, 84.173

Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs: \$512,704

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, 2013

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

Current 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>
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

Prior Year Findings

None Noted



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

Board of Education
Shawnee Mission Unified School District No. 512

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, and the Kansas Municipal Audit and Accounting Guide issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, 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, 2013, 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 30, 2013.

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 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 charged with governance.

Our consideration of internal control over financial reporting 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 of 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 30, 2013.

Purpose of this Report

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

Mike Houser: Company PA

October 30, 2013



**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, 2013. 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, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2013-1. Our opinion on each major federal program is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 in order 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.

Mike Houser: Company PA

October 30, 2013