

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

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

**For the Fiscal Year Ended  
June 30, 2019**

**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, 2019

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## INTRODUCTORY SECTION

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October 23, 2019

**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, 2019, is hereby submitted for your use. The CAFR was prepared by the Business Services Division and includes the unmodified opinion of our independent auditors, Mize Houser & Company P.A. Responsibility for both the accuracy of the information and the completeness and fairness of the presentation, including all disclosures, rests with the district, specifically the Business Services Division. The Business Services Division confirms that the accounting system and the budgetary and internal accounting controls of the district provide reasonable assurance that the district assets are safeguarded against loss and that financial records are reliable for preparing financial statements and maintaining accountability for assets. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the district.

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

**GENERAL INFORMATION ABOUT THE DISTRICT**

The Shawnee Mission School District, which was established as Unified School District No. 512 in 1969, has been ranked consistently among the finest school districts in America, earning praise locally, regionally, and nationally for its commitment to providing excellent educational programs and services. U.S. News & World Report ranked all of the district's five high schools as among the best in the nation. Shawnee Mission offers a rigorous academic curriculum designed to prepare students for the future. The district is proud of the impressive achievement of its students as reflected on state and national assessments. For more information, visit [www.smsd.org](http://www.smsd.org).

**Mission Statement:** The mission of the Shawnee Mission School District, the bridge to unlimited possibilities yet to be discovered, is to ensure students construct their own foundation for success in life's endeavors through relevant, personalized learning experiences orchestrated by talented, compassionate educators and distinguished by an inclusive culture, an engaged community and robust opportunities that challenge learners to achieve their full potential.

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 2018-19 school year, the district was comprised of 34 elementary schools, five middle schools, five high schools, one alternative education school, one career and technical center, early childhood education center, four major athletic complexes, and three administrative and support facilities. This represents a physical plant in excess of nearly 5.4 million square feet, having a replacement value in excess of \$1.2 billion.

On September 20, 2018, enrollment was 27,593, up 7 from the 27,586 students on September 20, 2017. This enrollment represented 14,302 elementary school students, 4,017 middle school students, 8,110 high school students, 1,164 special education, preschool and other students.

Seven members of the board of education who are elected for staggered four-year terms govern the district. The board of education is responsible for making all policy decisions. The treasurer and clerk are appointed annually by the board. The board of education appoints the superintendent of schools who is responsible for carrying out the policies set by the board. A deputy superintendent and associate superintendents assist the superintendent. The district employs a full-time staff of about 3,400 of which approximately 2,100 were teachers and other certified staff. Approximately 80 percent of the teachers in Shawnee Mission have a master's degree or higher.

## **ECONOMIC CONDITION AND OUTLOOK**

Economic growth in Johnson County, within which the district is located, has been strong for over 25 years. The county has become a self-contained economic unit with its own employment and financial base. As a result, predictions continue to foresee Johnson County as the cornerstone to growth within the State of Kansas over the next ten years. The assessed valuation within the district increased approximately 6.5% to \$3.9 billion during 2018.

## **FINANCIAL POLICIES**

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

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

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

## **MAJOR INITIATIVES**

The Shawnee Mission School District adopted a new Strategic Plan, which will govern the district's work through 2023-24 and beyond. The Shawnee Mission School District community engaged in thoughtful work and conversation to create this road map which will guide the district's work for the next five years.

The document gives voice to who we want to be through a small number of clearly articulated objectives:

- Every student will achieve academic success through a challenging, relevant personalized learning plan.
- Every student will develop and utilize personal resilience while mastering essential competencies that lead to college and career readiness.
- Every student will develop interpersonal skills to be an engaged, empathetic member of the local and global community.

The Shawnee Mission Board of Education approved this strategic plan in the 2018-19 school year. It will be implemented districtwide and in the 2019-20 school year, individual school communities will work on developing their own strategic plan, using the district plan as a model and guide.

## **Career and Technical Campus and Signature Programs**

The Shawnee Mission School District formally celebrated the opening of a new Career and Technical Campus (CTC) in 2019. The CTC houses the Project Blue Eagle Signature Program and includes educational opportunities in fire science, law, and emergency medical services strands of study. The campus is housed on 93<sup>rd</sup> street in Overland Park, the site of the district's former Operations and Maintenance building.

Project Blue Eagle is one of several Signature Programs offered by the district to provide innovative and experiential learning opportunities which help high school students prepare for college and career. These specialized programs reflect our district's commitment to providing personalized and relevant educational opportunities that will enable students to be successful in their future. The following Signature Programs are housed at the district's Center for Academic Achievement:

- Animation and Game Design
- Biotechnology
- Culinary Arts and Hospitality
- Engineering – Project Lead the Way
- Medical Health Science

### **District Facilities**

The Shawnee Mission School District celebrated the opening of a new elementary school, Lenexa Hills, in the 2018-19 school year. This brought the number of elementary schools to 34. In the 2018-19 school year, the school district also opened a rebuilt Brookwood Elementary School. Over the past few years, the district built or rebuilt five elementary schools, one in each high school feeder pattern, as part of a bond issue approved by the community in 2015. Many buildings across the district received capital improvements as a result of that bond issue. In the 2019-20 school year, the district anticipates opening a new Aquatics Center using proceeds from the bond issue.

### **Honors and Awards**

District students and staff continue to be recognized locally, regionally, and nationally for their excellence. Five Shawnee Mission high schools were included on the list of Best High Schools, published by U.S. News & World Report. Recognitions have been presented to students and staff in programs and competitions including, but not limited to: Toshiba/NSTA Exploravision, National Scholastic Press Association, National Association of Elementary and Secondary Education Act State Program Administrators, Princeton Prize in Race Relations, National Geographic Bee, National Spelling Bee, Kansas Academic Decathlon, Greater Kansas City Science and Engineering Fair, SkillsUSA, Jedel Excellence in Mathematics Education, Journalism Education Association/National Scholastic Association, Kansas Geographic Alliance, and the Stanford University Teacher Tribute Program. Shawnee Mission students also were recognized by the National Merit Program, the U.S. Presidential Scholars Program, and have earned numerous state team and individual championship titles in athletics.

### **Technology in Education**

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

With the shift towards everyone having portable devices, the district moved focus away from traditional labs. The district does still maintain some traditional computer labs, mobile wireless labs, library workstations, and specialty labs. These labs are under regular review for relevance and need.

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

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

Every regular classroom, library, computer lab, and designated special purpose classroom in the district is outfitted with a permanently-mounted XGA projector or flat panel TV and an Apple TV.

All employees and students have electronic mail. Spam mitigation, anti-virus protection, and intrusion detection are essential components of the district's security stance as it pertains to electronic mail. A fiber-optic high speed integrated voice and data network provides connectivity between every building. Every classroom has a phone, and all teachers and administrative employees have access to voicemail. The district has a virtual meeting and collaboration platform available to all district employees. Teachers are able to use this platform when working with students as well. Additionally, all teachers and students in the district have access to GSuite from Google.

## **FINANCIAL INFORMATION**

### Internal Control Structure

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

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

### Budgetary Principles

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

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

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

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

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

## PROPERTY TAX COLLECTIONS

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

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

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 2.0% in 2019. This is net of funds held in demand deposits and compensating balance requirements. In accordance with Kansas statutes, investment revenues for 2019 were recorded in the following funds:

Debt Service	\$ 51,910
Special Education	973,758
Capital Outlay	168,685
Capital Project	998,884
Food Service	<u>74,823</u>
<b>Total</b>	<b><u>\$ 2,268,060</u></b>

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

## RISK MANAGEMENT

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

<b>Coverage</b>	<b>Limits</b>	<b>Deductible/ Retention</b>
Property / Inland Marine /	\$1,241,572,468	
Automobile Physical Damage	(\$450,000,000 loss limit)	\$100,000
Boiler & Machinery	\$10,000,000	\$25,000
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
Cyber Liability	\$1,000,000	\$25,000

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

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

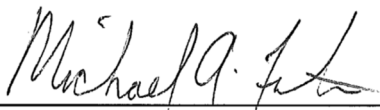
The district is occasionally involved in claims and lawsuits, including claims for unfair or discriminatory personnel practices and personal injury. While these cases may have future financial significance, district management, based on the advice of counsel, believes the ultimate outcome of those various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

## **INDEPENDENT AUDIT**

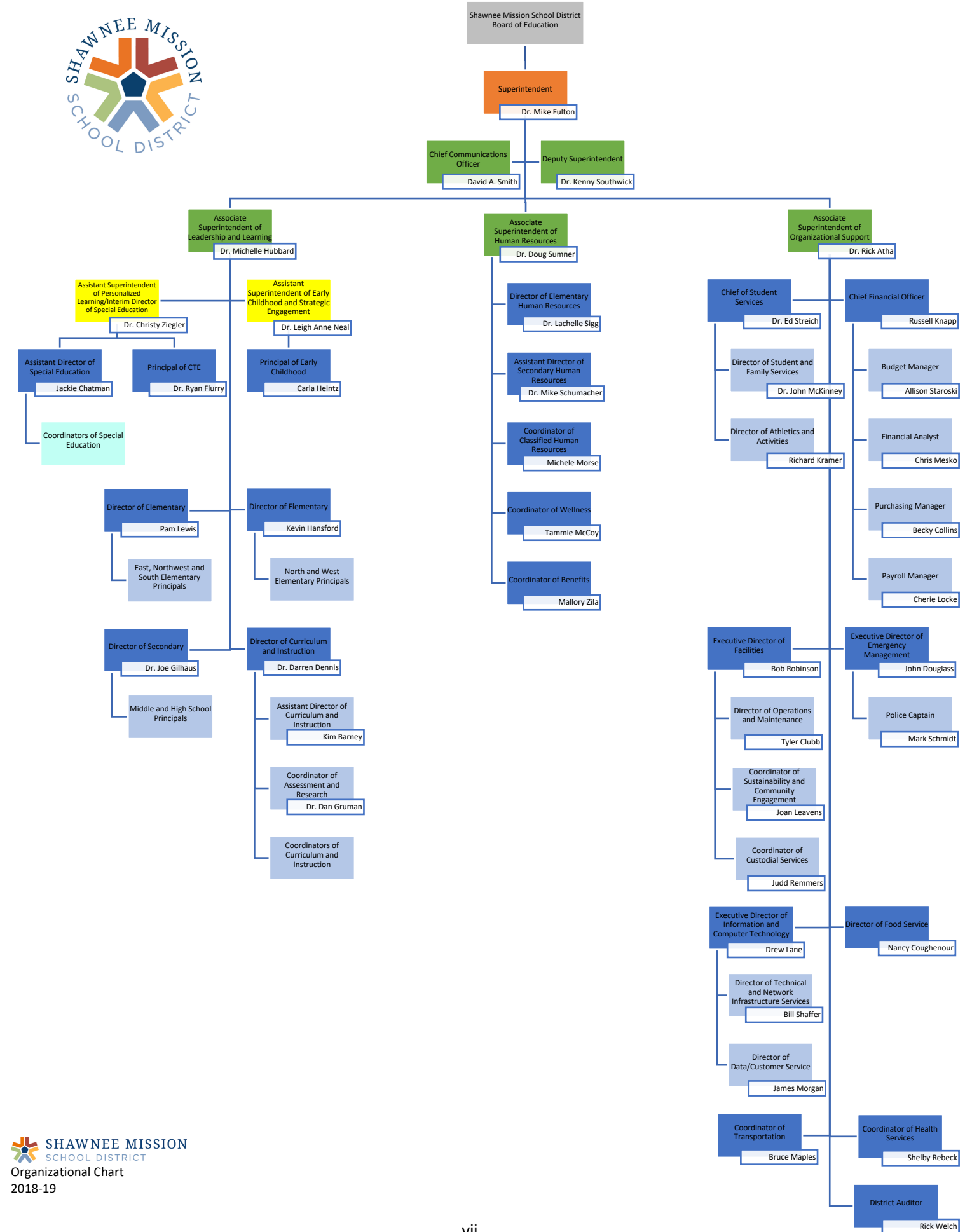
The district's policy is to require an annual, independent audit of the financial statements and in conjunction with that audit, a Single Audit is performed in accordance with federal requirements. For the fiscal year ended June 30, 2019, these audits were performed by the accounting firm of Mize Houser & Company P.A. Their unmodified opinion on the financial statements is included in the Financial Section of this report.

## **ACKNOWLEDGMENTS**

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

A handwritten signature in black ink, reading "Michael G. Fulton", written over a horizontal line.

Michael Fulton, Ed.D., Superintendent of Schools



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## FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Shawnee Mission Unified School District No. 512

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

We have audited the accompanying financial statements of the governmental activities, each major fund, budgetary comparison information, and the aggregate remaining fund information of the Shawnee Mission Unified School District No. 512 (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, budgetary comparison information, and the aggregate remaining fund information of the District, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Supplemental General, Special Education, At Risk (K-12) and the KPERS Special Retirement Contribution Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Prior Period Restatement*

As discussed in Note 3.F. to the financial statements, certain errors in amounts previously reported as of June 30, 2018, were discovered by management of the District during the current year. Accordingly, these amounts have been restated in the June 30, 2019, financial statements now presented, and adjustments have been made to net position to correct the error. Our opinion is not modified with respect to these matters.

## **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, 2018, from which such partial information was derived.

The prior year partial comparative information has been derived from the District's financial statements for the year ended June 30, 2018 and, in our report dated October 19, 2018, we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the schedule of changes in the District's total OPEB liability and related ratios on pages 52 - 53, the schedule of the District's proportionate share of the net pension liability on page 54, and the schedule of the District's contributions on page 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

The combining and individual nonmajor fund financial statements, budgetary comparison schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Mike Houser: Company PA*

Certified Public Accountants

Lawrence, Kansas  
October 23, 2019

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

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019**

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, 2019. 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, 2019). The assets include all cash and investments; receivables, including taxes assessed that remain uncollected; materials inventory; and capital assets reduced by accumulated depreciation. Liabilities include accounts payable, accrued payroll earnings not yet paid, claims payable, net pension liability and outstanding general obligation debt. This results in a statement that encompasses the entire operations of the Shawnee Mission School District.

Although the Statement of Net Position reports total net position of \$137.6 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, 2019. This statement answers the question, "How did the district do financially during fiscal year 2019?" 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, 2019**

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

##### Fund Financial Statements

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

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

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

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

##### Governmental Funds

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

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

##### Fiduciary Funds

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

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

The district's net position was higher on June 30, 2019, than it was the year before, increasing \$15.8 million to \$137.6 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, 2019

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

	Balance as of 6/30/2019	Balance as of 6/30/2018	Increase (Decrease) from 2018
<b><u>Statement Classifications</u></b>			
Current Assets	\$ 146.1	\$ 186.5	-21.66%
Non-Current Assets	666.5	639.9	4.16%
Deferred Outflow of Resources	69.8	60.4	15.56%
<b>Total Assets &amp; Deferred Outflow</b>	<b>\$ 882.4</b>	<b>\$ 886.8</b>	<b>-0.50%</b>
Current Liabilities	72.2	78.4	-7.91%
Non-Current Liabilities	643.2	649.5	-0.97%
Deferred Inflow of Resources	29.4	37.1	-20.75%
<b>Total Liabilities &amp; Deferred Inflow</b>	<b>\$ 744.8</b>	<b>\$ 765.0</b>	<b>-2.64%</b>
<b>Net Position</b>			
Invested in capital assets, net of related debt	\$ 300.2	\$ 278.9	7.64%
Restricted	24.2	23.3	3.86%
Unrestricted	-186.8	-180.4	3.55%
<b>Total Net Position</b>	<b>\$ 137.6</b>	<b>\$ 121.8</b>	<b>12.97%</b>

Total assets and deferred outflows decreased \$4.4 million from fiscal year 2018 and total liabilities and deferred inflows decreased \$20.2 million. The major changes in net position were due to the following:

1. The capital outlay balances increased by \$4.0 million as prior year bond proceeds were expended in 2018 to complete the construction of the Operation & Maintenance building, East Antioch kitchen and other projects.
2. The capital projects decreased \$39.0 million as the district continues construction projects funded from \$118.6 million and \$152.4 million in general obligation refunding and improvement bonds issued in fiscal year 2015 and fiscal year 2017, respectively.
3. The fund balance of twenty-six other funds had a net decrease of \$1.8 million. The majority of this decrease is due to the special education balance (operating funds) decreasing \$1.1 million and the textbook rental fund decreasing \$1.8 million due to the purchase of a new textbook adoption. This was offset by the debt service balance increasing \$0.9 million due to assessed valuation increasing 4.3%.
4. Capital assets increased \$26.5 million based on the completion and construction in progress of capital projects and capital purchases from the capital outlay fund.
5. The net change of deferred outflows and inflows of resources for the defined benefit pension plan (KPERS) and other postemployment benefits (OPEB) related to the healthcare plan and KPERS is an increase of \$17.5 million. These changes are referenced in footnote 4A, 4F and 4G.
6. Pension liability increased \$23.6 million as the district's proportion of covered employees increased.
7. The net OPEB obligation liability increased \$1.7 million according to the District's OPEB actuarial study.
8. Bonds payable and related accrued interest payable decreased by \$33.9 million as the district paid the bond debt schedule.



## Shawnee Mission Unified School District No. 512

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

The total costs of all programs and services amounted to \$340.3 million. The following table shows the breakdown of total costs by functional area:

	Fiscal Year	Fiscal Year	Increase (Decrease)
	2019	2018	from 2018
<b><u>Expense Function</u></b>			
Instruction	52.0%	50.7%	1.3%
Student Support Services	5.3%	4.9%	0.4%
Instructional Support	3.4%	3.3%	0.1%
General Administration	0.9%	0.8%	0.1%
School Administration	4.7%	4.4%	0.3%
Operations and Maintenance	14.4%	16.5%	-2.1%
Student Transportation Services	4.4%	4.1%	0.3%
Food Service Operations	3.5%	3.2%	0.3%
Student Activities	1.3%	1.3%	0.0%
Business Services	4.0%	4.0%	0.0%
State Payments	2.0%	2.4%	-0.4%
Interest on Long-Term Debt	4.1%	4.4%	-0.3%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>

The district provided a salary increase in 2018-19 which increased most program cost however some of the cost was offset by turnover savings from retirements, terminations and vacant positions during the year. In addition, the KPERS Special Retirement Contribution Fund expense decreased \$9.6 million which is allocated proportionately to each expense function. Instruction and Student Support Services increases were higher than the other expense functions due to additional staff being added. The operations and maintenance program decreased 2.1%. Capital outlay decreased in fiscal year 2019 as the new Operation and Maintenance Building and other projects were completed at the end of fiscal year 2018. Student transportation services increased 0.3% due to a contractual increase in fees. State payments decreased 0.4% as a result of the Declining Enrollment Fund being phased out with a 50% reduction in fiscal year 2018 and the remaining 50% reduction in fiscal year 2019. The decrease in interest on long-term debt is due to a lower outstanding bond debt as the district paid the bond debt schedule.

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

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019

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

	<b>Fiscal Year</b>	<b>Fiscal Year</b>	<b>Increase</b>
	<b>2019</b>	<b>2018</b>	<b>(Decrease)</b>
			<b>from 2018</b>
<b>Revenues:</b>			
Program revenues			
Charges for services	\$9.9	\$9.7	2.1%
Operating grants and contributions	54.6	60.8	-10.2%
General revenues			
Property taxes	133.3	129.6	2.9%
Grants and entitlements not restricted to specific programs	148.5	145.3	2.2%
Investment earnings	2.3	1.7	35.3%
Miscellaneous	7.4	4.9	51.0%
<b>Total Revenues</b>	<b>\$356.0</b>	<b>\$352.0</b>	<b>1.1%</b>
<b>Expenses:</b>			
Instruction	\$177.4	\$169.5	4.7%
Student Support Services	18.1	16.4	10.4%
Instructional Support	11.6	11.2	3.6%
General Administration	2.9	2.7	7.4%
School Administration	15.8	14.8	6.8%
Operations and Maintenance	49.0	55.4	-11.6%
Student Transportation Services	14.9	13.6	9.6%
Food Service Operations	11.8	10.8	9.3%
Student Activities	4.4	4.4	0.0%
Business and Central Support	13.6	13.5	0.7%
State Payment	7.0	7.9	-11.4%
Interest on Long-Term Debt	13.8	14.7	-6.1%
<b>Total Expenses</b>	<b>\$340.3</b>	<b>\$334.9</b>	<b>1.6%</b>
<b>Special item - Capital Asset Impairment</b>	<b>0</b>	<b>0</b>	
<b>Increase (decrease) in net position</b>	<b>\$15.7</b>	<b>\$17.1</b>	
<b>Net Position – Beginning</b>	<b>\$121.8</b>	<b>\$102.5</b>	
<b>Restatement</b>	<b>0.1</b>	<b>2.2</b>	
<b>Net Position - Ending</b>	<b>\$137.6</b>	<b>\$121.8</b>	

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

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019**

The table, shown above, details the district's changes in net position for the year. Total receipts exceeded expenditures, increasing net position \$15.8 million over fiscal year 2018. The district's total revenues were \$356.0 million. Property taxes and grants and entitlements not restricted to specific programs accounted for most of the district's revenue, with property taxes contributing 37.4%, and unrestricted grants and entitlements contributing 41.7%. Another 15.3% came from operating grants and contributions, and the remaining 5.6% from fees for charges for services, investment earnings and miscellaneous sources. The most notable changes from the preceding year (on a total dollar basis) include:

- Property taxes increased 2.9%. The overall tax rate decreased from 53.663 mills to 52.427, a 2.3% decrease, however the assessed valuation increased 6.8%. In addition, the Cost of Living weighting increased 140.4 fte resulting in an additional \$1.0 in taxes in fiscal year 2019.
- Charges for services increased 2.1% due to the addition of Pre-K programs.
- Operating grants and contributions decreased 10.2%. The state pays the employer share of the KPERS retirement. The state passes it thru the district so it is recorded on the district books. The amount passed thru in fiscal year 2019 was \$9.6 million less than fiscal year 2018. This decrease was offset by an adjustment for actual non-employer contributions per KPERS GASB 68 report that increased \$2.4 million from fiscal year 2018.
- Miscellaneous revenues increased 51.0% due to the sale of the district's warehouse building for \$2.7 million.
- In 2018-19, the district provided a salary increase of 2.2% - 2.7% for each functional area except for General and School Administration which received 1.0%.
- Instructional expenditures increased 4.7%. In addition to the salary increases noted above, \$1.2 million in certified positions were added for fiscal year 2019.
- Student support services and instructional support increased due to adding additional positions for a social worker, librarian, instructional coach, and nurse.
- General administration increased 7.4% due to legal services increasing in the special liability expense fund.
- School administration increased 6.8% due to adding an elementary principal at new Lenexa Hills Elementary school, a principal at the new Center for Academic Achievement and an additional administrative intern.
- The operations and maintenance program decreased 11.6%. Capital outlay decreased in fiscal year 2019 as the construction of the new Operation and Maintenance Building and other projects were completed at the end of fiscal year 2018.
- Student transportation services increased 9.6%. Transportation contractual fees are 3% higher than the previous year. In addition, cost increased due to bus routes being added for the special education program and to provide temporary busing while Brookwood Elementary school was being rebuilt.
- Food service operations increased 9.3%. This is mainly due to food cost increasing and adjustments made to the food service salary schedule to attract and retain food service employees.
- State payment decreased 11.4% as a result of the Declining Enrollment Fund being phased out over a two year period with a 50% reduction in fiscal year 2018 and a 50% reduction in fiscal year 2019.
- The decrease in interest on long-term debt is due to a lower outstanding bond debt as the district paid the bond debt schedule.

## Shawnee Mission Unified School District No. 512

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

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

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

<b><u>Expense Function</u></b>	<b>Total Cost of Services</b>	<b>Net Cost</b>
Instruction	\$177.4	\$142.6
Student Support Services	18.1	13.3
Instructional Support	11.6	10.3
General Administration	2.9	2.3
School Administration	15.8	15.7
Operations and Maintenance	49.0	48.5
Student Transportation Services	14.9	9.7
Food Service Operations	11.8	0.3
Student Activities	4.4	3.8
Business and Central Support	13.6	12.8
State Payment	7.0	2.7
Interest on Long-Term Debt	13.8	13.8
<b>Total</b>	<b>\$340.3</b>	<b>\$275.8</b>

- ◆ Costs of \$9.9 million were financed by users of the district's programs.
- ◆ Federal and state governments subsidized certain programs with grants and contributions totaling \$54.6 million.
- ◆ Most of the district's net cost of services of \$275.8 million was financed by district and state taxpayers.
- ◆ The governmental activities portion was financed with \$133.3 million in property taxes, \$148.5 million of grants and entitlements not restricted to specific programs and \$9.7 million in investment earnings and miscellaneous sources.

# Shawnee Mission Unified School District No. 512

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

### Financial Analysis of the District's Funds

As the district completed the year, its governmental funds reported combined fund balances of \$101.8 million; a decrease from last year's ending fund balance of \$138.9 million. Expenditures of \$392.2 million exceeded revenues of \$355.1 million.

	Revenues	Expenditures	Other Financing	End Bal
General	\$123.6	(\$123.5)	\$0.0	\$0.4
Supplemental General	47.0	(31.0)	(15.9)	3.7
AtRisk	32.8	(32.8)	0.0	0.0
AtRisk 4 yr old	1.1	(1.1)	0.0	0.0
Bilingual	2.4	(2.4)	0.0	0.0
In-Service	0.1	(0.1)	0.0	0.0
Special Education	29.5	(46.4)	15.7	13.1
Vocational	5.2	(5.2)	0.0	0.0
Student Materials	0.7	(0.7)	0.0	0.3
Textbook Rental	0.9	(2.6)	0.0	2.2
Special Liability	0.5	(0.7)	0.0	1.8
KPERS Retirement	12.1	(12.1)	0.0	0.0
Health Care Reserve	1.2	(1.2)	0.0	0.1
Gate Receipts	0.7	(0.7)	0.0	0.2
Contingency Reserve	0.0	(0.0)	0.0	5.6
Cost of Living	7.0	(7.0)	0.0	0.6
Federal and State Grants	5.6	(5.9)	0.0	1.2
<b>Total Basic Education</b>	<b>\$270.4</b>	<b>(\$273.4)</b>	<b>(\$0.2)</b>	<b>\$29.2</b>
Parent education	\$0.4	(\$0.6)	\$0.2	\$0.0
Summer School	0.4	(0.4)	0.0	0.9
Adult Supplemental	0.0	0.0	0.0	0.0
Declining Enrollment	0.3	0.0	0.0	0.4
Extraordinary School	0.1	(0.1)	0.0	0.5
<b>Total Expanded Education</b>	<b>\$1.2</b>	<b>(\$1.1)</b>	<b>\$0.2</b>	<b>\$1.8</b>
Capital Outlay	\$38.1	(\$34.1)	\$0.0	\$23.2
Capital Projects	2.5	(41.5)	0.0	18.8
Debt Service	30.5	(29.5)	0.0	24.2
Special Assessments	0.8	(0.6)	0.0	0.9
<b>Total Capital</b>	<b>\$71.9</b>	<b>(\$105.7)</b>	<b>\$0.0</b>	<b>\$67.1</b>
Food service	11.6	(12.0)	0.0	3.7
<b>Total</b>	<b>\$355.1</b>	<b>(\$392.2)</b>	<b>\$0.0</b>	<b>\$101.8</b>

The major changes in fund balances were:

## Shawnee Mission Unified School District No. 512

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

1. The special education fund balance decreased \$1.2 million. The school finance law permits operating balances to be carried over in this fund. Operating expenditures exceeded revenue during 2019 primarily due to added positions during the year, increase in certified substitute cost, utilities were higher due to a colder winter, and health cost increased due to new members enrolling January 1.
2. The textbook rental fund balance decreased \$1.8 million as a major textbook adoption was purchased in fiscal year 2019.
3. The capital outlay fund balance increased by \$4.0 million as prior year bond proceeds were expended to complete the construction of the Operation & Maintenance building, East Antioch kitchen and other projects in fiscal year 2018.
4. The capital projects fund balance decreased \$39.1 million as the district continues construction projects funded from \$118.6 million and \$152.4 million in general obligation refunding and improvement bonds issued in fiscal year 2015 and fiscal year 2017, respectively.

#### Analysis of Budget Variations

The original budget for general fund revenues was \$170.6 million, and the final budget was \$169.5 million. Actual general fund revenue matched the final budget.

The original general fund expenditure budget including transfers was \$170.6 million and the final budget was \$169.5 million. The actual expenditure matched the final budget.

#### Capital Asset and Debt Administration

##### Capital Assets

By the end of 2019, the district had invested \$666.5 million in a broad range of capital assets, including school buildings, athletic facilities, computer equipment, and administrative offices. This amount represents a net increase of \$26.6 million, net of depreciation. **See Notes to the Basic Financial Statements – Note 3B for further information.**

	<b>Assets As Of June 30, 2019</b>
Land	\$ 11.7
Art work	0.3
Construction in progress	32.6
Buildings and improvements	745.1
Equipment	28.2
Accumulated Depreciation	<u>[151.4]</u>
Total	<u>\$ 666.5</u>

##### Long-Term Debt

Moody's Investors Services had rated the Shawnee Mission School District effective May 9, 2017 at a rating of Aaa. Kansas law limits the amount of outstanding indebtedness. The current limit is approximately \$592 million, and the district has \$376.9 million outstanding at June 30, 2019. **See Notes to the Basic Financial Statements – Note 3C for further information.**

##### Contacting the District's Financial Management

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

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF NET POSITION  
June 30, 2019

	Total Governmental Activities
Assets and Deferred Outflows of Resources	
Current assets:	
Cash and cash equivalents	\$ 85,704,972
Investments	47,941,381
Receivables	
Taxes	1,818,017
Interest	290,194
Other	9,968,365
Material and supplies inventory	384,834
Total current assets	<u>146,107,763</u>
Noncurrent assets:	
Nondepreciable capital assets	44,601,854
Depreciable capital assets	773,284,155
Less: Accumulated depreciation	<u>[151,430,692]</u>
Total noncurrent assets	<u>666,455,317</u>
Total assets	<u>812,563,080</u>
Deferred outflows of resources	
Pension - contributions subsequent to the measurement date	12,170,012
Pension - net difference between projected and actual earnings on pension plan investments	4,697,439
Pension - changes in assumption	10,304,510
Pension - changes in proportion	40,083,406
OPEB - differences between expected and actual experience	618,442
OPEB - changes in assumption	731,098
OPEB - contributions subsequent to the measurement date (KPERs)	862,472
OPEB - differences between expected and actual experience (KPERs)	197,913
Deferred charge on bond issuance	<u>176,988</u>
Total deferred outflows of resources	<u>69,842,280</u>
Total assets and deferred outflows of resources	<u>\$ 882,405,360</u>
Liabilities and Deferred Inflows of Resources	
Liabilities:	
Current liabilities:	
Accounts payable	\$ 18,231,126
Accrued payroll, payroll withholdings and taxes	18,974,992
Accrued interest payable	3,300,352
Claims payable	394,110
Long-term liabilities	
Due within one year	<u>31,328,675</u>
Total current liabilities	<u>72,229,255</u>
Noncurrent liabilities:	
Claims payable	297,322
Health care reserve	2,693,782
Net OPEB obligation (KPERs)	4,220,497
Net OPEB obligation	8,364,567
Net pension liability	273,844,764
Long-term liabilities	
Due in more than one year	<u>353,752,573</u>
Total noncurrent liabilities	<u>643,173,505</u>
Total liabilities	<u>715,402,760</u>
Deferred Inflows of Resources	
Unavailable revenue - property taxes	1,818,017
Unavailable revenue - fees	2,268
Pension - differences between expected and actual experience	11,887,639
Pension - changes in assumption	236,606
Pension - changes in proportion	15,314,080
OPEB - changes in assumption (KPERs)	<u>125,717</u>
Total deferred inflows of resources	<u>29,384,327</u>
Total liabilities and deferred inflows of resources	<u>\$ 744,787,087</u>
Net Position	
Net investment in capital assets	\$ 300,212,019
Restricted for:	
Debt service	24,179,304
Unrestricted	<u>[186,773,050]</u>
Total net position	<u>\$ 137,618,273</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, 2019

		Program Revenues		Net [Expenses] Revenue and Changes in Net Position
			Operating	Total
	Expenses	Charges for Services	Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>				
Instruction	\$ 177,486,192	\$ 4,540,809	\$ 30,363,044	\$ [142,582,339]
Student support services	18,084,399	-	4,750,938	[13,333,461]
Instructional support	11,556,236	-	1,290,816	[10,265,420]
General administration	2,898,103	-	605,168	[2,292,935]
School administration	15,845,506	-	196,425	[15,649,081]
Operations and maintenance	48,988,224	-	446,091	[48,542,133]
Student transportation services	14,898,256	-	5,209,590	[9,688,666]
Food service operations	11,766,872	5,389,498	6,039,485	[337,889]
Student activities	4,399,040	-	593,763	[3,805,277]
Business and central support services	13,605,868	-	841,885	[12,763,983]
State payment	6,972,750	-	4,271,923	[2,700,827]
Interest on long-term debt	13,797,633	-	-	[13,797,633]
Total school district	<u>\$ 340,299,079</u>	<u>\$ 9,930,307</u>	<u>\$ 54,609,128</u>	<u>[275,759,644]</u>
<b>General Revenues:</b>				
Property taxes levied for				
General purposes				70,233,183
Debt service				30,421,494
Capital outlay				32,657,559
Grants and entitlements not restricted to specific programs				148,535,890
Investments earnings				2,268,060
Miscellaneous				7,389,810
Subtotal general revenues				<u>291,505,996</u>
Change in net position				<u>15,746,352</u>
Net position - beginning, as originally stated				121,808,769
Restatements to beginning net position				<u>63,152</u>
Net position - beginning, as restated				<u>121,871,921</u>
Net position - ending				<u>\$ 137,618,273</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, 2019

	General	Debt Service	Supplemental General	Special Education	Capital Outlay	At Risk (K-12)	KPERS Special Retirement Contribution	Capital Project	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>										
Cash and cash equivalents	\$ 14,355,137	\$ 11,679,304	\$ 4,262,367	\$ 16,423,021	\$ 18,934,033	\$ 285,576	\$ -	\$ 270,470	\$ 16,895,064	\$ 83,104,972
Investments	-	12,500,000	-	-	5,108,942	-	-	24,832,439	5,500,000	47,941,381
Receivables										
Taxes	-	418,040	836,402	-	446,690	-	-	-	116,885	1,818,017
Interest	-	-	-	-	-	-	-	290,194	-	290,194
Other	-	-	-	-	-	-	9,968,365	-	-	9,968,365
Material and supplies inventory	384,834	-	-	-	-	-	-	-	-	384,834
<b>Total assets</b>	<b>\$ 14,739,971</b>	<b>\$ 24,597,344</b>	<b>\$ 5,098,769</b>	<b>\$ 16,423,021</b>	<b>\$ 24,489,665</b>	<b>\$ 285,576</b>	<b>\$ 9,968,365</b>	<b>\$ 25,393,103</b>	<b>\$ 22,511,949</b>	<b>\$ 143,507,763</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Accounts payable	\$ 60,986	\$ -	\$ 568,206	\$ 687	\$ 878,021	\$ 5,804	\$ 9,968,365	\$ 6,555,153	\$ 193,904	\$ 18,231,126
Health care reserve	-	-	-	-	-	-	-	-	2,693,782	2,693,782
Accrued payroll, payroll withholdings and taxes	14,293,531	-	390	3,283,188	-	279,772	-	-	1,118,111	18,974,992
<b>Total liabilities</b>	<b>14,354,517</b>	<b>-</b>	<b>568,596</b>	<b>3,283,875</b>	<b>878,021</b>	<b>285,576</b>	<b>9,968,365</b>	<b>6,555,153</b>	<b>4,005,797</b>	<b>39,899,900</b>
<b>Deferred inflows of resources:</b>										
Unavailable revenue - student fees	-	-	-	-	-	-	-	-	2,268	2,268
Unavailable revenue - property taxes	-	418,040	836,402	-	446,690	-	-	-	116,885	1,818,017
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>418,040</b>	<b>836,402</b>	<b>-</b>	<b>446,690</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119,153</b>	<b>1,820,285</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>14,354,517</b>	<b>418,040</b>	<b>1,404,998</b>	<b>3,283,875</b>	<b>1,324,711</b>	<b>285,576</b>	<b>9,968,365</b>	<b>6,555,153</b>	<b>4,124,950</b>	<b>41,720,185</b>
<b>Fund balance:</b>										
Nonspendable	384,834	-	-	-	-	-	-	-	-	384,834
Restricted	-	24,179,304	-	13,139,146	17,637,029	-	-	18,837,950	18,176,888	91,970,317
Assigned	620	-	22,040	-	5,527,925	-	-	-	210,111	5,760,696
Unassigned	-	-	3,671,731	-	-	-	-	-	-	3,671,731
<b>Total fund balances</b>	<b>385,454</b>	<b>24,179,304</b>	<b>3,693,771</b>	<b>13,139,146</b>	<b>23,164,954</b>	<b>-</b>	<b>-</b>	<b>18,837,950</b>	<b>18,386,999</b>	<b>101,787,578</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 14,739,971</b>	<b>\$ 24,597,344</b>	<b>\$ 5,098,769</b>	<b>\$ 16,423,021</b>	<b>\$ 24,489,665</b>	<b>\$ 285,576</b>	<b>\$ 9,968,365</b>	<b>\$ 25,393,103</b>	<b>\$ 22,511,949</b>	<b>\$ 143,507,763</b>

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

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

June 30, 2019

Total Governmental Fund Balances		\$ 101,787,578
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.		176,988
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
The cost of capital assets is	817,886,009	
Accumulated depreciation is	<u>151,430,692</u>	666,455,317
An internal service fund is used by the District's management to charge the costs of the workers' compensation program. The assets and liabilities of the internal service fund are included with governmental activities.		1,908,568
Pension and OPEB contributions are reported as an expense in the funds and as deferred outflows of resources in the governmental activities in the statement of net position.		69,665,292
Pension and OPEB fundings are reported as a revenue in the funds and as deferred inflows of resources in the governmental activities in the statement of net position.		[27,564,042]
The following liabilities, including bonds and leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. These liabilities at year end consist of:		
Bonds and leases payable	385,081,248	
Net OPEB obligation	12,585,064	
Net pension liability	273,844,764	
Accrued interest on the bonds	<u>3,300,352</u>	<u>[674,811,428]</u>
Net Position of Governmental Activities		<u>\$ 137,618,273</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, 2019

	General	Debt Service	Supplemental General	Special Education	Capital Outlay	At Risk (K-12)	KPERS Special Retirement Contribution	Capital Project	Other Governmental Funds	Total Governmental Funds
REVENUES:										
Taxes	\$ -	\$ 30,421,494	\$ 47,000,133	\$ -	\$ 32,657,559	\$ -	\$ -	\$ -	\$ 8,639,778	\$ 118,718,964
Intergovernmental	121,297,451	-	-	28,564,517	-	32,563,297	12,127,463	-	19,907,961	214,460,689
Charges for services	2,175,695	-	-	-	-	-	-	-	7,754,612	9,930,307
Investment revenue	-	51,910	-	973,758	168,685	-	-	998,884	74,823	2,268,060
Other local sources	-	-	-	-	5,288,354	191,673	-	1,483,302	2,785,217	9,748,546
Total revenues	<u>123,473,146</u>	<u>30,473,404</u>	<u>47,000,133</u>	<u>29,538,275</u>	<u>38,114,598</u>	<u>32,754,970</u>	<u>12,127,463</u>	<u>2,482,186</u>	<u>39,162,391</u>	<u>355,126,566</u>
EXPENDITURES:										
Current										
Instruction	62,331,091	-	17,847,728	33,119,306	1,146,229	31,468,048	8,485,586	-	14,280,540	168,678,528
Student support services	8,636,326	-	34,375	5,597,522	132,470	462,680	810,115	-	1,710,688	17,384,176
Instructional support staff	8,009,718	-	-	166,565	254,751	134,248	431,738	-	2,172,842	11,169,862
General administration	2,083,776	-	214,205	-	10,808	-	90,956	-	421,381	2,821,126
School administration	13,844,553	-	-	83,666	-	200,816	784,647	-	257,090	15,170,772
Operations and maintenance	11,196,292	-	10,624,559	-	3,874,878	244,347	859,837	-	823,510	27,623,423
Student transportation services	6,949,103	-	-	7,383,591	-	244,831	3,638	-	304,722	14,885,885
Food service operations	-	-	-	-	-	-	270,442	-	11,149,238	11,419,680
Student activities	3,086,068	-	-	-	172,258	-	-	-	1,096,121	4,354,447
Business and central support services	7,363,272	-	2,284,644	-	1,600,788	-	390,504	-	1,554,168	13,193,376
State payment	-	-	-	-	-	-	-	-	6,972,750	6,972,750
Capital outlay	-	-	-	-	7,522,375	-	-	41,505,205	559,590	49,587,170
Debt service										
Principal retirement	-	16,830,000	-	-	18,122,382	-	-	-	-	34,952,382
Interest and other charges	-	12,719,143	-	-	1,304,930	-	-	-	-	14,024,073
Total expenditures	<u>123,500,199</u>	<u>29,549,143</u>	<u>31,005,511</u>	<u>46,350,650</u>	<u>34,141,869</u>	<u>32,754,970</u>	<u>12,127,463</u>	<u>41,505,205</u>	<u>41,302,640</u>	<u>392,237,650</u>
Excess [deficiency] of revenue over [under] expenditures	<u>[27,053]</u>	<u>924,261</u>	<u>15,994,622</u>	<u>[16,812,375]</u>	<u>3,972,729</u>	<u>-</u>	<u>-</u>	<u>[39,023,019]</u>	<u>[2,140,249]</u>	<u>[37,111,084]</u>
OTHER FINANCING SOURCES [USES]										
Transfers in	-	-	-	15,671,824	-	-	-	-	242,162	15,913,986
Transfers out	-	-	[15,913,986]	-	-	-	-	-	-	[15,913,986]
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>[15,913,986]</u>	<u>15,671,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,162</u>	<u>-</u>
Net change in fund balance	<u>[27,053]</u>	<u>924,261</u>	<u>80,636</u>	<u>[1,140,551]</u>	<u>3,972,729</u>	<u>-</u>	<u>-</u>	<u>[39,023,019]</u>	<u>[1,898,087]</u>	<u>[37,111,084]</u>
Fund balance - Beginning of year	<u>412,507</u>	<u>23,255,043</u>	<u>3,613,135</u>	<u>14,279,697</u>	<u>19,192,225</u>	<u>-</u>	<u>-</u>	<u>57,860,969</u>	<u>20,285,086</u>	<u>138,898,662</u>
FUND BALANCE - End of year	<u>\$ 385,454</u>	<u>\$ 24,179,304</u>	<u>\$ 3,693,771</u>	<u>\$ 13,139,146</u>	<u>\$ 23,164,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,837,950</u>	<u>\$ 18,386,999</u>	<u>\$ 101,787,578</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, 2019

Total Net Change In Fund Balances - Governmental Funds		\$ [37,111,084]
Amounts reported for governmental activities in the statement of activities are different because		
Bond issuance costs and payments to escrow for advance refunding are recorded as expenditures in the fund financial statements. However, for the statement of net position, these costs are shown as assets and amortized over the life of the bonds.		2,551,629
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	47,382,440	
Depreciation expense	<u>[18,506,585]</u>	28,875,855
In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the capital assets sold.		
Proceeds from sale of capital assets	[2,957,083]	
Gain on sale of capital assets	<u>607,373</u>	[2,349,710]
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 netted with related deferred outflows and inflows was \$621,689.		621,689
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.		226,440
Bond and lease proceeds and premium are other financing sources in the governmental funds, but they increase long-term liabilities in the statement of net position and do not affect the statement of activities.		[3,819,989]
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.		222,193
Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities		[10,828,926]
Pension funding grant revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		2,405,873
Repayment of bond and lease principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		<u>34,952,382</u>
Changes In Net Position of Governmental Activities		<u>\$ 15,746,352</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, 2019  
(With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018		June 30, 2019				Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental							
General aid	\$ 111,849,852	\$ 121,297,451	\$ 25,157,415	\$ 146,454,866	\$ 149,038,490	\$ 147,985,994	\$ [1,531,128]
Special education aid	-	-	20,876,990	20,876,990	21,521,557	21,521,557	[644,567]
Total intergovernmental	111,849,852	121,297,451	46,034,405	167,331,856	170,560,047	169,507,551	[2,175,695]
Charges for services	2,251,167	2,175,695	-	2,175,695	-	-	2,175,695
Total revenues	114,101,019	123,473,146	46,034,405	169,507,551	170,560,047	169,507,551	-
EXPENDITURES:							
Instruction	55,410,426	62,331,091	[2,105,413]	60,225,678	49,858,321	49,858,321	[10,367,357]
Student support	8,023,990	8,636,326	[1,979]	8,634,347	8,541,923	8,541,923	[92,424]
Instructional support staff	8,040,290	8,009,718	[285]	8,009,433	8,191,920	8,191,920	182,487
General administration	1,833,292	2,083,776	-	2,083,776	1,947,220	1,947,220	[136,556]
School administration	13,426,212	13,844,553	-	13,844,553	13,603,056	13,603,056	[241,497]
Operations and maintenance	10,743,119	11,196,292	-	11,196,292	11,228,362	11,228,362	32,070
Student transportation services	6,416,303	6,949,103	-	6,949,103	6,866,582	6,866,582	[82,521]
Student activities	3,033,822	3,086,068	-	3,086,068	-	-	[3,086,068]
Business and central support services	7,212,373	7,363,272	[364]	7,362,908	8,600,984	8,600,984	1,238,076
Adjustment to Comply with Legal Maximum Budget	-	-	-	-	-	[1,052,495]	[1,052,495]
Total expenditures	114,139,827	123,500,199	[2,108,041]	121,392,158	108,838,368	107,785,873	[13,606,285]
Excess [deficiency] of revenues over [under] expenditures	[38,808]	[27,053]	48,142,446	48,115,393	61,721,679	61,721,678	[13,606,285]
OTHER FINANCING SOURCES [USES]:							
Transfers out	-	-	[48,115,429]	[48,115,429]	[61,721,714]	[61,721,714]	13,606,285
Total other financing sources [uses]	-	-	[48,115,429]	[48,115,429]	[61,721,714]	[61,721,714]	13,606,285
Net change in fund balance	[38,808]	[27,053]	27,017	[36]	[35]	[36]	-
FUND BALANCE - Beginning of year, as originally stated	356,101	412,507	[412,471]	36			
Restatement to beginning fund balance	95,214	-	-	-			
FUND BALANCE - Beginning of year, as restated	451,315	412,507	[412,471]	36			
FUND BALANCE - End of year	\$ 412,507	\$ 385,454	\$ [385,454]	\$ -			

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, 2019  
 (With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018	June 30, 2019					Variance with Final Budget
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Positive [Negative]
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 724,341	\$ 646,705	\$ -	\$ 646,705	\$ 693,863	\$ 693,863	\$ [47,158]
Current	41,667,494	39,379,770	14,593,272	53,973,042	50,722,683	50,577,477	3,395,565
Delinquent	121,891	575,422	-	575,422	239,466	239,466	335,956
Motor vehicle	6,073,015	6,290,472	-	6,290,472	6,410,869	6,410,869	[120,397]
Rental excise	116,778	107,764	-	107,764	-	-	107,764
Total revenues	48,703,519	47,000,133	14,593,272	61,593,405	58,066,881	57,921,675	3,671,730
EXPENDITURES:							
Instruction	18,802,259	17,847,728	-	17,847,728	13,652,965	13,652,965	[4,194,763]
Student support	10,800	34,375	-	34,375	10,800	10,800	[23,575]
General administration	445,971	214,205	-	214,205	300,000	300,000	85,795
Operations and maintenance	10,769,623	10,624,559	[24,085]	10,600,474	11,278,693	11,278,693	678,219
Business and central support services	2,237,860	2,284,644	[723]	2,283,921	3,004,300	3,004,300	720,379
Adjustment to Comply with Legal Maximum Budget	-	-	-	-	-	[145,206]	[145,206]
Total expenditures	32,266,513	31,005,511	[24,808]	30,980,703	28,246,758	28,101,552	[2,879,151]
Excess [deficiency] of revenues over [under] expenditures	16,437,006	15,994,622	14,618,080	30,612,702	29,820,123	29,820,123	792,579
OTHER FINANCING SOURCES [USES]:							
Transfers out	[17,152,044]	[15,913,986]	[14,593,274]	[30,507,260]	[33,386,411]	[33,386,411]	2,879,151
Total other financing sources [uses]	[17,152,044]	[15,913,986]	[14,593,274]	[30,507,260]	[33,386,411]	[33,386,411]	2,879,151
Net change in fund balance	[715,038]	80,636	24,806	105,442	\$ [3,566,288]	\$ [3,566,288]	\$ 3,671,730
FUND BALANCE - Beginning of year	4,328,173	3,613,135	[46,846]	3,566,289			
FUND BALANCE - End of year	\$ 3,613,135	\$ 3,693,771	\$ [22,040]	\$ 3,671,731			

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

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 SPECIAL EDUCATION FUND  
 For the Year Ended June 30, 2019  
 (With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018	June 30, 2019					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
Federal	\$ 7,108,333	\$ 7,687,527	\$ -	\$ 7,687,527	\$ 7,472,234	\$ 7,472,234	\$ 215,293
State and local	19,495,585	20,876,990	[20,876,990]	-	-	-	-
Total intergovernmental	26,603,918	28,564,517	[20,876,990]	7,687,527	7,472,234	7,472,234	215,293
Investment income	441,298	973,758	-	973,758	500,000	500,000	473,758
Other local funds	70	-	-	-	2,255,000	2,255,000	[2,255,000]
Total revenues	27,045,286	29,538,275	[20,876,990]	8,661,285	10,227,234	10,227,234	[1,565,949]
EXPENDITURES:							
Instruction	32,854,438	33,119,306	-	33,119,306	34,133,735	34,133,735	1,014,429
Student support services	5,354,527	5,597,522	-	5,597,522	5,819,745	5,819,745	222,223
Instructional support	235,068	166,565	-	166,565	160,125	160,125	[6,440]
School administration	88,637	83,666	-	83,666	44,756	44,756	[38,910]
Business and central support services	8,558	-	-	-	10,775	10,775	10,775
Operations and maintenance	-	-	-	-	9,855	9,855	9,855
Student transportation services	6,639,021	7,383,591	-	7,383,591	7,298,163	7,298,163	[85,428]
Total expenditures	45,180,249	46,350,650	-	46,350,650	47,477,154	47,477,154	1,126,504
Excess [deficiency] of revenues over [under] expenditures	[18,134,963]	[16,812,375]	[20,876,990]	[37,689,365]	[37,249,920]	[37,249,920]	[439,445]
OTHER FINANCING SOURCES [USES]:							
Transfers in	16,932,420	15,671,824	20,876,990	36,548,814	39,289,663	39,289,663	[2,740,849]
Total other financing sources [uses]	16,932,420	15,671,824	20,876,990	36,548,814	39,289,663	39,289,663	[2,740,849]
Net change in fund balance	[1,202,543]	[1,140,551]	-	[1,140,551]	\$ 2,039,743	\$ 2,039,743	\$ [3,180,294]
FUND BALANCE - Beginning of year	15,482,240	14,279,697	-	14,279,697			
FUND BALANCE - End of year	\$ 14,279,697	\$ 13,139,146	\$ -	\$ 13,139,146			

## 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, 2019  
 (With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018			June 30, 2019			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	\$ 39,759,140	\$ 32,563,297	\$ [32,563,297]	\$ -	\$ -	\$ -	\$ -
Other local sources	107,433	191,673	-	191,673	100,000	100,000	91,673
Total revenues	39,866,573	32,754,970	[32,563,297]	191,673	100,000	100,000	91,673
EXPENDITURES:							
Instruction	38,660,305	31,468,048	-	31,468,048	44,658,830	44,658,830	13,190,782
Student support services	399,460	462,680	-	462,680	519,092	519,092	56,412
Instructional support staff	89,567	134,248	-	134,248	676	676	[133,572]
School administration	198,200	200,816	-	200,816	198,482	198,482	[2,334]
Operations and maintenance	247,497	244,347	-	244,347	244,632	244,632	285
Student transportation services	271,544	244,831	-	244,831	280,900	280,900	36,069
Total expenditures	39,866,573	32,754,970	-	32,754,970	45,902,612	45,902,612	13,147,642
Excess [deficiency] of revenues over [under] expenditures	-	-	[32,563,297]	[32,563,297]	[45,802,612]	[45,802,612]	13,239,315
OTHER FINANCING SOURCES [USES]:							
Transfers in	-	-	32,563,297	32,563,297	45,802,612	45,802,612	[13,239,315]
Total other financing sources [uses]	-	-	32,563,297	32,563,297	45,802,612	45,802,612	[13,239,315]
Net change in fund balance	-	-	-	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year,	-	-	-	-			
FUND BALANCE - End of year	\$ -	\$ -	\$ -	\$ -			



## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 KPERS SPECIAL RETIREMENT CONTRIBUTION FUND  
 For the Year Ended June 30, 2019  
 (With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018		June 30, 2019				Variance with
	GAAP	GAAP	Adjustments	Budgetary	Budgeted Amounts		Final Budget
	Basis	Basis	to Budgetary	Basis	Original	Final	Positive
			Basis				[Negative]
REVENUES:							
Intergovernmental:							
State and local	\$ 21,699,348	\$ 12,127,463	\$ -	\$ 12,127,463	\$ 29,762,826	\$ 29,762,826	\$ [17,635,363]
Total revenues	21,699,348	12,127,463	-	12,127,463	29,762,826	29,762,826	[17,635,363]
EXPENDITURES:							
Instruction	15,183,034	8,485,586	-	8,485,586	20,825,050	20,825,050	12,339,464
Student support services	1,449,516	810,115	-	810,115	1,988,156	1,988,156	1,178,041
Instructional support staff	772,497	431,738	-	431,738	1,059,557	1,059,557	627,819
General administration	162,745	90,956	-	90,956	223,221	223,221	132,265
School administration	1,403,948	784,647	-	784,647	1,925,655	1,925,655	1,141,008
Operations and maintenance	1,538,484	859,837	-	859,837	2,110,185	2,110,185	1,250,348
Student transport services	6,510	3,638	-	3,638	8,929	8,929	5,291
Food service	483,895	270,442	-	270,442	663,710	663,710	393,268
Business and central support services	698,719	390,504	-	390,504	958,363	958,363	567,859
Total expenditures	21,699,348	12,127,463	-	12,127,463	29,762,826	29,762,826	17,635,363
Net change in fund balance	-	-	-	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	-	-	-	-			
FUND BALANCE - End of year	\$ -	\$ -	\$ -	\$ -			

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 June 30, 2019 and 2018

	Internal Service Workers' Compensation Fund	
	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,600,000	\$ 2,600,000
Total assets	<u>\$ 2,600,000</u>	<u>\$ 2,600,000</u>
Liabilities		
Current liabilities:		
Accrued claims payable	\$ 394,110	\$ 387,838
Total current liabilities	<u>394,110</u>	<u>387,838</u>
Noncurrent liabilities:		
Accrued claims payable	<u>297,322</u>	<u>525,787</u>
Total noncurrent liabilities	<u>297,322</u>	<u>525,787</u>
Total liabilities	<u>\$ 691,432</u>	<u>\$ 913,625</u>
Net position		
Unrestricted	\$ 1,908,568	\$ 1,686,375
Total net position	<u>\$ 1,908,568</u>	<u>\$ 1,686,375</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, 2019 and 2018

	Internal Service Workers' Compensation Fund Year Ended June 30,	
	2019	2018
Operating revenues		
Other local sources	\$ 862,702	\$ 863,643
Total operating revenues	<u>862,702</u>	<u>863,643</u>
Operating expenses		
General government	<u>640,509</u>	<u>285,061</u>
Total operating expenses	<u>640,509</u>	<u>285,061</u>
Net income	222,193	578,582
Net position, Beginning of year	<u>1,686,375</u>	<u>1,107,793</u>
Net position, End of year	<u>\$ 1,908,568</u>	<u>\$ 1,686,375</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, 2019 and 2018

	Internal Service Workers' Compensation Fund Year Ended June 30,	
	2019	2018
Cash flows from operating activities		
Cash paid to other suppliers of goods or services	\$ [862,702]	\$ [863,643]
Other operating receipts	<u>862,702</u>	<u>863,643</u>
Net cash [used in] operating activities	<u>-</u>	<u>-</u>
Net increase [decrease] in cash and cash equivalents	-	-
Cash and cash equivalents, Beginning of year	<u>2,600,000</u>	<u>2,600,000</u>
Cash and cash equivalents, End of year	<u>\$ 2,600,000</u>	<u>\$ 2,600,000</u>
Reconciliation of operating [loss] to net cash [used in] operating activities		
Operating income	\$ 222,193	\$ 578,582
Adjustments to reconcile operating [loss] to net cash [used in] operating activities		
Increase [decrease] in claims payable	<u>[222,193]</u>	<u>[578,582]</u>
Net cash [used in] operating activities	<u>\$ -</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, 2019 and 2018

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
ASSETS:		
Cash and cash equivalents	<u>\$ 2,100,137</u>	<u>\$ 2,052,486</u>
Total assets	<u>\$ 2,100,137</u>	<u>\$ 2,052,486</u>
LIABILITIES		
Due to student organizations	<u>\$ 2,100,137</u>	<u>\$ 2,052,486</u>
Total liabilities	<u>\$ 2,100,137</u>	<u>\$ 2,052,486</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, 2019

**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 27,593 students in the northeast Johnson County, Kansas area. The District is a legally separate entity, is fiscally independent, and is not a component of any governmental unit.

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

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

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

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

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

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

Additionally, the District reports the following fund types:

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

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

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

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

**E. Material and Supplies Inventory**

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

**F. Capital Assets**

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

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

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

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

**G. Vacation and Sick Pay**

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

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

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



SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

**H. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District reports changes in the pension liability proportion, changes in assumptions, net difference between projected and actual earnings on pension plan investments, and contributions made to the pension plan after the measurement date of the net pension liability as deferred outflows of resources in the government activities. Additionally, the District reports changes in assumptions of the OPEB plan, differences between expected and actual experience of the OPEB plan, differences between expected and actual experience of the KPERS OPEB plan and contributions made to the KPERS OPEB plan after the measurement date of the net KPERS OPEB liability as deferred outflows of resources in the government activities.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government funds report unavailable revenues from two sources: property taxes and fees. The District reports changes in the pension liability proportion, changes in assumptions and net difference between expected and actual experience as deferred inflows of resources in the government activities. Additionally, the District reports changes in assumptions of the KPERS OPEB plan as deferred inflows of resources in the government activities.

**I. Fund Balance Reserves**

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

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

	Major Governmental Funds						Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Debt Service Fund	Supplemental General Fund	Special Education Fund	Capital Outlay Fund	Capital Project		
Fund Balances:								
Nonspendable								
Inventory	\$ 384,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 384,834
Restricted for:								
Debt retirement	-	24,179,304	-	-	-	-	-	24,179,304
Special education instruction	-	-	-	13,139,146	-	-	-	13,139,146
School construction and equipment	-	-	-	-	17,637,029	18,837,950	854,836	37,329,815
Instruction	-	-	-	-	-	-	5,621,026	5,621,026
Operations and maintenance	-	-	-	-	-	-	5,638,052	5,638,052
Food service operations	-	-	-	-	-	-	3,492,404	3,492,404
Student activities	-	-	-	-	-	-	207,798	207,798
Business services	-	-	-	-	-	-	1,802,154	1,802,154
State payment	-	-	-	-	-	-	560,618	560,618
Assigned for:								
School construction and equipment	-	-	-	-	5,434,329	-	-	5,434,329
Instruction	100	-	-	-	40,603	-	7,087	47,790
Student support services	-	-	-	-	3,579	-	-	3,579
Instructional support staff	520	-	-	-	884	-	218	1,622
Operations and maintenance	-	-	10,478	-	12,407	-	-	22,885
Business and central support services	-	-	11,562	-	36,123	-	-	47,685
Food service operations	-	-	-	-	-	-	202,806	202,806
Unassigned:	-	-	3,671,731	-	-	-	-	3,671,731
Total Fund Balances	\$ 385,454	\$ 24,179,304	\$ 3,693,771	\$ 13,139,146	\$ 23,164,954	\$ 18,837,950	\$ 18,386,999	\$ 101,787,578

**J. Net Position**

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

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

*Restricted* - This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Restricted net position includes \$24,179,304 for debt service.

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

**K. Use of Estimates**

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

**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, 2019.

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

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

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

**A. Budgetary Information (Concluded)**

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

	Major Governmental Funds						Other	Total Governmental Funds
	General	Debt	Supplemental	Special	Capital	Capital	Nonmajor	
	Fund	Service	General	Education	Outlay	Project	Governmental	
	Fund	Fund	Fund	Fund	Fund	Project	Funds	
GAAP FUND BALANCE								
June 30, 2019	\$ 385,454	\$24,179,304	\$ 3,693,771	\$ 13,139,146	\$ 23,164,954	\$ 18,837,950	\$ 18,386,999	\$ 10,178,578
Adjustments:								
Unreserved fund balances not subject to the Kansas Budget Law:								
Declining Enrollment	-	-	-	-	-	-	[378,808]	[378,808]
Textbook	-	-	-	-	-	-	[2,210,503]	[2,210,503]
Contingency Reserve	-	-	-	-	-	-	[5,638,052]	[5,638,052]
Health Care Reserve	-	-	-	-	-	-	[79,719]	[79,719]
Student Material Revolving	-	-	-	-	-	-	[317,988]	[317,988]
Gate Receipts	-	-	-	-	-	-	[207,798]	[207,798]
Capital Projects	-	-	-	-	-	[19,791,450]	-	[19,791,450]
Interest receivable	-	-	-	-	-	[290,194]	-	[290,194]
Accounts payable - retainage	-	-	-	-	10,375	1,243,694	-	1,254,069
Reserve for encumbrances	[620]	-	[22,040]	-	[5,527,925]	-	[210,111]	[5,760,696]
Reserve for material and supplies inventor:	[384,834]	-	-	-	-	-	-	[384,834]
Total deductions	[385,454]	-	[22,040]	-	[5,517,550]	[18,837,950]	[9,042,979]	[33,805,973]
BUDGETARY FUND BALANCE								
June 30, 2019	\$ -	\$24,179,304	\$ 3,671,731	\$ 13,139,146	\$ 17,647,404	\$ -	\$ 9,344,020	\$ 67,981,605

**B. Property Taxes**

The assessed valuation of tangible district property (excluding motor vehicles) for taxes billed November 1, 2018 was as follows:

Real estate	\$ 3,786,567,252
Personal property	29,827,236
Utilities	66,174,929
Total assessed valuation	<u>\$ 3,882,569,417</u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

**B. Property Taxes (Concluded)**

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	14.905
Capital Outlay	8.000
Special Liability	0.126
Special Assessment	0.209
Cost of Living	1.733
Bond and Interest	7.454
Total tax levy	<u>\$ 52.427</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, 2019, the District has received property tax amounting to approximately 100% of the November 1, 2018, property tax levy.

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

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

**A. Deposits and Investments**

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

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

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

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

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

At June 30, 2019, the District had the following investments:

	<u>6/30/2019</u>	<u>Rating</u>	<u>Weighted Average Maturity</u>
<b>Investments measured at the net asset value (NAV)</b>			
Kansas Municipal Investments Pool	<u>\$ 1,417,314</u>	S&P AAAf/S1+	1 Day
Total investments measured at fair value	<u>\$ 1,417,314</u>		

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

At June 30, 2019, the District had certificates of deposit account registry service balances in the amount of \$17,677,137, as well as traditional certificates of deposit account balances in the amount of \$12,500,000 and insured cash sweep accounts in the amount of \$16,346,931.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance June 30, 2018	Restatement*	Balance June 30, 2018 Restated	Additions/ Adjustments	Retirements	Balance June 30, 2019
Governmental activities:						
Nondepreciable assets:						
Land	\$ 11,741,121	\$ -	\$ 11,741,121	\$ -	\$ [33,553]	\$ 11,707,568
Artwork	298,756	-	298,756	-	[11,520]	287,236
Construction in progress	134,410,033	-	134,410,033	42,029,329	[143,832,312]	32,607,050
Depreciable assets:						
Buildings and improvements	606,077,539	-	606,077,539	142,280,297	[3,309,225]	745,048,611
Equipment	<u>23,226,604</u>	<u>-</u>	<u>23,226,604</u>	<u>6,905,130</u>	<u>[1,896,190]</u>	<u>28,235,544</u>
Totals at historical cost	<u>775,754,053</u>	<u>-</u>	<u>775,754,053</u>	<u>191,214,756</u>	<u>[149,082,800]</u>	<u>817,886,009</u>
Less accumulated depreciation for:						
Buildings and improvements	124,123,281	[74,973]	124,048,308	15,318,233	[1,546,470]	137,820,071
Equipment	<u>11,764,756</u>	<u>11,821</u>	<u>11,776,577</u>	<u>3,188,352</u>	<u>[1,354,308]</u>	<u>13,610,621</u>
Totals accumulated depreciation	<u>135,888,037</u>	<u>[63,152]</u>	<u>135,824,885</u>	<u>18,506,585</u>	<u>[2,900,778]</u>	<u>151,430,692</u>
Governmental activities capital assets, net	<u>\$ 639,866,016</u>	<u>\$ 63,152</u>	<u>\$ 639,929,168</u>	<u>\$ 172,708,171</u>	<u>\$ [146,182,022]</u>	<u>\$ 666,455,317</u>

\* See explanation for restatement on page 40.

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,288,723
Instructional support	18,773
Student support	22,390
School administration	5,021
Operations and maintenance	17,024,005
Food service	24,492
Business services and central support services	81,327
Student activities	<u>41,854</u>
Total depreciation	<u>\$ 18,506,585</u>

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

**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, 2018	Additions	Reductions	Balance June 30, 2019	Amounts Due Within One Year
Governmental activities					
General Obligation Bonds	\$ 406,702,741	\$ -	\$ [29,826,913]	\$ 376,875,828	\$ 27,716,616
Capital Leases	12,087,813	3,819,989	[7,702,382]	8,205,420	3,612,059
Total governmental activities					
Long-term liabilities	<u>\$ 418,790,554</u>	<u>\$ 3,819,989</u>	<u>\$ [37,529,295]</u>	<u>\$ 385,081,248</u>	<u>\$ 31,328,675</u>

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

	Date Issued	Date Matures	Interest Rate	Original Amount	Outstanding June 30, 2019
General Obligation Bonds					
Debt Service Fund:					
Advance refunding bonds	2/01/96	10/1/19	3.70% to 5.15%	\$ 23,380,000	\$ 1,635,000
General obligation bonds	7/8/08	10/1/19	3.00% to 5.00%	16,441,126	1,863,739
General obligation bonds	11/1/12	10/1/25	1.25% to 5.00%	85,836,627	51,765,876
General obligation and refunding and improvement bonds	6/17/15	10/1/35	3.00% to 5.00%	130,875,378	121,416,973
General obligation and refunding and improvement bonds	10/13/16	10/1/38	3.00% to 5.00%	164,122,286	167,240,176
Subtotal debt service fund				<u>420,655,417</u>	<u>343,921,764</u>
Capital Outlay Fund:					
General obligation bonds	11/13/14	10/1/19	1.25% to 5.00%	21,175,534	2,255,922
General obligation bonds	4/13/16	10/1/20	1.50% to 5.00%	30,095,083	10,814,033
General obligation bonds	6/14/17	4/1/22	2.00 to 5.00%	19,884,109	19,884,109
Subtotal capital outlay fund				<u>71,154,726</u>	<u>32,954,064</u>
Total general obligation bonds payable				<u>\$ 491,810,143</u>	<u>\$ 376,875,828</u>
Capital Leases					
Computer hardware	2/14/18	3/28/21	0.99%	\$ 10,681,375	\$ 5,340,428
Computer hardware	4/27/19	4/27/22	0.00%	3,819,989	2,864,992
Total capital leases payable				<u>\$ 14,501,364</u>	<u>\$ 8,205,420</u>



SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

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

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

Year Ending June 30	Principal Due	Interest Due	Totals
2020	\$ 27,716,616	\$ 12,834,891	\$ 40,551,507
2021	24,826,955	12,026,775	36,853,730
2022	24,569,938	11,343,763	35,913,701
2023	14,050,235	10,848,563	24,898,798
2024	14,415,235	10,466,063	24,881,298
2025-2029	79,845,801	44,686,281	124,532,082
2030-2034	96,230,551	27,993,775	124,224,326
2035-2039	95,220,497	6,896,625	102,117,122
Total	<u>\$ 376,875,828</u>	<u>\$ 137,096,736</u>	<u>\$ 513,972,564</u>

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

Year Ending June 30	Principal Due	Interest Due	Totals
2020	\$ 3,612,059	\$ 52,870	\$ 3,664,929
2021	3,638,364	26,565	3,664,929
2022	954,997	-	954,997
Total	<u>\$ 8,205,420</u>	<u>\$ 79,435</u>	<u>\$ 8,284,855</u>

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 \$592 million at June 30, 2019.

**D. Operating Leases**

The District leases copiers under a noncancelable operating lease. Total costs for this lease was \$629,589 for the year ended June 30, 2019. The future minimum lease payments for the lease are as follows:

Year ending June 30	Amount
2020	\$ 396,777
2021	375,612
2022	375,612
2023	375,612
2024	375,612
2025	31,301
Total	<u>\$ 1,930,526</u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

**E. Net Position**

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

	Governmental <u>Activities</u>
Total net capital assets	\$ 666,455,317
Less:	
Current portion of general obligation bonds, temporary notes and capital leases	[31,328,675]
Noncurrent portion of general obligation bonds, temporary notes and capital leases	[353,752,573]
Add:	
Unspent general obligation bonds proceeds	<u>18,837,950</u>
Net position - net investment in capital assets	<u><u>\$ 300,212,019</u></u>

**F. Restatements**

The District determined there was an error in the accumulated depreciation balance stated at June 30, 2018. Accordingly, the beginning net position was restated as follows:

	Governmental <u>Activities</u>
Net Position/Fund Balance, June 30, 2018	\$ 121,808,769
Net capital asset restatement	<u>63,152</u>
Net Position/Fund Balance June 30, 2018, Restated	<u><u>\$ 121,871,921</u></u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

**Note 4. OTHER INFORMATION**

**A. Defined Benefit Pension Plan**

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

Public employees, which includes:

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

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

Those employees participating in the Pension Plan for the District are included in the State/School employee group.

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

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

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership.

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

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with 10 years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

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

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

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2018.

The actuarially determined employer contribution rate for school employees was 16.38%. The statutory contribution rate for school employees was 12.01%. Member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2019 were 6.00% for State/School employees.

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

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

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The allocation percentages for the District's share of the collective pension amounts as of June 30, 2018 was based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2018. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2018, the School District's proportion was 4.20%, which was an increase of .78% from its proportion measured at June 30, 2017.

*Net Pension Liability.* At June 30, 2019 and 2018, the District reported a liability of \$273,844,764 and \$250,205,840, respectively, for its proportionate share of the net pension liability.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018, using the following actuarial assumptions:

<u>Assumption</u>	<u>Rate</u>
Price inflation	2.75%
Salary increases, including price inflation	3.50 to 12.00%, including inflation
Investment rate of return, compounded annually, net of investment expense, and including price inflation	7.75%

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

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

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted for the period of January 1, 2013 through December 31, 2015. The experience study is dated November 18, 2016.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset</u>	<u>Long-Term Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	47.00%	6.85%
Fixed income	13.00%	1.25%
Yield return	8.00%	6.55%
Real return	11.00%	1.71%
Real estate	11.00%	5.05%
Alternatives	8.00%	9.85%
Short-term investments	<u>2.00%</u>	-0.25%
Total	<u>100.00%</u>	

**Discount Rate.** The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State, School and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups may not increase by more than the statutory cap. In recent years, the Legislature has made several changes to statutory rates that deviate from the scheduled contribution increases set under the caps established in 2012 for the State/School group. Under 2015 SB 4, the previously certified State/School statutory rate for Fiscal Year 2015 of 11.27 percent was reduced to 8.65 percent for the last half of the fiscal year as part of the Governor's allotment. That same session, SB 228 recertified statutory rates for the State/School group to 10.91 percent for Fiscal Year 2016 and 10.81 percent for Fiscal Year 2017 in anticipation of the issuance of \$1 billion in pension obligation bonds. Legislation in the 2016 session (SB 1610) provided for the delay of up to \$100 million in State and School contributions to the Pension Plan. Legislation passed by the 2017 Legislature removed the repayment provisions included in SB 161. In addition, 2017 Senate Sub for Sub HB 2052 delayed \$64.1 million in Fiscal Year 2017 State/School contributions, to be repaid over 20 years in level dollar installments. The first year payment of \$6.4 million was paid in full at the beginning of Fiscal Year 2018, and appropriations for Fiscal Year 2018 were made at the statutory contribution rate of 12.01 percent for the State/School group. Additional legislation in the 2017 Session (S Sub for HB 2002) provided for a reduction of \$194 million from the previously certified contribution rate of 13.21 percent in the State/School contributions for Fiscal Year 2019. Like the Fiscal Year 2017 reduction, it is to be paid back over a 20 year period, beginning in Fiscal Year 2020. Therefore, both reductions will be accounted for as long-term receivables by the Pension Plan. The 2018 Legislature passed House Sub for Sen Bill 109,

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

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

that provided additional funds for the school group of \$56 million in Fiscal Year 2018 and \$138 million in Fiscal Year 2019. Based on employer contribution history as described above, it is a reasonable estimate that the State/School group's contribution rate may not be certified at the statutory rate. It has been assumed that the contribution rates will be made within the same range as have been seen in the past few years, between 11 to 12 percent. Using this assumption actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%) than the current rate:

<u>1% Decrease (6.75%)</u>	<u>Discount rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
\$368,795,681	\$273,844,764	\$193,530,801

*Pension Expense.* For the year ended June 30, 2019, the District recognized pension expense of \$23,121,001, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between actual and expected experience	\$ -	\$ 11,887,639
Net differences between projected and actual earnings on investments	4,697,439	-
Pension contributions subsequent to the measurement date	12,170,012	-
Changes in assumptions	10,304,510	236,606
Changes in proportion	40,083,406	15,314,080
Total	<u>\$ 67,255,367</u>	<u>\$ 27,438,325</u>

\$12,170,012 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	<u>Deferred [Inflows] Outflows Amount</u>
2020	\$ 8,024,064
2021	6,983,297
2022	3,793,910
2023	7,600,280
2024	1,245,479
Total	<u>\$ 27,647,030</u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

**B. Risk Management**

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

The District has established a limited risk management program for workers' compensation. Premiums are paid into the Workers' Compensation Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditure reported in the Workers' Compensation Fund, an internal service fund. As of June 30, 2019, such interfund premiums did not exceed reimbursable expenditures.

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

Changes in the balances of claims liabilities for the years ended June 30, 2019 and 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Unpaid claims, beginning of year	\$ 913,625	\$ 1,492,207
Incurred claims (including IBNR)	632,581	101,463
Claim payments	<u>[854,774]</u>	<u>[680,045]</u>
Unpaid claims, end of year	<u>\$ 691,432</u>	<u>\$ 913,625</u>

**C. Interfund Transfers**

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

<u>Transfers Out:</u>	<u>Transfers In:</u>		
	<u>Special Education</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Supplemental General	<u>\$ 15,671,824</u>	<u>\$ 242,162</u>	<u>\$ 15,913,986</u>
Total	<u>\$ 15,671,824</u>	<u>\$ 242,162</u>	<u>\$ 15,913,986</u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

**D. Contingent Liabilities**

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

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

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

**E. Comparative Data/Reclassifications**

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

**F. Postemployment Healthcare Plan**

*Plan Description.* The District operates a single employer defined benefit healthcare plan administered by the District. The Employee Benefit Plan (the Plan) provides medical and pharmacy benefits to eligible early retirees and their dependents. K.S.A. 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.

*Employees covered by benefit terms.* At June 30, 2019, the following employees were covered by the benefit terms:

Active employees	3,110
Retirees and covered spouses	<u>151</u>
Total	<u><u>3,261</u></u>

*Total OPEB Liability.* The District's total OPEB liability of \$8,364,567 was measured as of July 1, 2017 and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2017
Actuarial cost method	Entry age normal as a level percentage of payroll
Discount rate	3.00%
Healthcare cost trend rates	7.00% for 2018, decreasing 0.25-0.50% per year to an ultimate rate of 5.00% for 2024 and later years
Retiree's share of benefit related costs	100% of projected health insurance premiums for retirees

The discount rate was based on the municipal bond index rate provided the S&P Municipal Bond 20 year High Grade and the Fidelity GO AA-20 Years indexes.



SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

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

Mortality rates were based on the SOA RPH-2014 Adjust to 2006 Total Dataset Headcount-weighted Mortality with MP-2017 Full General Improvement.

The changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balance 7/01/2018	\$ 6,886,788
Service cost	387,112
Interest	230,782
Benefit paid	[561,000]
Differences between expected and actual experience	674,664
Changes in assumptions	746,221
Balance 6/30/2019	<u>\$ 8,364,567</u>

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presented the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.0%) or 1-percentage-point higher (4.0%) than the current discount rate:

	1% Decrease (2.0%)	Discount Rate (3.0%)	1% increase (4.0%)
Total OPEB Liability \$	9,095,629 \$	8,364,567 \$	7,699,125

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6% decreasing to 4%) or 1-percentage-point higher (8% decreasing to 6%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.0% decreasing to 5.0%)	1% increase (8.0% decreasing to 6.0%)
Total OPEB Liability \$	7,342,894 \$	8,364,567 \$	9,588,521

For the year ended June 30, 2019, the District recognized OPEB expense of \$741,340. At June 30, 2019, the District reported deferred outflows of resources related to OPEB of \$618,442 for differences between expected and actual experience and \$731,098 for changes in assumptions. The District did not have any deferred inflows of resources related to OPEB at year end.

Amounts reported as deferred outflows of resources related to OPEB will be recognized in expense as follows:

Year ended June 30,	Deferred Outflows Amount
2020	\$ 123,446
2021	123,446
2022	123,446
2023	123,446
2024	123,446
2025 and Thereafter	732,310
Total	<u>\$ 1,349,540</u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

**G. Other Postemployment Benefit Plan (KPERS)**

*Plan Description.* The District participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

*Benefits.* Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65<sup>th</sup> birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

*Employees covered by benefit terms.* At June 30, 2019, the following employees were covered by the benefit terms:

Active members	3,381
Disabled members	<u>33</u>
Total	<u><u>3,414</u></u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

**G. Other Postemployment Benefit Plan (KPERs) (Continued)**

*Total OPEB Liability.* The District's total OPEB liability of \$4,220,497 reported as of June 30, 2019, was measured as of June 30, 2018, and was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018, using the following actuarial assumptions:

Valuation date	December 31, 2017
Measurement date	June 30, 2018
Actuarial cost method	Entry age normal
Inflation	2.75%
Salary increases	3.50%
Payroll growth	3.00%
Discount rate	3.87%

The discount rate was based on the bond buyer general obligation 20-bond municipal index.

Mortality rates used for the death benefits were based on the RP-2000 Healthy Annuitant Mortality Table for Males and Females, adjusted for generational mortality improvement using Scale AA. Mortality rates used for the disability benefits were based on the RP-2000 Disabled Life Table with generational mortality improvement using Scale AA.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period of July 1, 2014 through June 30, 2016. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2017 KPERs pension valuation.

The changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balance 7/01/2018	\$ 3,993,999
Service cost	356,726
Interest	147,753
Benefit paid	[451,088]
Changes in assumptions	173,107
Balance 6/30/2019	<u>\$ 4,220,497</u>

*Sensitivity of the total KPERs OPEB liability to changes in the discount rate.* The following presented the total KPERs OPEB liability of the District, as well as what the District's total KPERs OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% increase (4.87%)
Total OPEB Liability	\$ 4,382,613	\$ 4,220,497	\$ 4,056,538

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

**G. Other Postemployment Benefit Plan (KPERs) (Concluded)**

*Sensitivity of the total KPERs OPEB liability to changes in the healthcare cost trend rates.* The following presented the total KPERs OPEB liability of the District calculated using the current healthcare cost trend rates as well as what the District's total KPERs OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates. The reader should note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERs, but this exhibit is provided as it is a required disclosure under GASB 75.

	Healthcare Cost		
	<u>1% Decrease</u>	<u>Trend Rates</u>	<u>1% increase</u>
Total OPEB Liability	\$ 4,220,497	\$ 4,220,497	\$ 4,220,497

For the year ended June 30, 2019, the District recognized OPEB expense of \$511,531. At June 30, 2019, the District reported deferred inflows of resources related to OPEB of \$125,717 for changes in assumptions and reported deferred outflows of resources related to OPEB of \$197,913 for differences between expected and actual experience.

\$862,472 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in expense as follows:

Year ended	Deferred
<u>June 30,</u>	<u>Outflows</u>
	<u>Amount</u>
2020	\$ 7,052
2021	7,052
2022	7,052
2023	7,052
2024	7,052
Thereafter	36,936
Total	<u>\$ 72,196</u>

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

The District prepares annual operating budgets for the majority of the governmental funds; however, for the capital projects fund, project-length budgets are prepared. The projects' approved budgets and cumulative expenditures, including encumbrances, as of June 30, 2019, are as follows:

<u>Project Name</u>	<u>Project</u>	<u>Cumulative</u>
	<u>Budget</u>	<u>expenditures</u>
		<u>through</u>
		<u>June 30, 2019</u>
Construction Projects	\$ 247,000,000	\$ 229,841,051
Total	<u>\$ 247,000,000</u>	<u>\$ 229,841,051</u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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

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

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

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

**I. Tax Abatements**

*Tax Increment Financing (TIF) and Industrial Revenue Bonds (IRB).* Tax revenues for the District are impacted by property tax abatements authorized by outside governmental entities. The District is made up of 14 cities that have statutory authority to use tax abatements. Listed below are the cities' tax abatements that affect the District's tax revenue for the fiscal year ending June 30, 2019. Tax abatements reduce ad valorem property taxes by reducing the assessed value of the property.

<u>Outside Governmental Entity</u>	<u>Abatement Type</u>		Tax Revenue
	<u>TIF</u>	<u>IRB</u>	Reduction for the <u>Fiscal Year</u>
City of Lenexa	\$ 2,765,047	\$ 193,110	\$ 2,958,157
City of Merriam	1,262,296	-	1,262,296
City of Mission	25,519	-	25,519
City of Overland Park	457,710	-	457,710
City of Prairie Village	214,820	-	214,820
City of Roeland Park	380,888	-	380,888
City of Shawnee	97,697	88,220	185,917
City of Westwood	88,409	76,013	164,422
Total			<u>\$ 5,649,729</u>

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

OTHER POST-EMPLOYMENT BENEFITS

Schedule of Changes in the District's Total OPEB Liability and Related Ratios  
Last Ten Fiscal Years\*

Total OPEB liability	<u>2019</u>	<u>2018</u>
Service cost	\$ 387,112	\$ 368,127
Interest	230,782	233,204
Benefit paid	[561,000]	[525,000]
Differences between expected and actual experience	674,664	-
Changes in assumptions	<u>746,221</u>	<u>57,140</u>
Net change in total OPEB liability	1,477,779	133,471
Total OPEB liability - beginning	<u>6,886,788</u>	<u>6,753,317</u>
Total OPEB liability - ending	<u>\$ 8,364,567</u>	<u>\$ 6,886,788</u>
 Covered-employee payroll	 <u>\$ 145,380,151</u>	 <u>\$ 122,463,890</u>
 Total OPEB liability as a percentage of covered-employee payroll	 5.75%	 5.62%
 Actuarially determined contribution	 <u>\$ [561,000]</u>	 <u>\$ [525,000]</u>
 Actual contribution	 <u>\$ 561,000</u>	 <u>\$ 525,000</u>
 Contributions as a percentage of covered payroll	 0.39%	 0.43%

\* - Data became available with the inception of GASB 75 during fiscal year 2018, therefore 10 years of data is unavailable.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512  
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
June 30, 2019

OTHER POST-EMPLOYMENT BENEFITS (KPERS)

Schedule of Changes in the District's Total OPEB Liability and Related Ratios  
Last Ten Fiscal Years\*

Total OPEB liability	<u>2019</u>	<u>2018</u>
Service cost	\$ 356,726	\$ 383,140
Interest	147,753	120,753
Benefit paid	[451,088]	[514,415]
Changes in assumptions	<u>173,107</u>	<u>[104,672]</u>
Net change in total OPEB liability	226,498	[115,194]
Total OPEB liability - beginning	<u>3,993,999</u>	<u>4,109,193</u>
Total OPEB liability - ending	<u>\$ 4,220,497</u>	<u>\$ 3,993,999</u>
 Covered-employee payroll	 <u>\$ 165,206,816</u>	 <u>\$ 162,089,593</u>
 Total OPEB liability as a percentage of covered-employee payroll	 2.55%	 2.46%
 Actuarially determined contribution	 <u>\$ 451,088</u>	 <u>\$ 514,415</u>
 Actual contribution	 <u>\$ 514,415</u>	 <u>\$ 514,415</u>
 Contributions as a percentage of covered payroll	 0.31%	 0.32%

\* - Data became available with the inception of GASB 75 during fiscal year 2018, therefore 10 years of data is unavailable.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512  
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
June 30, 2019

KPERS PENSION PLAN:

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

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	4.198%	3.724%	3.360%	3.730%	3.792%
District's proportionate share of the net pension liability	\$ 273,844,764	\$ 250,205,840	\$ 225,850,028	\$ 258,252,228	\$ 242,287,546
District's covered employee payroll	\$ 169,212,017	\$ 166,841,670	\$ 166,944,696	\$ 165,185,936	\$ 143,217,130
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	161.84%	149.97%	135.28%	156.34%	169.17%
Plan fiduciary net position as a percentage of the total pension liability	66.75%	64.90%	63.27%	61.32%	63.30%

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

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

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 12,170,012	\$ 23,918,656	\$ 14,766,230	\$ 11,038,945	\$ 16,062,812
Contributions in relation to the contractually required contribution	<u>12,170,012</u>	<u>23,918,656</u>	<u>14,766,230</u>	<u>11,038,945</u>	<u>16,062,812</u>
Contribution deficiency [excess]	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 169,212,017	\$ 166,841,670	\$ 165,185,936	\$ 165,185,936	\$ 143,217,131
Contributions as a percentage of covered employee payroll	7.19%	14.34%	8.94%	6.68%	11.22%

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



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**COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES**

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SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

**COMBINING STATEMENTS - NONMAJOR SPECIAL REVENUE FUNDS**

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

**BUDGETED FUNDS:**

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

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

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

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

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

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

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

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

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

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

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

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

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

**BUDGETED FUNDS: (Continued)**

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

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

**NON - BUDGETED FUNDS:**

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

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

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

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

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

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2019

	Career and Postsecondary Education	Declining Enrollment	Professional Development	Special Assessment	Food Service	Adult Supplemental Education	Bilingual Education	Summer School	Parent Education Program
<b>ASSETS</b>									
Cash and cash equivalents	\$ 462,475	\$ 378,808	\$ 545	\$ 854,836	\$ 3,743,484	\$ 35,421	\$ 130,701	\$ 952,058	\$ 282
Investments	-	-	-	-	-	-	-	-	-
Receivables									
Taxes	-	224	-	11,618	-	-	-	-	-
Total assets	<u>\$ 462,475</u>	<u>\$ 379,032</u>	<u>\$ 545</u>	<u>\$ 866,454</u>	<u>\$ 3,743,484</u>	<u>\$ 35,421</u>	<u>\$ 130,701</u>	<u>\$ 952,058</u>	<u>\$ 282</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 5,016	\$ -	\$ -	\$ -	\$ 19,662	\$ -	\$ -	\$ 372	\$ 282
Health care reserve	-	-	-	-	-	-	-	-	-
Accrued payroll, payroll withholdings and taxes	457,221	-	545	-	28,612	-	130,701	8,711	-
Total liabilities	<u>462,237</u>	<u>-</u>	<u>545</u>	<u>-</u>	<u>48,274</u>	<u>-</u>	<u>130,701</u>	<u>9,083</u>	<u>282</u>
<b>Deferred inflows of resources:</b>									
Unavailable revenue - student fees	-	-	-	-	-	-	-	-	-
Unavailable revenue - property taxes	-	224	-	11,618	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>224</u>	<u>-</u>	<u>11,618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>462,237</u>	<u>224</u>	<u>545</u>	<u>11,618</u>	<u>48,274</u>	<u>-</u>	<u>130,701</u>	<u>9,083</u>	<u>282</u>
<b>Fund balances:</b>									
Restricted	-	378,808	-	854,836	3,492,404	35,421	-	939,567	-
Assigned	238	-	-	-	202,806	-	-	3,408	-
Total fund balances	<u>238</u>	<u>378,808</u>	<u>-</u>	<u>854,836</u>	<u>3,695,210</u>	<u>35,421</u>	<u>-</u>	<u>942,975</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 462,475</u>	<u>\$ 379,032</u>	<u>\$ 545</u>	<u>\$ 866,454</u>	<u>\$ 3,743,484</u>	<u>\$ 35,421</u>	<u>\$ 130,701</u>	<u>\$ 952,058</u>	<u>\$ 282</u>

See independent auditor's report on the financial statements.

Extraordinary School Program	Special Liability	At Risk (4 Year-Old)	Cost of Living	Federal and Local Grants	Gate Receipts	Textbook	Contingency Reserve	Health Care Reserve	Student Material Revolving	Total Nonmajor Special Revenue Funds
\$ 481,544	\$ 1,956,613	\$ 137,849	\$ 560,618	\$ 1,547,416	\$ 208,746	\$ 2,210,503	\$ 138,052	\$ 2,771,971	\$ 323,142	\$ 16,895,064
-	-	-	-	-	-	-	5,500,000	-	-	5,500,000
-	7,316	-	97,727	-	-	-	-	-	-	116,885
<u>\$ 481,544</u>	<u>\$ 1,963,929</u>	<u>\$ 137,849</u>	<u>\$ 658,345</u>	<u>\$ 1,547,416</u>	<u>\$ 208,746</u>	<u>\$ 2,210,503</u>	<u>\$ 5,638,052</u>	<u>\$ 2,771,971</u>	<u>\$ 323,142</u>	<u>\$ 22,511,949</u>
\$ -	\$ 154,459	\$ 286	\$ -	\$ 10,941	\$ 948	\$ -	\$ -	\$ [1,530]	\$ 3,468	\$ 193,904
-	-	-	-	-	-	-	-	2,693,782	-	2,693,782
-	-	137,345	-	354,976	-	-	-	-	-	1,118,111
-	154,459	137,631	-	365,917	948	-	-	2,692,252	3,468	4,005,797
582	-	-	-	-	-	-	-	-	1,686	2,268
-	7,316	-	97,727	-	-	-	-	-	-	116,885
<u>582</u>	<u>7,316</u>	<u>-</u>	<u>97,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,686</u>	<u>119,153</u>
<u>582</u>	<u>161,775</u>	<u>137,631</u>	<u>97,727</u>	<u>365,917</u>	<u>948</u>	<u>-</u>	<u>-</u>	<u>2,692,252</u>	<u>5,154</u>	<u>4,124,950</u>
480,962	1,802,154	-	560,618	1,178,058	207,798	2,210,503	5,638,052	79,719	317,988	18,176,888
-	-	218	-	3,441	-	-	-	-	-	210,111
<u>480,962</u>	<u>1,802,154</u>	<u>218</u>	<u>560,618</u>	<u>1,181,499</u>	<u>207,798</u>	<u>2,210,503</u>	<u>5,638,052</u>	<u>79,719</u>	<u>317,988</u>	<u>18,386,999</u>
<u>\$ 481,544</u>	<u>\$ 1,963,929</u>	<u>\$ 137,849</u>	<u>\$ 658,345</u>	<u>\$ 1,547,416</u>	<u>\$ 208,746</u>	<u>\$ 2,210,503</u>	<u>\$ 5,638,052</u>	<u>\$ 2,771,971</u>	<u>\$ 323,142</u>	<u>\$ 22,511,949</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, 2019

	Career and Postsecondary Education	Declining Enrollment	Professional Development	Special Assessment	Food Service	Adult Supplemental Education	Bilingual Education	Summer School	Parent Education Program
REVENUES:									
Taxes	\$ -	\$ 316,900	\$ -	\$ 802,544	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,232,731	-	144,664	-	6,159,807	-	2,384,336	-	364,541
Charges for services	3,960	-	-	-	5,389,498	-	-	436,099	-
Investment revenue	-	-	-	-	74,823	-	-	-	-
Other local sources	-	-	-	-	-	-	-	-	-
Total revenues	<u>5,236,691</u>	<u>316,900</u>	<u>144,664</u>	<u>802,544</u>	<u>11,624,128</u>	<u>-</u>	<u>2,384,336</u>	<u>436,099</u>	<u>364,541</u>
EXPENDITURES:									
Current									
Instruction	4,685,469	-	-	-	-	-	2,289,196	310,429	-
Student support services	-	-	-	-	-	-	95,140	670	553,476
Instructional support staff	88,162	-	144,664	-	-	-	-	73	53,227
General administration	-	-	-	-	-	-	-	-	-
School administration	134,433	-	-	-	-	-	-	113,091	-
Operations and maintenance	-	-	-	-	823,460	-	-	50	-
Student transportation services	229,464	-	-	-	-	-	-	-	-
Food service operations	-	-	-	-	11,149,238	-	-	-	-
Student activities	99,731	-	-	-	-	-	-	-	-
Business and central support services	-	-	-	-	-	-	-	-	-
State payment	-	-	-	-	-	-	-	-	-
Capital outlay									
Facility acquisition and construction	-	-	-	559,338	-	-	-	-	-
Total expenditures	<u>5,237,259</u>	<u>-</u>	<u>144,664</u>	<u>559,338</u>	<u>11,972,698</u>	<u>-</u>	<u>2,384,336</u>	<u>424,313</u>	<u>606,703</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[568]</u>	<u>316,900</u>	<u>-</u>	<u>243,206</u>	<u>[348,570]</u>	<u>-</u>	<u>-</u>	<u>11,786</u>	<u>[242,162]</u>
OTHER FINANCING SOURCES [USES]:									
Transfers in	-	-	-	-	-	-	-	-	242,162
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,162</u>
Net change in fund balances	[568]	316,900	-	243,206	[348,570]	-	-	11,786	-
Fund balance - Beginning of year	<u>806</u>	<u>61,908</u>	<u>-</u>	<u>611,630</u>	<u>4,043,780</u>	<u>35,421</u>	<u>-</u>	<u>931,189</u>	<u>-</u>
Fund balance - End of year	<u>\$ 238</u>	<u>\$ 378,808</u>	<u>\$ -</u>	<u>\$ 854,836</u>	<u>\$ 3,695,210</u>	<u>\$ 35,421</u>	<u>\$ -</u>	<u>\$ 942,975</u>	<u>\$ -</u>

See independent auditor's report on the financial statements.

Extraordinary School Program	Special Liability	At Risk (4 Year-Old)	Cost of Living	Federal and Local Grants	Gate Receipts	Textbook	Contingency Reserve	Health Care Reserve	Student Material Revolving	Total Nonmajor Special Revenue Funds
\$ -	\$ 475,610	\$ -	\$ 7,044,724	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,639,778
-	-	904,790	-	4,717,092	-	-	-	-	-	19,907,961
121,456	-	209,928	-	-	-	877,553	-	-	716,118	7,754,612
-	-	-	-	-	-	-	-	-	-	74,823
-	-	-	-	871,728	715,843	-	-	1,197,646	-	2,785,217
<u>121,456</u>	<u>475,610</u>	<u>1,114,718</u>	<u>7,044,724</u>	<u>5,588,820</u>	<u>715,843</u>	<u>877,553</u>	<u>-</u>	<u>1,197,646</u>	<u>716,118</u>	<u>39,162,391</u>
48,795	-	1,072,506	-	2,771,835	-	2,646,652	-	-	455,658	14,280,540
-	-	-	-	1,061,402	-	-	-	-	-	1,710,688
-	-	43,726	-	1,825,129	-	-	-	-	17,861	2,172,842
-	288,155	-	-	133,226	-	-	-	-	-	421,381
9,566	-	-	-	-	-	-	-	-	-	257,090
-	-	-	-	-	-	-	-	-	-	823,510
-	-	-	-	75,258	-	-	-	-	-	304,722
-	-	-	-	-	-	-	-	-	-	11,149,238
-	-	-	-	19,662	735,397	-	-	-	241,331	1,096,121
-	378,302	-	-	-	-	-	-	1,175,866	-	1,554,168
-	-	-	6,972,750	-	-	-	-	-	-	6,972,750
-	-	-	-	252	-	-	-	-	-	559,590
<u>58,361</u>	<u>666,457</u>	<u>1,116,232</u>	<u>6,972,750</u>	<u>5,886,764</u>	<u>735,397</u>	<u>2,646,652</u>	<u>-</u>	<u>1,175,866</u>	<u>714,850</u>	<u>41,302,640</u>
<u>63,095</u>	<u>[190,847]</u>	<u>[1,514]</u>	<u>71,974</u>	<u>[297,944]</u>	<u>[19,554]</u>	<u>[1,769,099]</u>	<u>-</u>	<u>21,780</u>	<u>1,268</u>	<u>[2,140,249]</u>
-	-	-	-	-	-	-	-	-	-	242,162
-	-	-	-	-	-	-	-	-	-	242,162
63,095	[190,847]	[1,514]	71,974	[297,944]	[19,554]	[1,769,099]	-	21,780	1,268	[1,898,087]
<u>417,867</u>	<u>1,993,001</u>	<u>1,732</u>	<u>488,644</u>	<u>1,479,443</u>	<u>227,352</u>	<u>3,979,602</u>	<u>5,638,052</u>	<u>57,939</u>	<u>316,720</u>	<u>20,285,086</u>
\$ 480,962	\$ 1,802,154	\$ 218	\$ 560,618	\$ 1,181,499	\$ 207,798	\$ 2,210,503	\$ 5,638,052	\$ 79,719	\$ 317,988	\$ 18,386,999

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 CAREER AND POSTSECONDARY EDUCATION FUND  
 For the Year Ended June 30, 2019  
 (With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018		June 30, 2019				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	\$ 3,096,792	\$ 5,232,731	\$ [5,232,731]	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	180,016	180,016	[180,016]
Total intergovernmental	3,096,792	5,232,731	[5,232,731]	-	180,016	180,016	[180,016]
Charges for services	3,960	3,960	-	3,960	4,000	4,000	[40]
Total revenues	3,100,752	5,236,691	[5,232,731]	3,960	184,016	184,016	[180,056]
EXPENDITURES:							
Instruction	2,727,250	4,685,469	[568]	4,684,901	4,981,952	4,981,952	297,051
Instructional support staff	98,716	88,162	-	88,162	102,762	102,762	14,600
School administration	659	134,433	-	134,433	139,212	139,212	4,779
Operations and maintenance	-	-	-	-	9,000	9,000	9,000
Student transportation services	172,789	229,464	-	229,464	183,782	183,782	[45,682]
Other support services	102,974	99,731	-	99,731	-	-	[99,731]
Total expenditures	3,102,388	5,237,259	[568]	5,236,691	5,416,708	5,416,708	180,017
Excess [deficiency] of revenues over [under] expenditures	[1,636]	[568]	[5,232,163]	[5,232,731]	[5,232,692]	[5,232,692]	[39]
OTHER FINANCING SOURCES [USES]:							
Transfers in	-	-	5,232,731	5,232,731	5,232,692	5,232,692	39
Total other financing sources [uses]	-	-	5,232,731	5,232,731	5,232,692	5,232,692	39
Net change in fund balance	[1,636]	[568]	568	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	2,442	806	[806]	-			
FUND BALANCE - End of year	\$ 806	\$ 238	\$ [238]	\$ -			

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, 2019  
(With Comparative Amounts for the Year Ended June 30, 2018)

	<u>June 30, 2018</u>	<u>June 30, 2019</u>					Variance with Final Budget Positive [Negative]
	<u>GAAP Basis</u>	<u>GAAP Basis</u>	<u>Adjustments to Budgetary Basis</u>	<u>Budgetary Basis</u>	<u>Budgeted Amounts</u>		
					<u>Original</u>	<u>Final</u>	
REVENUES:							
Intergovernmental:							
State and local	\$ 9,204	\$ 144,664	\$ [123,586]	\$ 21,078	\$ 32,768	\$ 32,768	\$ [11,690]
Total revenues	9,204	144,664	[123,586]	21,078	32,768	32,768	[11,690]
EXPENDITURES:							
Instructional support staff	60,954	144,664	-	144,664	262,141	262,141	117,477
Total expenditures	60,954	144,664	-	144,664	262,141	262,141	117,477
Excess [deficiency] of revenues over [under] expenditures	[51,750]	-	[123,586]	[123,586]	[229,373]	[229,373]	105,787
OTHER FINANCING SOURCES [USES]:							
Transfers in	51,750	-	123,586	123,586	229,373	229,373	[105,787]
Total other financing sources [uses]	51,750	-	123,586	123,586	229,373	229,373	[105,787]
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)  
SPECIAL ASSESSMENT FUND  
For the Year Ended June 30, 2019  
(With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018	June 30, 2019						Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts			
					Original	Final		
REVENUES:								
Taxes:								
In process	\$ 20	\$ 8,901	\$ -	\$ 8,901	\$ 9,512	\$ 9,512	\$	[611]
Current	752,529	756,821	-	756,821	737,185	737,185		19,636
Delinquent	2,440	8,457	-	8,457	3,295	3,295		5,162
Motor vehicle	27,445	28,365	-	28,365	29,088	29,088		[723]
Rental excise	807	-	-	-	-	-		-
Total revenues	783,241	802,544	-	802,544	779,080	779,080		23,464
EXPENDITURES:								
Facility acquisition and construction	707,160	559,338	-	559,338	900,000	900,000		340,662
Total expenditures	707,160	559,338	-	559,338	900,000	900,000		340,662
Net change in fund balance	76,081	243,206	-	243,206	\$ [120,920]	\$ [120,920]	\$	364,126
FUND BALANCE - Beginning of year	535,549	611,630	-	611,630				
FUND BALANCE - End of year	\$ 611,630	\$ 854,836	\$ -	\$ 854,836				

See independent auditor's report on the financial statements.

## SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

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

For the Year Ended June 30, 2019  
(With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018	June 30, 2019					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
Federal	\$ 6,013,045	\$ 6,043,929	\$ -	\$ 6,043,929	\$ 5,689,808	\$ 5,689,808	\$ 354,121
State and local	115,980	115,878	-	115,878	94,160	94,160	21,718
Total intergovernmental	6,129,025	6,159,807	-	6,159,807	5,783,968	5,783,968	375,839
Charges for services	5,236,531	5,389,498	-	5,389,498	5,126,624	5,126,624	262,874
Investment revenue	34,394	74,823	-	74,823	35,000	35,000	39,823
Total revenues	11,399,950	11,624,128	-	11,624,128	10,945,592	10,945,592	678,536
EXPENDITURES:							
Operations and maintenance	807,638	823,460	-	823,460	1,341,474	1,341,474	518,014
Food service operations	10,426,422	11,149,238	[5,850]	11,143,388	13,439,242	13,439,242	2,295,854
Total expenditures	11,234,060	11,972,698	[5,850]	11,966,848	14,780,716	14,780,716	2,813,868
Net change in fund balance	165,890	[348,570]	5,850	[342,720]	\$ [3,835,124]	\$ [3,835,124]	\$ 3,492,404
FUND BALANCE - Beginning of year, as originally stated	3,832,354	4,043,780	[208,656]	3,835,124			
Restatement to beginning fund balance	45,536	-	-	-			
FUND BALANCE - Beginning of year, as restated	3,877,890	4,043,780	[208,656]	3,835,124			
FUND BALANCE - End of year	\$ 4,043,780	\$ 3,695,210	\$ [202,806]	\$ 3,492,404			

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, 2019  
(With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018	June 30, 2019					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	-	-	-	-	35,421	35,421	35,421
Total expenditures	-	-	-	-	35,421	35,421	35,421
Net change in fund balance	-	-	-	-	\$ [35,421]	\$ [35,421]	\$ 35,421
FUND BALANCE - Beginning of year	35,421	35,421	-	35,421			
FUND BALANCE - End of year	\$ 35,421	\$ 35,421	\$ -	\$ 35,421			

See independent auditor's report on the financial statements.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
BILINGUAL EDUCATION FUND  
For the Year Ended June 30, 2019  
(With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018	June 30, 2019					
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
					Original	Final	
REVENUES:							
Intergovernmental:							
State and local	\$ 2,384,336	\$ 2,384,336	\$ [2,384,336]	\$ -	\$ -	\$ -	\$ -
Total revenues	2,384,336	2,384,336	[2,384,336]	-	-	-	-
EXPENDITURES:							
Instruction	2,197,799	2,289,196	-	2,289,196	2,292,758	2,292,758	3,562
Student support services	82,736	95,140	-	95,140	94,278	94,278	[862]
Total expenditures	2,280,535	2,384,336	-	2,384,336	2,387,036	2,387,036	2,700
Excess [deficiency] of revenues over [under] expenditures	103,801	-	[2,384,336]	[2,384,336]	[2,387,036]	[2,387,036]	2,700
OTHER FINANCING SOURCES [USES]:							
Transfers in	[104,474]	-	2,384,336	2,384,336	2,387,036	2,387,036	[2,700]
Total other financing sources [uses]	[104,474]	-	2,384,336	2,384,336	2,387,036	2,387,036	[2,700]
Net change in fund balance	[673]	-	-	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	673	-	-	-			
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)  
SUMMER SCHOOL FUND  
For the Year Ended June 30, 2019  
(With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018		June 30, 2019				Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Charges for services	\$ 435,546	\$ 436,099	\$ -	\$ 436,099	\$ 465,000	\$ 465,000	\$ [28,901]
Total revenues	<u>435,546</u>	<u>436,099</u>	<u>-</u>	<u>436,099</u>	<u>465,000</u>	<u>465,000</u>	<u>[28,901]</u>
EXPENDITURES:							
Instruction	338,346	310,429	962	311,391	659,477	659,477	348,086
Student support services	136	670	-	670	2,300	2,300	1,630
Instructional support staff	-	73	-	73	-	-	[73]
School administration	89,352	113,091	-	113,091	116,435	116,435	3,344
Operations and maintenance	<u>-</u>	<u>50</u>	<u>-</u>	<u>50</u>	<u>1,000</u>	<u>1,000</u>	<u>950</u>
Total expenditures	<u>427,834</u>	<u>424,313</u>	<u>962</u>	<u>425,275</u>	<u>779,212</u>	<u>779,212</u>	<u>353,937</u>
Net change in fund balance	7,712	11,786	[962]	10,824	\$ [314,212]	\$ [314,212]	\$ 325,036
FUND BALANCE - Beginning of year	<u>923,477</u>	<u>931,189</u>	<u>[2,446]</u>	<u>928,743</u>			
FUND BALANCE - End of year	<u>\$ 931,189</u>	<u>\$ 942,975</u>	<u>\$ [3,408]</u>	<u>\$ 939,567</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, 2019  
(With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018	June 30, 2019					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	\$ 369,654	\$ 364,541	\$ -	\$ 364,541	\$ 367,936	\$ 367,936	\$ [3,395]
Total revenues	369,654	364,541	-	364,541	367,936	367,936	[3,395]
EXPENDITURES:							
Student support services	537,763	553,476	-	553,476	556,099	556,099	2,623
Instructional support staff	51,515	53,227	-	53,227	62,367	62,367	9,140
Total expenditures	589,278	606,703	-	606,703	618,466	618,466	11,763
Excess [deficiency] of revenues over [under] expenditures	[219,624]	[242,162]	-	[242,162]	[250,530]	[250,530]	8,368
OTHER FINANCING SOURCES [USES]:							
Transfers in	219,624	242,162	-	242,162	250,530	250,530	[8,368]
Total other financing sources [uses]	219,624	242,162	-	242,162	250,530	250,530	[8,368]
Net change in fund balance	-	-	-	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	-	-	-	-			
FUND BALANCE - End of year	\$ -	\$ -	\$ -	\$ -			

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
EXTRAORDINARY SCHOOL PROGRAM FUND  
For the Year Ended June 30, 2019  
(With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018	June 30, 2019						Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts			
					Original	Final		
REVENUES:								
Charges for services	\$ 96,157	\$ 121,456	\$ -	\$ 121,456	\$ 83,000	\$ 83,000	\$	38,456
Total revenues	96,157	121,456	-	121,456	83,000	83,000		38,456
EXPENDITURES:								
Instruction	11,662	48,795	-	48,795	76,925	76,925		28,130
School administration	4,285	9,566	-	9,566	4,310	4,310		[5,256]
Total expenditures	15,947	58,361	-	58,361	81,235	81,235		22,874
Excess [deficiency] of revenues over [under] expenditures	80,210	63,095	-	63,095	\$ 1,765	\$ 1,765	\$	61,330
FUND BALANCE - Beginning of year	337,657	417,867	-	417,867				
FUND BALANCE - End of year	\$ 417,867	\$ 480,962	\$ -	\$ 480,962				

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, 2019  
(With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018			June 30, 2019			
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
					Original	Final	
REVENUES:							
Intergovernmental:							
Taxes	\$ 381,507	\$ 475,610	\$ -	\$ 475,610	\$ 465,031	\$ 465,031	\$ 10,579
Investment revenue	3,795	-	-	-	8,000	8,000	[8,000]
Total revenues	385,302	475,610	-	475,610	473,031	473,031	2,579
EXPENDITURES:							
General administration	89,300	288,155	-	288,155	1,241,675	1,241,675	953,520
Business and central support services	270,022	378,302	-	378,302	-	-	[378,302]
Total expenditures	359,322	666,457	-	666,457	1,241,675	1,241,675	575,218
Net change in fund balance	25,980	[190,847]	-	[190,847]	\$ [768,644]	\$ [768,644]	\$ 577,797
FUND BALANCE - Beginning of year	1,967,021	1,993,001	-	1,993,001			
FUND BALANCE - End of year	\$ 1,993,001	\$ 1,802,154	\$ -	\$ 1,802,154			

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, 2019  
(With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018		June 30, 2019				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	\$ 412,499	\$ 665,059	\$ [665,059]	\$ -	\$ -	\$ -	\$ -
Federal	<u>176,140</u>	<u>239,731</u>	<u>-</u>	<u>239,731</u>	<u>176,140</u>	<u>176,140</u>	<u>63,591</u>
Total intergovernmental	588,639	904,790	[665,059]	239,731	176,140	176,140	63,591
Charges for services	<u>-</u>	<u>209,928</u>	<u>-</u>	<u>209,928</u>	<u>165,750</u>	<u>165,750</u>	<u>44,178</u>
Total revenues	<u>588,639</u>	<u>1,114,718</u>	<u>[665,059]</u>	<u>449,659</u>	<u>341,890</u>	<u>341,890</u>	<u>107,769</u>
EXPENDITURES:							
Instruction	551,532	1,072,506	-	1,072,506	1,069,524	1,069,524	[2,982]
Instructional support staff	<u>35,375</u>	<u>43,726</u>	<u>[1,514]</u>	<u>42,212</u>	<u>45,194</u>	<u>45,194</u>	<u>2,982</u>
Total expenditures	<u>586,907</u>	<u>1,116,232</u>	<u>[1,514]</u>	<u>1,114,718</u>	<u>1,114,718</u>	<u>1,114,718</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>1,732</u>	<u>[1,514]</u>	<u>[663,545]</u>	<u>[665,059]</u>	<u>[772,828]</u>	<u>[772,828]</u>	<u>107,769</u>
OTHER FINANCING SOURCES [USES]:							
Transfers in	<u>-</u>	<u>-</u>	<u>665,059</u>	<u>665,059</u>	<u>772,828</u>	<u>772,828</u>	<u>[107,769]</u>
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>665,059</u>	<u>665,059</u>	<u>772,828</u>	<u>772,828</u>	<u>[107,769]</u>
Net change in fund balance	1,732	[1,514]	1,514	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	<u>-</u>	<u>1,732</u>	<u>[1,732]</u>	<u>-</u>			
FUND BALANCE - End of year	<u>\$ 1,732</u>	<u>\$ 218</u>	<u>\$ [218]</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)  
COST OF LIVING FUND

For the Year Ended June 30, 2019  
(With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018	June 30, 2019					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 75,351	\$ 62,423	\$ -	\$ 62,423	\$ 67,043	\$ 67,043	\$ [4,620]
Current	5,295,560	6,298,617	-	6,298,617	6,480,093	6,480,093	[181,476]
Delinquent	20,596	56,983	-	56,983	23,115	23,115	33,868
Motor vehicle	648,083	626,701	-	626,701	651,043	651,043	[24,342]
Total taxes	6,039,590	7,044,724	-	7,044,724	7,221,294	7,221,294	[176,570]
Total revenue	6,039,590	7,044,724	-	7,044,724	7,221,294	7,221,294	[176,570]
EXPENDITURES:							
State payment	6,297,022	6,972,750	-	6,972,750	7,709,938	7,709,938	737,188
Total expenditures	6,297,022	6,972,750	-	6,972,750	7,709,938	7,709,938	737,188
Net change in fund balance	[257,432]	71,974	-	71,974	\$ [488,644]	\$ [488,644]	\$ 560,618
FUND BALANCE - Beginning of year	746,076	488,644	-	488,644			
FUND BALANCE - End of year	\$ 488,644	\$ 560,618	\$ -	\$ 560,618			

## 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, 2019  
(With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018	June 30, 2019					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Intergovernmental:							
Federal	\$ 5,286,060	\$ 4,717,092	\$ -	\$ 4,717,092	\$ 4,857,466	\$ 4,857,466	\$ [140,374]
Total intergovernmental	5,286,060	4,717,092	-	4,717,092	4,857,466	4,857,466	[140,374]
Other local sources	1,433,958	871,728	-	871,728	-	-	871,728
Total revenues	6,720,018	5,588,820	-	5,588,820	4,857,466	4,857,466	731,354
EXPENDITURES:							
Instruction	3,355,091	2,771,835	[4,140]	2,767,695	1,727,042	1,727,042	[1,040,653]
Student support services	916,191	1,061,402	[1,900]	1,059,502	872,585	872,585	[186,917]
Instructional support staff	1,951,750	1,825,129	[5,829]	1,819,300	1,927,885	1,927,885	108,585
General administration	149,592	133,226	-	133,226	108,839	108,839	[24,387]
Operations and maintenance	59	-	-	-	183,317	183,317	183,317
Student transportation services	102,739	75,258	-	75,258	15,000	15,000	[60,258]
Student activities	27,024	19,662	-	19,662	-	-	[19,662]
Capital outlay	3,784	252	-	252	-	-	[252]
Total expenditures	6,506,230	5,886,764	[11,869]	5,874,895	4,834,668	4,834,668	[1,040,227]
Net change in fund balance	213,788	[297,944]	11,869	[286,075]	\$ 22,798	\$ 22,798	\$ [308,873]
FUND BALANCE - Beginning of year	1,265,655	1,479,443	[15,310]	1,464,133			
FUND BALANCE - End of year	\$ 1,479,443	\$ 1,181,499	\$ [3,441]	\$ 1,178,058			

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, 2019  
(With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018			June 30, 2019			
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 320,246	\$ 299,632	\$ -	\$ 299,632	\$ 321,510	\$ 321,510	\$ [21,878]
Current	25,303,284	26,991,643	-	26,991,643	26,335,361	26,335,361	656,282
Delinquent	90,931	257,783	-	257,783	110,949	110,949	146,834
Motor vehicle	2,802,734	2,824,793	-	2,824,793	2,879,098	2,879,098	[54,305]
Rental excise	55,124	47,643	-	47,643	-	-	47,643
Total taxes	28,572,319	30,421,494	-	30,421,494	29,646,918	29,646,918	774,576
Investment revenue	38,675	51,910	-	51,910	50,000	50,000	1,910
Total revenues	28,610,994	30,473,404	-	30,473,404	29,696,918	29,696,918	776,486
EXPENDITURES:							
Debt Service							
Principal	12,405,000	16,830,000	-	16,830,000	16,875,000	16,875,000	45,000
Interest and other charges	13,212,003	12,719,143	-	12,719,143	12,685,432	12,685,432	[33,711]
Total expenditures	25,617,003	29,549,143	-	29,549,143	29,560,432	29,560,432	11,289
Net change in fund balance	2,993,991	924,261	-	924,261	\$ 136,486	\$ 136,486	\$ 787,775
FUND BALANCE - Beginning of year	20,261,052	23,255,043	-	23,255,043			
FUND BALANCE - End of year	\$ 23,255,043	\$ 24,179,304	\$ -	\$ 24,179,304			

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, 2019  
 (With Comparative Amounts for the Year Ended June 30, 2018)

	June 30, 2018	June 30, 2019					Variance with Final Budget Positive [Negative]
	GAAP Basis	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		
					Original	Final	
REVENUES:							
Taxes:							
In process	\$ 344,440	\$ 322,187	\$ -	\$ 322,187	\$ 345,709	\$ 345,709	\$ [23,522]
Current	27,247,098	28,968,391	-	28,968,391	28,339,746	28,339,746	628,645
Delinquent	57,770	276,997	-	276,997	119,300	119,300	157,697
Motor vehicle	3,013,639	3,038,741	-	3,038,741	3,096,325	3,096,325	[57,584]
Rental excise	59,233	51,243	-	51,243	-	-	51,243
Total taxes	30,722,180	32,657,559	-	32,657,559	31,901,080	31,901,080	756,479
Investment revenue	123,110	168,685	-	168,685	-	-	168,685
Other local sources	2,087,147	5,288,354	-	5,288,354	4,577,953	4,577,953	710,401
Total revenues	32,932,437	38,114,598	-	38,114,598	36,479,033	36,479,033	1,635,565
EXPENDITURES:							
Instruction	1,460,219	1,146,229	30,638	1,176,867	4,007,728	4,007,728	2,830,861
Student support services	33,595	132,470	1,414	133,884	138,104	138,104	4,220
Instructional support staff	49,994	254,751	[2,688]	252,063	87,464	87,464	[164,599]
General administration	20,455	10,808	[1,612]	9,196	50,000	50,000	40,804
Operations and maintenance	3,855,902	3,874,878	12,407	3,887,285	4,340,226	4,340,226	452,941
Other support services	138,625	172,258	-	172,258	-	-	[172,258]
Business and central support services	2,011,540	1,600,788	[82,747]	1,518,041	1,444,838	1,444,838	[73,203]
Facility acquisition and construction	11,502,371	7,522,375	3,683,687	11,206,062	19,455,626	19,455,626	8,249,564
Debt Service							
Principal	21,477,931	18,122,382	-	18,122,382	18,313,830	18,313,830	191,448
Interest and other charges	1,599,530	1,304,930	-	1,304,930	1,226,013	1,226,013	[78,917]
Total expenditures	42,150,162	34,141,869	3,641,099	37,782,968	49,063,829	49,063,829	11,280,861
Net change in fund balance	[9,217,725]	3,972,729	[3,641,099]	331,630	\$ [12,584,796]	\$ [12,584,796]	\$ 12,916,426
FUND BALANCE - Beginning of year	28,409,950	19,192,225	[1,876,451]	17,315,774			
FUND BALANCE - End of year	\$ 19,192,225	\$ 23,164,954	\$ [5,517,550]	\$ 17,647,404			

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, 2019

	Balance June 30, <u>2018</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2019</u>
Assets - cash and investments	<u>\$ 2,052,486</u>	<u>\$ 3,427,091</u>	<u>\$ 3,379,440</u>	<u>\$ 2,100,137</u>
Liabilities - due to student organizations	<u>\$ 2,052,486</u>	<u>\$ 3,427,091</u>	<u>\$ 3,379,440</u>	<u>\$ 2,100,137</u>

See independent auditor's report on the financial statements.

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## STATISTICAL SECTION

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

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

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#### **Financial Trends**

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These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time

#### **Revenue Capacity**

**86 - 92**

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

#### **Debt Capacity**

**93 - 97**

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**

**98 - 100**

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**

**101 - 103**

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)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities</b>										
<b>Net investment in capital assets</b>										
<b>Restricted</b>	\$ 209,641,065	\$ 209,665,197	\$ 231,300,400	\$ 253,330,501	\$ 251,367,186	\$ 267,252,105	\$ 275,444,373	\$ 263,162,281	\$ 278,936,435	\$ 300,212,019
<b>Unrestricted</b>	18,266,209	18,721,274	18,911,711	20,447,422	19,408,056	21,090,344	19,055,485	20,261,052	23,255,043	24,179,304
	71,341,002	68,426,450	58,173,988	48,372,632	61,443,636	[215,924,714]	[218,368,956]	[180,894,387]	[180,382,709]	[186,773,050]
<b>Total Net Position</b>	<u>\$ 299,248,276</u>	<u>\$ 296,812,921</u>	<u>\$ 308,386,099</u>	<u>\$ 322,150,555</u>	<u>\$ 332,218,878</u>	<u>\$ 72,417,735</u>	<u>\$ 76,130,902</u>	<u>\$ 102,528,946</u>	<u>\$ 121,808,769</u>	<u>\$ 137,618,273</u>

Source: Shawnee Mission USD #512 Basic Financial Statements

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

TABLE 2  
(UNAUDITED)

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction	\$ 188,221,804	\$ 171,080,693	\$ 172,548,326	\$ 172,142,399	\$ 169,492,144	\$ 169,510,423	\$ 166,460,156	\$ 155,970,852	\$ 169,572,000	\$ 177,486,192
Student Support Services	15,282,973	14,438,322	14,928,047	15,069,611	14,857,615	14,526,934	15,090,880	14,580,344	16,415,633	18,084,399
Instructional Support	9,610,299	8,574,949	8,115,624	8,085,874	8,702,701	8,574,463	9,239,934	9,688,922	11,178,682	11,556,236
General Administration	2,153,630	2,039,379	1,984,847	2,013,862	2,087,528	2,534,990	2,648,589	2,760,096	2,653,293	2,898,103
School Administration	14,315,622	13,931,653	13,511,466	13,396,373	13,266,480	13,375,735	14,548,696	13,713,788	14,799,416	15,845,506
Operations and Maintenance	36,443,274	43,126,239	44,860,538	41,744,327	43,261,815	43,144,632	45,457,779	68,745,764	55,402,518	48,998,224
Student Transportation Services	8,601,794	8,469,021	9,201,370	9,335,869	9,547,268	8,450,726	9,061,959	10,445,501	13,610,782	14,898,256
Food Service	11,031,971	10,677,553	11,102,506	11,457,954	11,055,516	10,881,124	10,659,695	10,411,807	10,800,040	11,766,872
Student Activities	4,426,435	3,981,855	4,007,704	4,007,889	4,061,388	4,706,058	4,173,907	4,221,791	4,439,012	4,399,040
Business and Central Support Services	13,878,967	11,023,101	10,479,838	9,762,803	10,775,348	12,471,248	13,705,857	12,761,937	13,464,636	13,605,868
State payment	9,714,502	8,554,660	7,202,108	5,911,332	8,532,644	8,319,740	9,185,456	9,150,732	7,890,632	6,972,750
Interest on Long-Term Debt	11,119,808	10,582,206	9,939,082	8,012,807	7,108,025	7,027,298	11,358,782	13,982,644	14,655,707	13,797,693
<b>Total Primary Government Expenses</b>	<b>324,801,079</b>	<b>306,479,631</b>	<b>307,881,456</b>	<b>300,941,100</b>	<b>302,748,472</b>	<b>303,523,371</b>	<b>311,591,690</b>	<b>326,434,178</b>	<b>334,882,351</b>	<b>340,299,079</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for services										
Instruction	6,338,216	6,521,015	7,143,365	7,220,599	7,620,150	6,707,859	6,368,357	4,232,886	4,443,172	4,540,809
Food service operations	6,679,202	6,226,654	5,964,756	5,621,203	5,458,129	5,020,144	5,190,902	5,072,842	5,236,531	5,389,498
Operating grants and contributions	54,171,000	52,599,532	58,708,274	55,814,517	54,960,389	52,691,736	49,750,447	85,981,016	60,843,664	54,609,128
<b>Total Primary Government Program Revenues</b>	<b>67,188,418</b>	<b>65,347,201</b>	<b>71,816,395</b>	<b>68,656,319</b>	<b>68,038,668</b>	<b>64,419,739</b>	<b>61,309,706</b>	<b>95,286,744</b>	<b>70,523,367</b>	<b>64,539,435</b>
<b>Total Primary Government Net [Expense]</b>	<b>\$ [257,612,661]</b>	<b>\$ [241,132,430]</b>	<b>\$ [236,065,061]</b>	<b>\$ [232,284,781]</b>	<b>\$ [234,709,804]</b>	<b>\$ [239,103,632]</b>	<b>\$ [250,281,984]</b>	<b>\$ [231,147,434]</b>	<b>\$ [264,358,984]</b>	<b>\$ [275,759,644]</b>

Source: Shawnee Mission USD #512 Basic Financial Statements

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Total Primary Government Net [Expense]</b>	<b>\$ [257,612,661]</b>	<b>\$ [241,132,430]</b>	<b>\$ [236,065,061]</b>	<b>\$ [232,284,781]</b>	<b>\$ [234,709,804]</b>	<b>\$ [239,103,632]</b>	<b>\$ [250,281,984]</b>	<b>\$ [231,147,434]</b>	<b>\$ [264,358,984]</b>	<b>\$ [275,759,644]</b>
General Revenues and Other Changes in Net Position:										
Property Taxes	174,637,862	172,144,938	168,798,265	166,773,703	166,746,918	120,997,886	120,366,048	130,956,402	129,602,758	133,312,236
Grants and Entitlements not Restricted to										
Specific Programs	81,854,702	81,964,106	76,441,368	77,982,462	80,367,156	132,870,804	133,219,087	133,184,363	145,290,056	148,535,890
Investment Earnings	228,674	44,357	44,892	95,308	23,647	16,013	211,106	757,057	1,658,837	2,268,060
Miscellaneous	1,571,344	1,745,847	2,353,714	1,910,593	1,944,037	2,105,826	3,122,371	2,887,305	4,905,744	7,389,810
Special Items										
Capital asset impairment losses	-	[7,481,919]	-	[718,519]	[4,287,468]	[7,624,061]	-	[6,880,895]	-	-
<b>Total Primary Government</b>	<b>258,292,582</b>	<b>248,417,329</b>	<b>247,638,239</b>	<b>246,043,547</b>	<b>244,794,290</b>	<b>248,366,488</b>	<b>256,918,612</b>	<b>260,904,232</b>	<b>281,457,395</b>	<b>291,505,996</b>
<b>Total Primary Government Change in Net Position</b>	<b>\$ 679,921</b>	<b>\$ 7,284,899</b>	<b>\$ 11,573,178</b>	<b>\$ 13,758,766</b>	<b>\$ 10,084,486</b>	<b>\$ 9,262,836</b>	<b>\$ 6,636,628</b>	<b>\$ 29,756,798</b>	<b>\$ 17,098,411</b>	<b>\$ 15,746,352</b>

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)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>										
Reserved	\$ 1,963,346	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	25,182	-	-	-	-	-	-	-	-	-
Nonspendable	-	905,582	888,847	780,738	688,792	397,155	413,152	336,530	408,827	384,834
Assigned	-	329,853	317,516	334,857	559,760	398,215	216,216	8,505	3,644	620
Unassigned	-	29,262	21,352	26,277	13,971	19,417	9,969	11,066	36	-
<b>Total General Fund</b>	<b>\$ 1,988,528</b>	<b>\$ 1,264,697</b>	<b>\$ 1,227,715</b>	<b>\$ 1,141,872</b>	<b>\$ 1,262,523</b>	<b>\$ 814,787</b>	<b>\$ 639,337</b>	<b>\$ 356,101</b>	<b>\$ 412,507</b>	<b>\$ 385,454</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 36,694,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	59,551,483	-	-	-	-	-	-	-	-	-
Capital project funds	455,542	-	-	-	-	-	-	-	-	-
Nonspendable	-	107,725	96,722	189,521	198,557	224,487	183,037	8,770	-	-
Restricted	-	74,713,707	64,056,743	55,705,031	63,221,353	163,838,447	66,788,527	191,505,248	132,653,605	91,970,317
Assigned	-	17,646,655	19,977,946	15,356,317	24,149,575	30,044,581	72,681,245	1,927,220	2,266,261	5,760,076
Unassigned	-	1,528,813	1,623,281	2,733,230	1,713,483	2,307,373	246,837	4,235,681	3,566,289	3,671,731
<b>Total All Other Governmental Funds</b>	<b>\$ 96,701,479</b>	<b>\$ 93,996,900</b>	<b>\$ 85,754,692</b>	<b>\$ 73,984,099</b>	<b>\$ 89,282,968</b>	<b>\$ 196,414,888</b>	<b>\$ 139,899,646</b>	<b>\$ 197,676,919</b>	<b>\$ 138,486,155</b>	<b>\$ 101,402,124</b>

Source: Shawnee Mission USD #512 Basic Financial Statements

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

TABLE 5  
(UNAUDITED)  
1 of 2

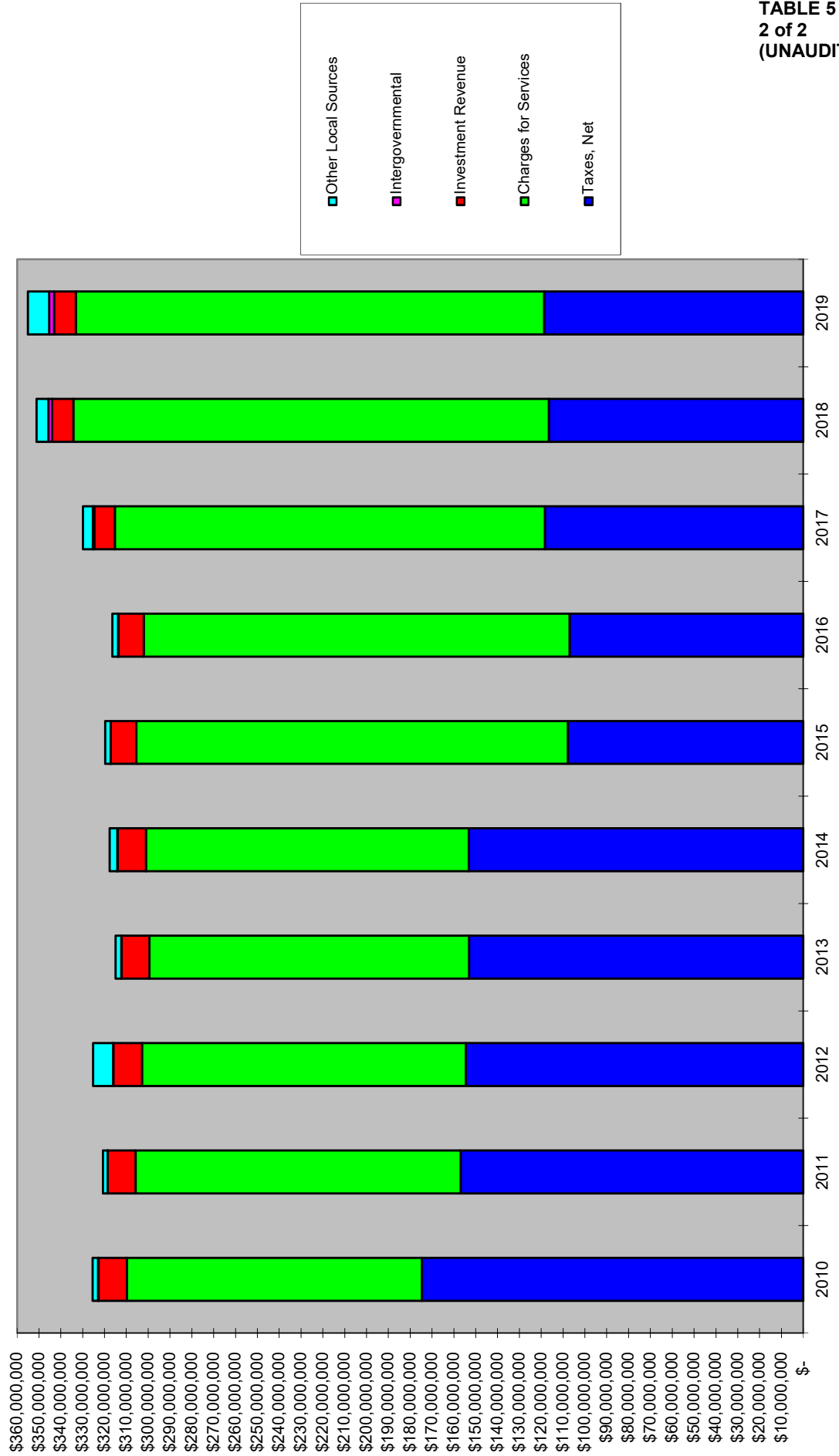
SHAWNEE MISSION USD #512, KANSAS  
GOVERNMENTAL FUNDS REVENUES  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Taxes, Net</b>	\$ 174,637,862	\$ 156,898,392	\$ 154,520,287	\$ 153,082,847	\$ 153,155,103	\$ 107,781,277	\$ 107,042,177	\$ 118,305,600	\$ 116,579,276	\$ 118,718,964
<b>Intergovernmental</b>	135,091,776	148,876,864	148,343,210	146,310,175	147,832,128	197,676,322	194,934,550	196,989,043	217,723,244	214,460,689
<b>Charges for Services</b>	13,017,418	12,747,669	13,108,121	12,841,802	13,078,279	11,728,003	11,559,259	9,305,728	9,679,703	9,930,307
<b>Investment Revenue</b>	228,674	44,357	44,892	95,308	23,647	16,013	211,106	757,057	1,658,837	2,268,060
<b>Other Local Sources</b>	2,505,270	2,086,708	9,171,456	2,593,885	3,577,850	2,413,915	2,629,026	4,439,521	5,485,235	9,748,546
<b>Total revenues</b>	\$ 325,481,000	\$ 320,653,990	\$ 325,187,966	\$ 314,924,017	\$ 317,667,007	\$ 319,615,530	\$ 316,376,118	\$ 329,796,949	\$ 351,126,295	\$ 355,126,566

Source: Shawnee Mission USD #512 Basic Financial Statements



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



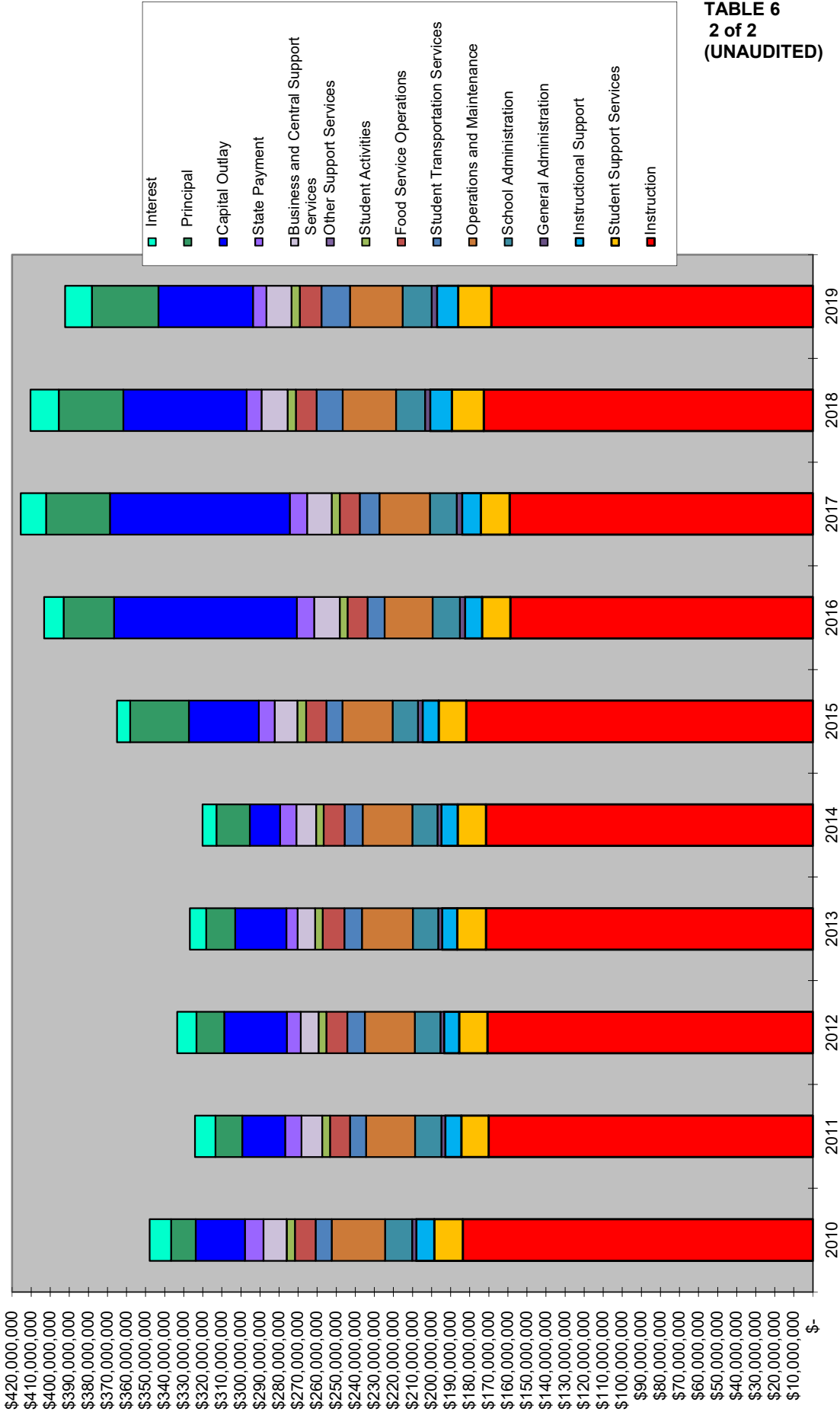
**SHAWNEE MISSION USD #512, KANSAS**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
(Modified Accrual Basis of Accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction	\$ 183,663,116	\$ 170,035,873	\$ 170,698,148	\$ 171,551,301	\$ 171,537,752	\$ 181,848,205	\$ 158,742,135	\$ 159,133,077	\$ 172,584,241	\$ 168,678,528
Student Support Services	14,907,675	14,328,515	14,823,074	14,999,984	14,795,635	14,412,548	14,810,979	14,999,279	16,808,714	17,384,176
Instructional Support	9,527,550	8,458,957	7,933,945	7,946,317	8,544,077	8,401,044	8,962,083	9,858,013	11,393,652	11,169,862
General Administration	2,139,955	2,028,624	1,968,731	2,000,570	2,073,598	2,518,982	2,606,039	2,801,339	2,701,355	2,821,126
School Administration	14,219,532	13,850,145	13,408,456	13,305,285	13,189,585	13,281,219	14,383,717	14,120,866	15,211,293	15,170,772
Operations and Maintenance	27,874,077	25,724,246	26,241,335	26,726,684	25,963,619	26,274,155	25,106,830	26,406,940	27,962,626	27,623,423
Student Transportation Services	8,551,345	8,426,838	9,135,585	9,280,101	9,493,104	8,413,928	9,007,923	10,396,167	13,608,906	14,885,885
Food Service Operations	10,789,495	10,488,324	11,016,334	11,319,129	10,977,161	10,606,828	10,473,655	10,464,032	10,910,317	11,419,680
Student Activities	4,352,822	3,988,609	4,019,090	3,965,649	4,053,533	4,678,770	4,131,033	4,232,927	4,396,281	4,354,447
Other Support Services	3,525	-	-	-	-	-	-	-	-	-
Business and Central Support Services	12,129,445	10,872,718	9,432,974	9,169,886	10,313,205	11,872,352	13,316,763	12,859,765	13,583,697	13,193,376
State Payment	9,714,502	8,554,660	7,202,108	5,911,332	8,532,644	8,319,740	9,185,456	9,150,732	7,890,632	6,972,750
Capital Outlay	25,857,483	22,576,148	32,905,087	26,839,565	15,843,631	36,609,187	95,780,565	94,251,541	64,655,225	49,587,170
Debt Service										
Principal	12,830,000	14,030,000	14,575,000	15,235,000	17,495,000	30,803,056	26,419,886	33,569,539	33,882,931	34,952,382
Interest	11,245,693	10,718,743	10,107,289	8,529,650	7,286,249	6,942,244	10,234,829	13,242,091	14,811,533	14,024,073
Total Expenditures	\$ 347,806,215	\$ 324,082,400	\$ 333,467,156	\$ 326,780,453	\$ 320,098,793	\$ 364,982,258	\$ 403,161,893	\$ 415,486,308	\$ 410,401,403	\$ 392,237,650
Debt service as a percentage of noncapital expenditures	7.48%	8.21%	8.21%	7.92%	8.14%	11.49%	11.92%	14.57%	14.08%	14.29%

(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)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Excess of Revenues Over</b>										
<b>[Under] Expenditures</b>	\$ [22,325,215]	\$ [3,428,410]	\$ [8,279,190]	\$ [11,856,436]	\$ [2,431,786]	\$ [45,366,728]	\$ [86,785,775]	\$ [85,689,359]	\$ [59,275,108]	\$ [37,111,084]
<b>Other Financing Sources [Uses]</b>										
General long term debt issued	-	-	-	79,790,000	17,851,306	152,050,912	30,095,083	143,183,396	-	-
Bond premium	-	-	-	6,046,627	-	-	-	-	-	-
Bond issuance costs	-	-	-	[328,693]	-	-	-	-	-	-
Payment to escrow agent	-	-	-	[85,507,934]	-	-	-	-	-	-
Transfer in	76,962,367	14,289,170	14,969,513	13,541,172	17,421,443	18,656,841	19,122,673	14,463,795	17,152,044	15,913,986
Transfer out	[78,090,680]	[14,289,170]	[14,969,513]	[13,541,172]	[17,421,443]	[18,656,841]	[19,122,673]	[14,463,795]	[17,152,044]	[15,913,986]
<b>Total Other Financing Sources [Uses]</b>	[1,128,313]	-	-	-	17,851,306	152,050,912	30,095,083	143,183,396	-	-
<b>Net Change in Fund Balances</b>	\$ [23,453,528]	\$ [3,428,410]	\$ [8,279,190]	\$ [11,856,436]	\$ 15,419,520	\$ 106,684,184	\$ [56,690,692]	\$ 57,494,037	\$ [59,275,108]	\$ [37,111,084]

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 Actual Value		Total Direct Rate
									Estimated Act. Value	Act. Value	
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%	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%	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%	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	217,553,766	21,834,641,596	13.16%	13.16%	55.766
2013	2,779,828,747	55,941,640	61,825,124	2,897,595,511	22,648,783,320	220,037,117	210,228,673	23,079,049,110	12.56%	12.56%	55.611
2014	2,922,318,939	43,932,416	57,124,913	3,023,376,268	23,782,953,680	206,397,221	204,379,547	24,193,730,448	12.50%	12.50%	55.911
2015	3,096,353,437	38,005,162	58,518,268	3,192,876,867	25,175,807,400	181,558,136	212,583,155	25,569,948,691	12.49%	12.49%	54.059
2016	3,324,246,170	35,524,582	60,017,876	3,419,788,628	26,900,263,560	170,996,146	216,243,752	27,287,503,458	12.53%	12.53%	54.940
2017	3,541,530,458	32,848,761	61,322,077	3,635,701,296	28,916,682,530	158,091,588	217,789,524	29,292,563,642	12.41%	12.41%	53.663
2018	3,786,567,252	29,827,236	66,174,929	3,882,569,417	28,881,697,630	145,395,906	240,651,556	29,267,745,092	13.27%	13.27%	52.427

\* Actual values for property within the boundaries of Unified School District No. 512 for years 2009 through 2018 are not maintained within the County. Estimate is based on ratio of Unified School District No. 512 assessed value to Johnson County total assessed value multiplied by Estimated Actual Values for Johnson County. (County figures are from Johnson County, Kansas December 31, 2018 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

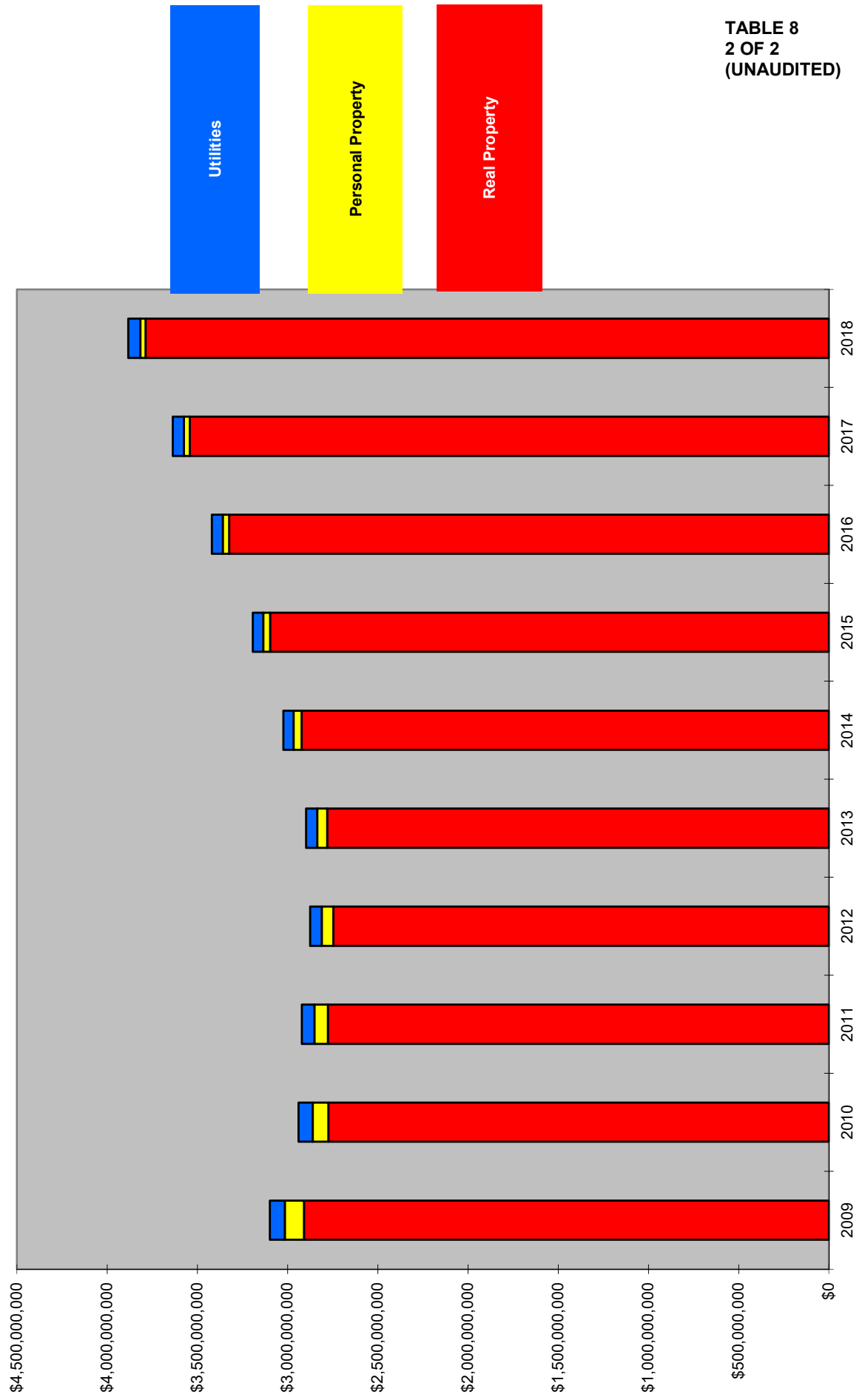


TABLE 9  
1 of 2  
(UNAUDITED)

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

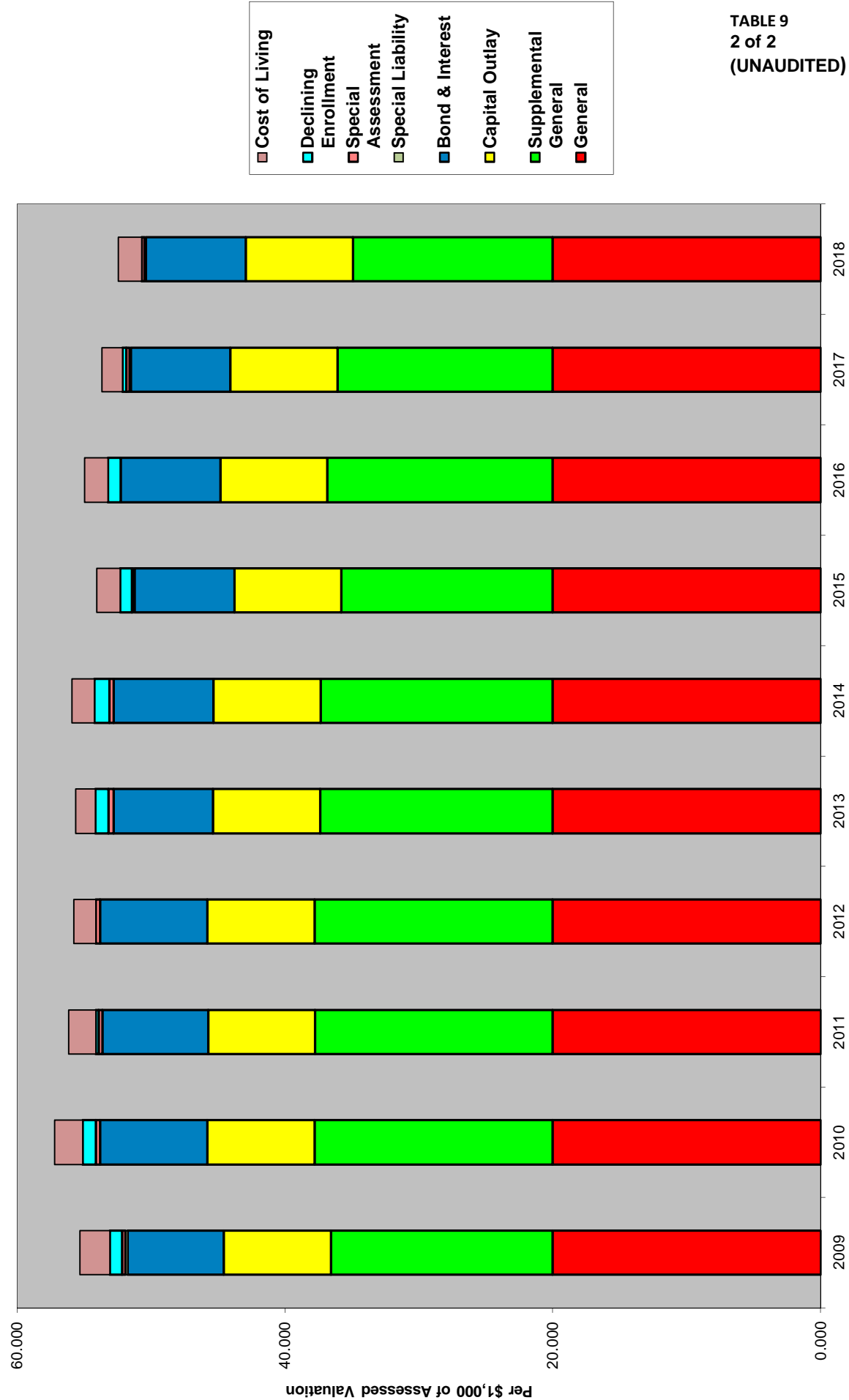
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Shawnee Mission USD #512										
General	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Supplemental General	16,566	17,795	17,727	17,796	17,357	17,333	15,772	16,824	16,058	14,905
Capital Outlay	8,000	8,000	7,997	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Declining Enrollment	0.918	1.003	0.188	0.000	1.009	1.123	0.874	0.928	0.290	0.000
Bond & Interest	7.183	8.001	7.907	8.009	7.429	7.434	7.445	7.438	7.440	7.454
Special Assessment	0.245	0.299	0.281	0.292	0.299	0.324	0.109	0.000	0.221	0.209
Cost of Living	2.239	2.094	2.035	1.869	1.452	1.697	1.755	1.750	1.550	1.733
Special Liability	0.167	0.000	0.000	0.000	0.000	0.000	0.104	0.000	0.104	0.126
Total - Direct	55,318	57,192	56,135	55,766	55,611	55,911	54,059	54,940	53,663	52,427
State of Kansas	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Johnson County	17,716	17,748	17,700	17,717	17,745	17,764	19,582	19,590	19,318	19,024
Cities										
Fairway	12,853	18,617	18,617	18,621	18,619	18,629	18,629	19,862	19,914	19,917
Leawood*	24,259	24,382	24,393	24,393	24,477	24,492	24,508	24,513	24,517	24,524
Lenexa*	26,574	26,626	29,635	29,668	29,713	31,765	31,807	31,828	31,832	29,909
Merriam	27,352	27,474	27,412	27,522	27,625	27,605	27,676	27,673	27,741	27,880
Mission	13,217	11,213	11,371	11,410	11,413	11,354	18,225	18,019	17,973	17,878
Mission Hills	21,898	21,904	21,905	21,926	21,923	21,923	21,937	21,951	21,962	21,962
Mission Woods	13,311	13,000	11,723	12,084	12,084	12,084	15,528	15,528	16,284	15,402
Overland Park*	8,890	8,876	12,814	12,769	12,833	12,837	12,848	13,800	13,565	13,566
Prairie Village	18,179	18,877	19,491	19,478	19,490	19,493	19,500	19,471	19,311	19,314
Roeland Park	18,770	22,030	23,225	25,872	33,379	33,378	33,385	33,463	31,023	28,531
Shawnee*	24,699	24,717	24,732	24,914	24,959	24,520	24,536	26,611	26,614	26,617
Westwood	23,493	23,499	23,881	24,464	23,676	22,275	22,523	21,301	21,307	21,307
Westwood Hills	18,000	18,000	20,000	20,000	20,000	19,920	21,000	25,497	24,943	29,321
Merriam Drainage	2,615	2,849	3,038	3,091	3,127	3,088	2,002	2,002	2,403	1,700
Johnson County Consolidated Fire #2	8,991	18,336	18,045	10,187	11,004	11,003	11,757	11,769	11,760	11,750
Monticello Cemetery District*	0.032	0.051	0.041	0.040	0.027	0.031	0.028	0.040	0.039	0.037
Johnson County Community College*	8,784	8,799	8,776	8,785	9,551	9,461	9,469	9,473	8,966	9,266
Johnson County Parks and Recreation*	2,346	2,350	2,343	2,346	2,347	2,349	3,101	3,102	3,112	3,088
Johnson County Library Board*	3,151	3,158	3,145	3,149	3,155	3,157	3,912	3,915	3,921	3,901
	296,630	314,006	323,787	319,934	328,647	328,628	343,453	350,908	348,005	346,394

\* 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, 2019 and Nine Years Ago**

<u>Name</u>	<u>Industry</u>	<u>2019 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>	<u>2010 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Oak Park Mall, LLC	Shopping Center	\$ 63,750,001	2.00%	\$ 42,918,749	1.39%
Kansas City Power & Light Co	Utility	29,830,871	0.93%	25,100,553	0.81%
Midwest Division - OPRMC, LLC	Pharmaceuticals	18,247,751	0.57%	9,362,709	0.30%
Kansas Gas Service	Utility	14,031,548	0.44%	12,807,455	0.41%
Southwestern Bell Telephone	Utility	12,544,963	0.39%	23,073,856	0.74%
IKEA Property, Inc.	Shopping Center	11,434,751	0.36%		
Merriam Town Center	Shopping Center	9,632,000	0.30%	11,072,504	0.36%
Prairie Village, LLC	Shopping Center	8,422,001	0.26%		
Highlands IV, LLC	Real Estate	8,000,630	0.25%		
Corinth North, LLC	Shopping Center	7,824,250	0.25%		
Southwestern Bell Telephone	Utility			23,073,856	0.74%
Perg Buildings, LLC	Shopping Center			20,678,443	0.67%
Tower Properties Company	Real Estate			10,136,770	0.33%
MEPT Kansas	Real Estate			9,838,334	0.32%
RREEF America REIT	Real Estate			8,697,753	0.28%
		<u>\$ 183,718,766</u>	<u>5.75%</u>	<u>\$ 196,760,982</u>	<u>6.35%</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	Ratio of	
							Outstanding Delinquent Taxes to Total Tax Levy	Outstanding Delinquent Taxes to Total Tax Levy
2009/10	\$ 167,958,547	\$ 163,237,526	97.19%	\$ 1,281,570	\$ 164,519,096	97.95%	\$ 39,204,978	23.34%
2010/11	164,677,469	161,881,668	98.30%	2,077,722	163,959,390	99.56%	39,923,057	24.24%
2011/12	160,564,255	157,970,454	98.38%	1,723,118	159,693,572	99.46%	40,793,740	25.41%
2012/13	156,889,939	155,571,680	99.16%	1,752,039	157,323,719	100.28%	40,359,960	25.73%
2013/14	154,807,802	156,398,674	101.03%	1,542,774	157,941,448	102.02%	37,226,314	24.05%
2014/15	165,582,481	163,126,121	98.52%	1,259,953	164,386,074	99.28%	38,422,721	23.20%
2015/16	169,214,854	165,472,378	97.79%	1,883,158	167,355,536	98.90%	40,282,039	23.81%
2016/17	184,219,307	181,810,148	98.69%	785,780	182,595,928	99.12%	41,905,418	22.75%
2017/18	191,667,972	188,768,759	98.49%	[86,931]	188,681,828	98.44%	44,891,562	23.42%
2018/19	191,859,759 (1)	195,644,113 (2)	101.97%	1,394,097 (2)	197,038,210 (2)	102.70%	39,713,111 (2)	20.70%

(1) Tax year balances.

(2) Collection year balances.

Source: Johnson County Treasurer's Office

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

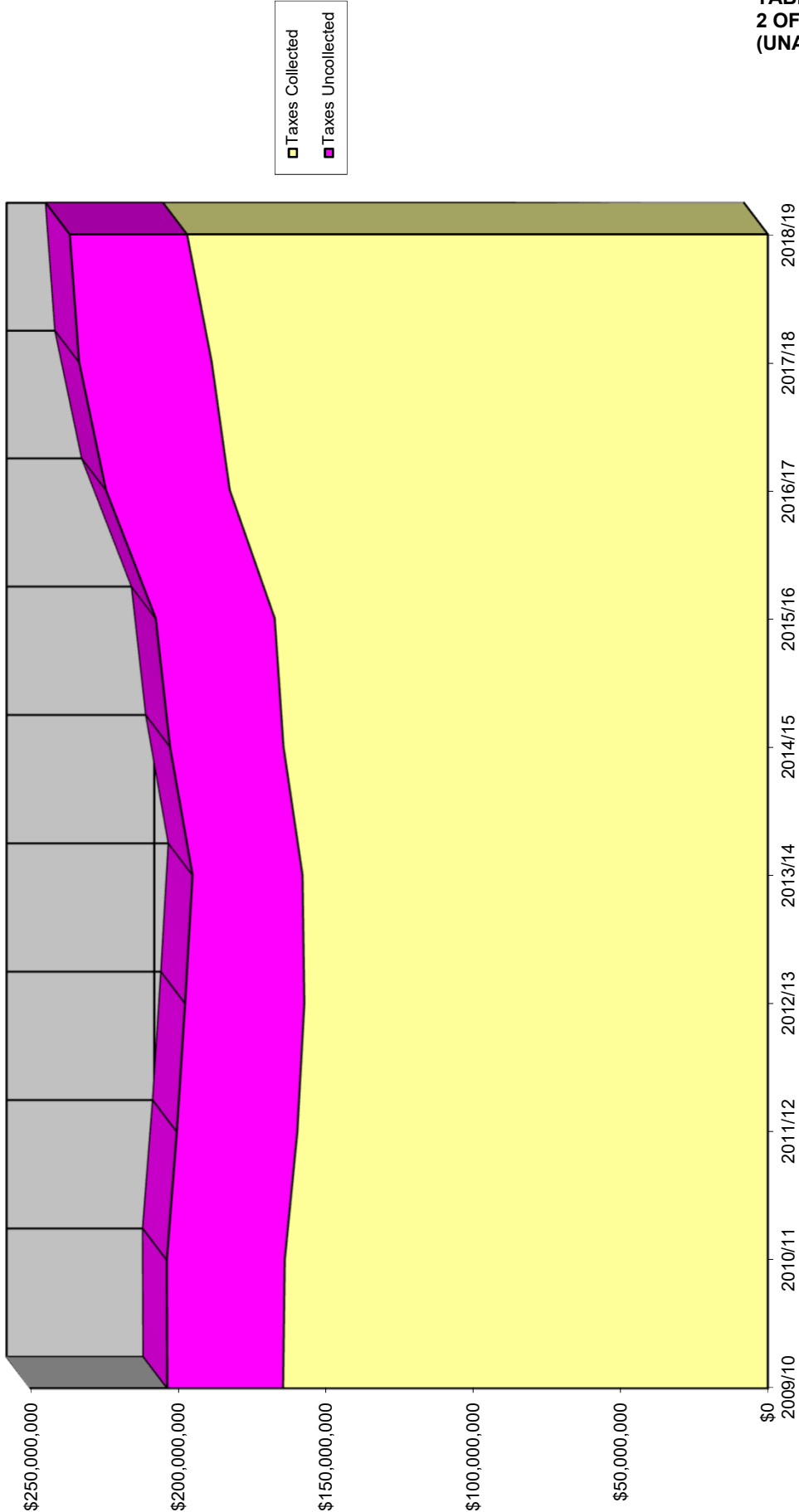


TABLE 11  
 2 OF 2  
 (UNAUDITED)

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

Fiscal Year	General Obligation Bonds	Temporary Notes	Total	District Population	Personal Income	Per Capita	Percentage of Personal Income
				(1)	(2)		
2010	\$ 242,277,267	\$ -	242,277,267	223,000	\$ 7,333,319,700	1,086	3.30%
2011	227,754,694	-	227,754,694	221,000	8,248,383,000	1,031	2.76%
2012	212,687,122	-	212,687,122	230,000	8,050,000,000	925	2.64%
2013	202,490,416	-	202,490,416	233,250	8,327,025,000	868	2.43%
2014	184,042,742	18,182,739	202,225,481	233,317	8,232,123,711	867	2.46%
2015	308,422,078	13,674,683	322,096,761	236,760	8,966,811,480	1,360	3.59%
2016	315,184,987	9,144,798	324,329,785	223,033	8,322,030,329	1,454	3.90%
2017	430,842,895	4,586,629	435,429,524	225,374	8,646,924,258	1,932	5.04%
2018	406,702,741	-	406,702,741	225,824	9,060,291,926	1,801	4.49%
2019	376,875,828	-	376,875,828	227,598	9,337,240,568	1,656	4.04%

(1) Population for 2010 based on 2000 census. Population for 2011 through 2015 is from the Johnson County Economic Institute. Population for 2016 through 2019 is from Business Information Services, LLC.

(2) The 2010 personal income information is from the 2009 Census American Community Survey. The 2011 through 2015 personal income information is from the Johnson County Economic Research Institute. The 2016 through 2018 personal income information is from Business Information Services, LLC. The 2019 personal income information is an estimate based on U.S. Census Bureau data.

Source: Johnson County Clerk and Shawnee Mission #512 records

**TABLE 12  
(UNAUDITED)**

TABLE 13  
1 of 2  
(UNAUDITED)

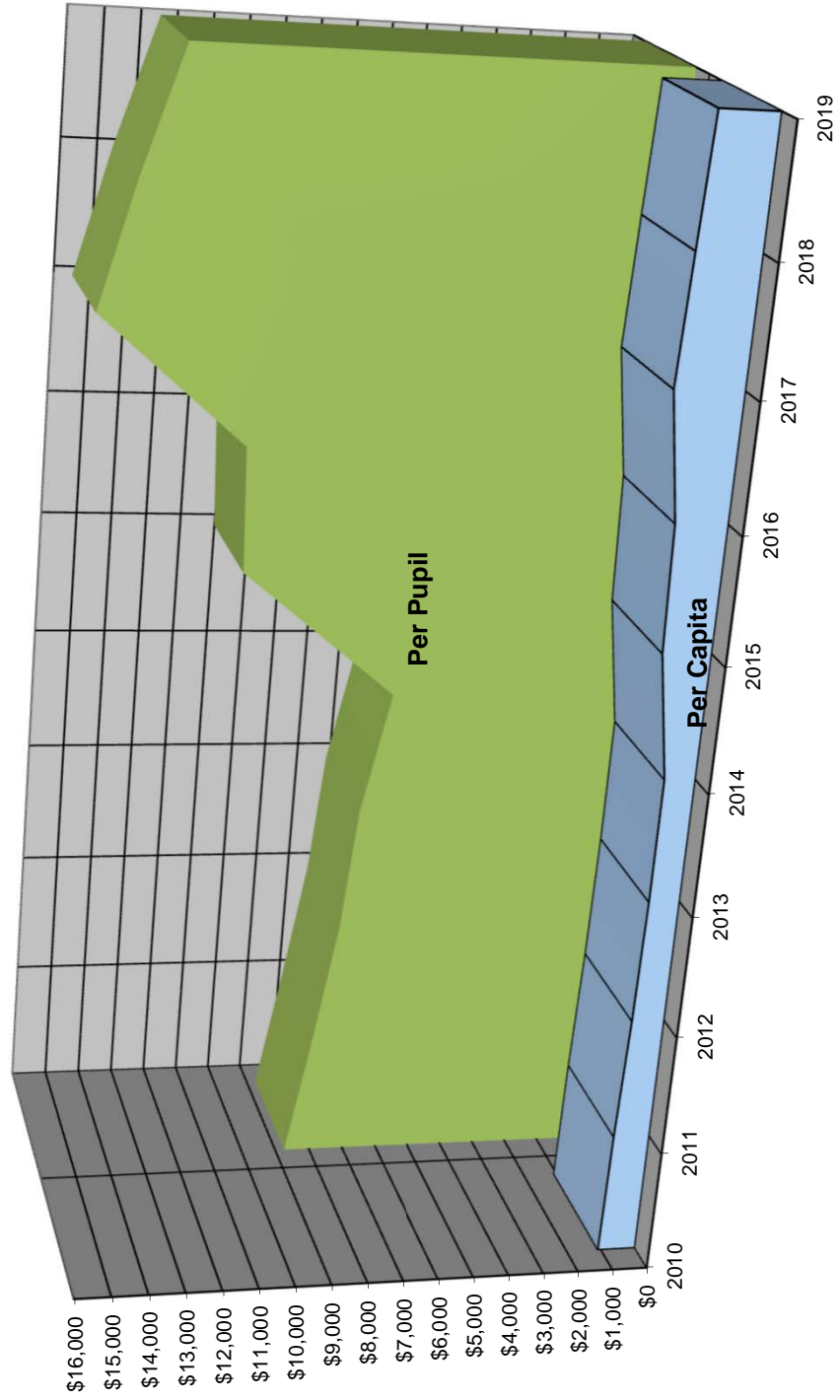
SHAWNEE MISSION USD #512, KANSAS  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

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
2010	223,000	27,744	\$ 3,097,560,384	\$ 242,277,267	7.82%	1,086	8,733
2011	221,000	27,870	2,938,796,380	227,754,694	7.75%	1,031	8,172
2012	230,000	27,766	2,920,875,983	212,687,122	7.28%	925	7,660
2013	233,250	27,437	2,874,355,272	202,490,416	7.04%	868	7,380
2014	233,317	27,412	2,897,595,511	184,042,742	6.35%	867	6,714
2015	236,760	27,464	3,023,376,268	308,422,078	10.20%	1,360	11,230
2016	223,033	27,651	3,192,876,867	315,184,987	9.87%	1,454	11,399
2017	225,374	27,516	3,419,788,628	430,842,895	12.60%	1,932	15,658
2018	225,824	27,586	3,635,701,296	406,702,741	11.19%	1,801	14,743
2019	227,598	27,593	3,882,569,417	376,875,828	9.71%	1,656	13,658

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



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



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

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

**SHAWNEE MISSION USD #512, KANSAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**June 30, 2019**

		<b>Principal Amount of Outstanding Debt</b>	<b>Percent Applicable to School District</b>	<b>Amount Applicable to School District</b>
<b>Direct</b>				
	Shawnee Mission USD #512	\$ 376,875,828	100.00%	\$ 376,875,828
<b>Overlapping</b>				
	Johnson County	\$ 520,916,200	36.65%	\$ 190,915,787
	Johnson County Park & Recreation	420,000	36.65%	153,930
	Johnson County Community College	3,770,000	36.65%	1,381,705
	City of Fairway	9,505,000	100.00%	9,505,000
	City of Leawood	77,285,000	22.09%	17,072,257
	City of Lenexa	147,889,000	64.96%	96,068,694
	City of Merriam	21,585,000	100.00%	21,585,000
	City of Mission	23,150,000	100.00%	23,150,000
	City of Mission Hills	2,904,158	100.00%	2,904,158
	City of Overland Park	109,675,000	31.57%	34,624,398
	City of Prairie Village	17,125,000	100.00%	17,125,000
	City of Roeland Park	3,301,000	100.00%	3,301,000
	City of Shawnee	50,935,000	56.84%	28,951,454
	City of Westwood	3,365,000	99.98%	3,364,327
	Johnson County Fire Department #2	6,180,000	100.00%	6,180,000
	<b>Total Overlapping Debt</b>			<u>\$ 456,282,710</u>
<b>Total Direct and Overlapping Debt</b>				<u><u>\$ 833,158,538</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.**

TABLE 15  
(UNAUDITED)

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Assessed Valuation of Taxable Property	\$ 3,097,560,384	\$ 2,938,796,380	\$ 3,207,842,957	\$ 3,158,978,055	\$ 3,185,373,843	\$ 3,321,340,656	\$ 3,502,318,099	\$ 3,743,994,445	\$ 3,970,401,016	\$ 4,225,688,672
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	433,658,454	411,431,493	449,098,014	442,256,928	445,952,338	464,987,692	490,324,534	524,159,222	555,856,142	591,596,414
Total net debt applicable to limit	242,277,267	227,754,694	212,687,122	202,490,416	202,225,481	322,096,761	324,329,785	380,854,582	362,760,737	343,921,764
Legal Debt Margin	\$ 191,381,187	\$ 183,676,799	\$ 236,410,892	\$ 239,766,512	\$ 243,726,857	\$ 142,890,931	\$ 165,994,749	\$ 143,304,640	\$ 193,095,405	\$ 247,674,650
Total Net Debt Applicable To The Limit										
As A Percentage of Debt Limit	55.87%	55.36%	47.36%	45.79%	45.35%	69.27%	66.15%	72.66%	65.26%	58.13%

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

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)
2010	14,311	3,956	8,679	798	27,744	93.9%	223,000	\$ 7,333,319,700	\$ 32,885	6.8%
2011	14,595	3,912	8,597	766	27,870	95.4%	221,000	8,248,383,000	37,323	6.4%
2012	14,699	3,960	8,404	704	27,766	95.7%	230,000	8,050,000,000	35,000	5.8%
2013	14,656	3,873	8,211	697	27,437	95.7%	233,250	8,327,025,000	35,700	5.0%
2014	14,727	3,972	8,019	694	27,412	95.9%	233,317	8,232,123,711	35,283	4.7%
2015	14,713	3,981	8,076	694	27,464	94.8%	236,760	8,966,811,480	37,873	3.8%
2016	14,719	3,928	8,294	710	27,651	92.5%	223,033	8,322,030,329	37,313	2.9%
2017	14,478	3,914	8,162	962	27,516	92.3%	225,374	8,646,924,258	38,367	3.1%
2018	14,443	3,914	8,160	1,069	27,586	93.3%	225,824	9,060,291,926	40,121	2.6%
2019	14,302	4,017	8,110	1,164	27,593	94.4%	227,598	9,337,240,568	41,025	2.9%

Projected Enrollment

Fiscal Year	Elementary School	Middle School	High School	Special Education & Other	Total Projected Student Enrollment
2020	14,085	4,096	8,269	1,212	27,662
2021	14,025	4,095	8,236	1,212	27,568
2022	14,005	3,898	8,456	1,212	27,571
2023	13,871	3,943	8,422	1,212	27,448
2024	13,701	4,059	8,307	1,212	27,279

(1) Enrollment counts as of September 20th.

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

Source: 2018 Johnson County CAFR and Shawnee Mission USD #512 records

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

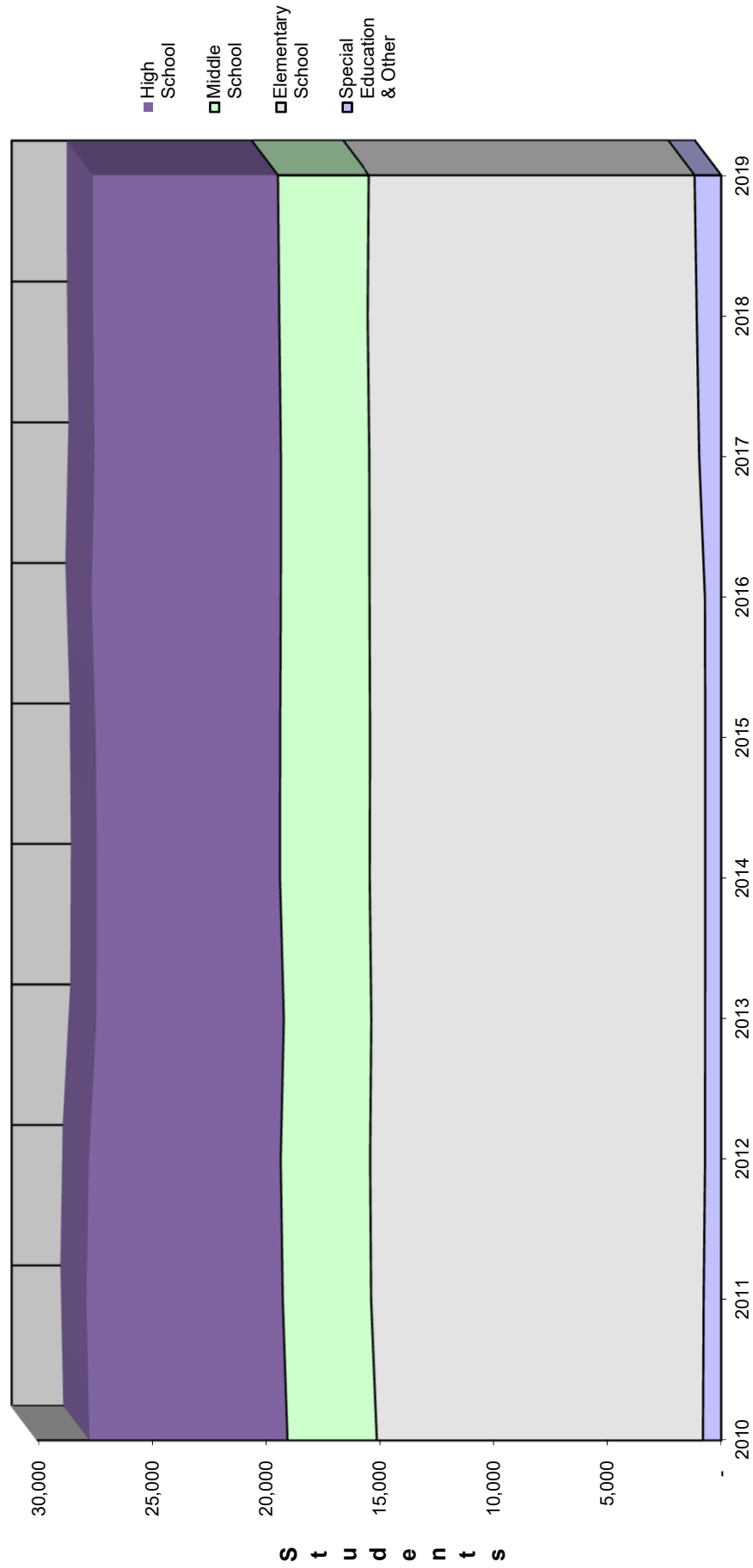


TABLE 16  
2 of 2  
(UNAUDITED)

**TABLE 17  
(UNAUDITED)**

**SHAWNEE MISSION USD #512, KANSAS  
PRINCIPAL EMPLOYERS  
JUNE 30, 2019 AND 2010**

<u>Employer</u> (1)	June 30, 2019			June 30, 2010		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
FedEx Ground Package System	575	1	1.62%	950	2	3.50%
Bayer HealthCare, LLC-Animal Div	550	2	1.55%	572	4	2.11%
City of Shawnee	350	3	0.99%	289	7	1.07%
Wal-Mart	300	4	0.85%	478	5	1.76%
Harte-Hanks	300	5	0.85%	265	8	0.98%
Nazdar	280	6	0.79%			
Hy-Vee Food Stores	245	7	0.69%	200	10	0.74%
KU MedWest	225	8	0.64%			
The Sweet Life at Rosehill	220	9	0.62%			
McAnanay Construction, Inc.	206	10	0.58%			
DeSoto USD #232				950	1	3.50%
Deffenbaugh Industries, Inc				880	3	3.25%
Perceptive Software, Inc.				475	6	1.75%
Target Super Store				250	9	0.92%
<b>Total</b>	<u>3,251</u>		<u>9.18%</u>	<u>5,309</u>		<u>19.58%</u>
City of Shawnee	<u>35,420</u>			<u>34,513</u>		

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

Source: 2018 City of Shawnee CAFR

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

**SHAWNEE MISSION USD #512, KANSAS**  
**DIRECTORY OF SCHOOL FACILITIES**  
**AS OF JUNE 30, 2019**

<u>School</u>	<u>Year Opened</u>	<u>Current Capacity</u>	<u>Enrollment As Of Sept. 20, 2018</u>	<u>Percent of Student Capacity</u>
Shawnee Mission East High School	1958	2,388	1,783	74.66%
Shawnee Mission North High School	1921	2,256	1,498	66.40%
Shawnee Mission Northwest High School	1969	2,376	1,628	68.52%
Shawnee Mission South High School	1966	2,232	1,534	68.73%
Shawnee Mission West High School	1962	2,424	1,637	67.53%
Shawnee Mission Horizons	2001	456	145	31.80%
Hocker Grove Middle School	1955	1,188	821	69.11%
Indian Hills Middle School	1955	1,176	834	70.92%
Indian Woods Middle School	1961	1,110	740	66.67%
Trailridge Middle School	1967	1,167	793	67.95%
Westridge Middle School	1962	1,434	869	60.60%
Apache Elementary	2011	592	562	94.93%
Belinder Elementary	1952	592	480	81.08%
Benninghoven Elementary	2017	550	490	89.09%
Bluejacket-Flint Elementary	1996	600	388	64.67%
Briarwood Elementary	2016	600	591	98.50%
Broken Arrow Elementary	1990	600	342	57.00%
Brookridge Elementary	1967	600	544	90.67%
Brookwood Elementary	2019	550	407	74.00%
Comanche Elementary	2008	600	437	72.83%
Corinth Elementary	1996	600	558	93.00%
Crestview Elementary	2017	510	352	69.02%
Diemer Elementary	1964	476	411	86.34%
East Antioch Elementary	1958	450	343	76.22%
Highlands Elementary	2010	600	328	54.67%
Lenexa Hills Elementary	2018	550	205	37.27%
Marsh Elementary	2006	546	540	98.90%
McAuliffe Elementary	1987	600	420	70.00%
Merriam Park Elementary	2007	568	455	80.11%
Mill Creek Elementary	1978	568	518	91.20%
Nieman Elementary	2008	600	472	78.67%
Oak Park-Carpenter Elementary	2007	546	546	100.00%
Overland Park Elementary	1998	522	441	84.48%
Pawnee Elementary	1965	600	457	76.17%
Prairie Elementary	1993	498	467	93.78%
Rising Star Elementary	1991	600	468	78.00%
Roesland Elementary	2008	568	326	57.39%
Rosehill Elementary	1966	600	541	90.17%
Rushton Elementary	1954	428	343	80.14%
Santa Fe Trail Elementary	1953	600	270	45.00%
Shawano Elementary	2016	550	469	85.27%
Sunflower Elementary	1994	600	380	63.33%
Tomahawk Elementary	1954	498	294	59.04%
Trailwood Elementary	2016	510	454	89.02%
Westwood View Elementary	1968	404	303	75.00%
Preschool & Other Enrollment			709	
Total			<u>27,593</u>	

Source: Shawnee Mission USD #512 records

TABLE 19  
(UNAUDITED)

SHAWNEE MISSION USD #512, KANSAS  
MISCELLANEOUS STATISTICAL DATA  
AS OF JUNE 30, 2019

Year of Incorporation	1969
Form of Government	Elected Board
Area of District	72 Square Miles
Population of District	227,598
Ending Enrollment 2018/2019	27,593

<b>Number of Schools</b>		<b>Average Class Size (1)</b>	
Elementary Schools	34	Elementary	21.3
Middle Schools	5	Secondary	N/A
High Schools	5		
<b>Total</b>	<b>44</b>	<b>Number of Full-Time Equivalent Employees</b>	
		Classified	1,351.7
		Certified	2,058.8
		<b>Total</b>	<b>3,410.5</b>

Teacher Summary

Degree	Number of Teachers	% of Total	Salary Range	
			Low	High
Bachelors	236	11.7%	\$ 42,136	\$ 47,242
Bachelors + 10	73	3.6%	43,093	50,686
Bachelors + 20	100	5.0%	44,056	56,981
Masters	764	37.9%	48,983	65,830
Masters + 15	185	9.2%	50,391	69,091
Masters + 30	157	7.8%	51,836	73,161
Masters + 45	91	4.5%	53,393	77,350
Masters + 60	381	18.9%	54,911	81,680
Doctorate	28	1.4%	57,467	84,343

Certified Employee Allocation

	Elementary				Total
	District Office	School	Middle School	High School	
Superintendent	1.0	-	-	-	1.0
Asst. Superintendent	6.0	-	-	-	6.0
Principals	-	35.0	5.0	6.0	46.0
Asst. Principals	-	5.0	7.0	20.0	32.0
Directors Special Ed.	7.0	-	-	-	7.0
Directors Health	1.0	-	-	-	1.0
Directors Career/Technical Ed.	1.0	-	-	-	1.0
Instructional Coordinators	8.0	-	-	-	8.0
Other Directors	2.3	-	-	-	2.3
Vocational Arts Teachers	-	-	-	59.7	59.7
Special Ed. Teachers	-	137.0	44.5	79.1	260.6
Pre-Kindergarten	-	19.0	-	-	19.0
Kindergarten	-	98.0	-	-	98.0
Other Teachers	-	746.3	204.9	375.4	1,326.6
Library Media	-	33.0	5.0	5.0	43.0
Counselors	-	1.0	10.0	20.0	31.0
School Psychologists	20.0	-	-	-	20.0
Nurses	-	37.0	5.0	6.0	48.0
Speech Pathologists	1.2	40.9	2.2	1.7	46.0
Audiologists	-	1.0	-	-	1.0
Social Workers	1.0	29.0	5.0	11.0	46.0
Reading	-	30.5	-	-	30.5
Other	18.6	-	-	-	18.6
	67.1	1,212.7	288.6	583.9	2,152.3

(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		Expenses	Cost Per Pupil	Teaching Staff	Pupil - Teacher Ratio	Percentage of Students Receiving Free or Reduced Meals
			Pupil	Pupil					
2010	27,744	\$ 297,873,039	\$ 10,736	\$ 11,707	324,801,079	\$ 11,707	2,275	12	30.85%
2011	27,870	276,757,509	9,930	10,997	306,479,631	10,997	2,179	13	33.25%
2012	27,766	275,879,780	9,936	11,088	307,881,456	11,088	2,059	13	35.53%
2013	27,437	276,176,238	10,066	10,968	300,941,100	10,968	2,036	13	35.80%
2014	27,412	279,473,913	10,195	11,044	302,748,472	11,044	2,023	14	37.84%
2015	27,464	290,627,771	10,582	11,052	303,523,371	11,052	2,010	14	36.96%
2016	27,651	270,726,613	9,791	11,269	311,591,690	11,269	1,998	14	36.96%
2017	27,516	274,423,137	9,973	11,863	326,434,178	11,863	2,012	14	36.17%
2018	27,586	297,051,714	10,768	12,140	334,882,351	12,140	2,032	14	34.37%
2019	27,593	293,674,025	10,643	12,333	340,299,079	12,333	2,059	13	34.94%

(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, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Passed through Kansas Department of Education (KSDE):					
Special Education Cluster					
Title VI-B	84.027	\$ -	\$ 184,822	\$ 184,822	\$ -
Title VI-B Pass Thru	84.027	-	5,781,664	5,781,664	-
Early Childhood Flo Thru	84.173	-	120,617	120,617	-
Subtotal Special Education Cluster			6,087,103	6,087,103	
Title I	84.010	15,312	3,455,427	3,470,739	-
Title I - Migrant Education	84.011	[12,834]	69,834	66,000	[9,000]
Title II-A Teacher Quality	84.367	20,339	625,035	633,567	11,807
Title III	84.365	[23,535]	245,494	219,414	2,545
Title IV	84.424	[22,080]	136,033	149,480	[35,527]
Carl Perkins	84.048	-	183,169	189,843	[6,674]
Education for Homeless Children and Youth	84.196	-	2,100	2,100	-
Total Department of Education Passed Through KSDE			10,804,195	10,818,246	
U.S. Department of Health & Human Services					
Passed through Kansas Department of Education (KSDE):					
TANF Cluster					
Temporary Assistance for Needy Families	93.558	-	239,731	239,731	-
Subtotal TANF Cluster			239,731	239,731	
Youth Risk Behavior Survey	93.079	-	314	314	-
Youth Risk Behavior Survey	93.938	-	2,000	2,000	-
Total Department of Health & Human Services Passed Through KSDE			242,045	242,045	
U.S. Department of Agriculture					
Passed through Kansas Department of Education (KSDE):					
Child Nutrition Cluster					
School Breakfast	10.553	-	967,490	967,490	-
National School Lunch Program	10.555	-	4,898,188	4,898,188	-
Summer Food Service Program for Children	10.559	-	89,436	89,436	-
Subtotal Child Nutrition Cluster			5,955,114	5,955,114	
Child and Adult Food Care Program	10.558	-	25,212	25,212	-
Team Nutrition Grants	10.574	-	200	200	-
Fresh Fruit & Vegetable Program	10.582	-	63,603	63,603	-
Total Department of Agriculture Passed Through KSDE			6,044,129	6,044,129	
Total			\$ 17,090,369	\$ 17,104,420	

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

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2019

1. Organization

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

2. Basis of Presentation

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

3. Local Government Contributions

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

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2019.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants at June 30, 2019.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the schedule of expenditures of federal awards.

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?        Yes   X   No

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

Noncompliance material to financial statements noted?        Yes   X   No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?        Yes   X   No

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

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

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

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.010

Title I

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

Auditee qualified as low-risk auditee?   X   Yes        No

SHAWNEE MISSION UNIFIED SCHOOL DISTRICT NO. 512  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended June 30, 2019

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

None Noted





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

Board of Education  
Shawnee Mission Unified School District No. 512

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, budgetary comparison information, and the aggregate remaining fund information of the Shawnee Mission Unified School District No. 512, (the District) as of and for the year ended June 30, 2019, 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 23, 2019.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Mike Houser: Company PA*

Certified Public Accountants

Lawrence, Kansas  
October 23, 2019



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

Board of Education  
Shawnee Mission Unified School District No. 512

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

We have audited the compliance of Shawnee Mission Unified School District No. 512, (the District) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

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

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

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

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

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

*Mike Houser: Company PA*

Certified Public Accountants

Lawrence, Kansas  
October 23, 2019