

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1996

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-15386

A. Full title of the plan and the address of the plan,
if different from that of the issuer named below:

Cerner Corporation Foundations Retirement Plan

B. Name of issuer of the securities held pursuant to the
plan and the address of its principal executive office:

Cerner Corporation
2800 Rockcreek Parkway, Suite 601
Kansas City, Missouri 64117

Financial Statements of the Cerner Corporation
Associate 401K Retirement Plan and Trust.

Independent Auditors' Report

Statement of Net Assets Available for Participants -
December 31, 1996 and December 31, 1995

Statement of Changes in Net Assest Available for Participants -
Years Ended December 31, 1996 and December 31, 1995

Notes to Financial Statements

The following financial statement, schedules
and independent auditors' report on financial statement
schedules of the Cerner Corporation Associate 401K
Retirement Plan and Trust for the two-year period ended
December 31, 1996:

Schedule I - Schedule of Assets Held for Investment Purposes
Schedule II - Schedule of Reportable Transactions

Consent of Independent Auditors

CERNER CORPORATION
FOUNDATIONS RETIREMENT PLAN

Financial Statements and Schedules

December 31, 1996 and 1995

(With Independent Auditors' Report Thereon)

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Cerner Corporation:

We have audited the accompanying statements of net assets available for participants of the Cerner Corporation Foundations Retirement Plan as of December 31, 1996 and 1995 and the related statements of changes in net assets available for participants for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for participants of the Cerner Corporation Foundations Retirement Plan as of December 31, 1996 and 1995 and the changes in net assets available for participants for the years then ended, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules of assets held for investment purposes and reportable transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The fund information in the statements of net assets available for participants and the statements of changes in net assets available for participants is presented for purposes of additional analysis rather than to present the net assets available for participants and changes in net assets available for participants of each fund. The supplemental schedules and fund information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

CERNER CORPORATION
FOUNDATIONS RETIREMENT PLAN

Statement of Net Assets Available for Participants

December 31, 1996

	Fund A	Fund B	Fund C	Fund D	Fund E	Fund F	Loans	Total
	-----	-----	-----	-----	-----	-----	-----	-----
Investments at fair value:								
Common stock of Cerner Corporation, 1,042,355 shares (cost \$9,620,806)	\$ 16,026,208	-	-	-	-	-	-	16,026,208
Twentieth Century Ultra Fund, 149,825.60 shares (cost \$3,685,233)	-	4,208,601	-	-	-	-	-	4,208,601
Twentieth Century Growth Fund, 114,371.02 shares (cost \$2,433,432)	-	-	2,502,438	-	-	-	-	2,502,438
Twentieth Century Select Fund, 38,481.54 shares (cost \$1,469,251)	-	-	-	1,482,694	-	-	-	1,482,694
Twentieth Century Balanced Fund, 58,742.28 shares (cost \$981,204)	-	-	-	-	1,013,892	-	-	1,013,892
Benham Preservation Fund, 836,952.26 shares (cost \$836,952)	-	-	-	-	-	836,952	-	836,952
Loans to participants, at cost, which approximates fair value	-	-	-	-	-	-	286,581	286,581
	-----	-----	-----	-----	-----	-----	-----	-----
Total	16,026,208	4,208,601	2,502,438	1,482,694	1,013,892	836,952	286,581	26,357,366
Cash	85,233	-	-	-	-	-	-	85,233
Contributions receivable:								
Associates	55,813	33,747	18,172	10,384	6,490	5,192	-	129,798
Employer	25,959	-	-	-	-	-	-	25,959
	-----	-----	-----	-----	-----	-----	-----	-----
Net assets available for participants	\$ 16,193,213	4,242,348	2,520,610	1,493,078	1,020,382	842,144	286,581	26,598,356
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See accompanying notes to financial statements.

CERNER CORPORATION
FOUNDATIONS RETIREMENT PLAN

Statement of Net Assets Available for Participants

December 31, 1995

	Fund A	Fund B	Fund C	Fund D	Fund E	Fund F	Loans	Total
	-----	-----	-----	-----	-----	-----	-----	-----
Investments at fair value:								
Common stock of Cerner Corporation, 922,253 shares (cost \$7,207,192)	\$ 18,906,187	-	-	-	-	-	-	18,906,187
Twentieth Century Ultra Fund, 104,064.79 shares (cost \$2,314,951)		2,717,132	-	-	-	-	-	2,717,132
Twentieth Century Growth Fund, 84,894.68 shares (cost \$1,821,710)	-	-	1,646,108	-	-	-	-	1,646,108
Twentieth Century Select Fund, 27,377.38 shares (cost \$1,033,449)	-	-	-	975,182	-	-	-	975,182
Twentieth Century Balanced Fund, 43,875.42 shares (cost \$706,165)	-	-	-	-	745,443	-	-	745,443
Chase Manhattan Capital Preservation Trust, 634,997 shares at cost, which approximates fair value	-	-	-	-	-	634,997	-	634,997
Loans to participants, at cost, which approximates fair value	-	-	-	-	-	-	207,684	207,684
	-----	-----	-----	-----	-----	-----	-----	-----
Total investments	18,906,187	2,717,132	1,646,108	975,182	745,443	634,997	207,684	25,832,733
Cash	8,363	-	-	-	-	-	-	8,363
Contributions receivable:								
Associates	94,400	46,151	31,467	16,782	10,489	10,489	1,665	211,443
Employer	25,684	-	-	-	-	-	-	25,684
	-----	-----	-----	-----	-----	-----	-----	-----
Net assets available for participants	\$ 19,034,634	2,763,283	1,677,575	991,964	755,932	645,486	209,349	26,078,223
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See accompanying notes to financial statements.

CERNER CORPORATION
FOUNDATIONS RETIREMENT PLAN

Statement of Changes in Net Assets Available for Participants

Year ended December 31, 1996

	Fund A	Fund B	Fund C	Fund D	Fund E	Fund F	Loans	Total
	-----	-----	-----	-----	-----	-----	-----	-----
Additions to net assets attributed to:								
Net appreciation (depreciation) in fair value of investments	\$ (5,020,042)	212,587	240,662	78,267	6,864	-	-	(4,481,662)
Interest and dividends	2,453	235,980	47,778	138,896	98,817	42,053	23,055	589,032
Interfund transfers	100,997	40,735	(66,345)	13,598	(27,686)	(61,299)	-	-
Employer contributions (note 2)	592,493	-	-	-	-	-	-	592,493
Associates' contributions (note 2)	2,219,846	1,335,389	825,401	414,938	277,106	321,997	-	5,394,677
Loan repayments	41,566	8,946	8,488	4,955	1,794	2,981	(68,730)	-
	-----	-----	-----	-----	-----	-----	-----	-----
Total additions (deductions)	(2,062,687)	1,833,637	1,055,984	650,654	356,895	305,732	(45,675)	2,094,540
	-----	-----	-----	-----	-----	-----	-----	-----
Deductions from net assets attributed to:								
Distributions to associates	(747,716)	(336,556)	(179,494)	(139,930)	(86,256)	(63,998)	(17,338)	(1,571,288)
Loans to participants	(30,567)	(17,762)	(33,103)	(9,425)	(6,028)	(45,024)	141,909	-
Investments expenses	(451)	(254)	(352)	(185)	(161)	(52)	(1,664)	(3,119)
	-----	-----	-----	-----	-----	-----	-----	-----
Total (deductions) additions	(778,734)	(354,572)	(212,949)	(149,540)	(92,445)	(109,074)	122,907	(1,574,407)
	-----	-----	-----	-----	-----	-----	-----	-----
Net increase (decrease)	(2,841,421)	1,479,065	843,035	501,114	264,450	196,658	77,232	520,133
Net assets available for participants:								
Beginning of year	19,034,634	2,763,283	1,677,575	991,964	755,932	645,486	209,349	26,078,223
	-----	-----	-----	-----	-----	-----	-----	-----
End of year	\$ 16,193,213	4,242,348	2,520,610	1,493,078	1,020,382	842,144	286,581	26,598,356
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See accompanying notes to financial statements.

CERNER CORPORATION
FOUNDATIONS RETIREMENT PLAN

Statement of Changes in Net Assets Available for Participants

Year ended Decemeber 31, 1995

	Fund A	Fund B	Fund C	Fund D	Fund E	Fund F	Loans	Total
	-----	-----	-----	-----	-----	-----	-----	-----
Additions to net assets attributed to:								
Net appreciation (depreciation) in fair value of investments	\$ (1,486,387)	459,796	(3,715)	32,477	56,492	-	-	(941,337)
Interest and dividends	2,379	128,649	227,678	117,977	58,568	33,239	11,831	580,321
Interfund transfers	(254,356)	298,024	28,349	(6,394)	27,802	(80,915)	(12,510)	-
Employer contributions (note 2)	450,736	-	-	-	-	-	-	450,736
Associates' contributions (note 2)	1,636,096	881,204	625,805	328,042	254,376	234,838	1,665	3,962,026
Loan repayments	11,577	12,461	2,633	1,243	464	3,047	(31,425)	-
	-----	-----	-----	-----	-----	-----	-----	-----
Total additions (deductions)	360,045	1,780,134	880,750	473,345	397,702	190,209	(30,439)	4,051,746
	-----	-----	-----	-----	-----	-----	-----	-----
Deductions from net assets attributed to:								
Distributions to associates	(1,940,404)	(216,130)	(166,164)	(71,906)	(72,959)	(338,552)	(4,959)	(2,811,074)
Loans to participants	(39,128)	(41,816)	(9,998)	(8,684)	(28,395)	(3,560)	131,581	-
Participant loan expenses	-	-	-	-	-	-	(250)	(250)
	-----	-----	-----	-----	-----	-----	-----	-----
Total (deductions) additions	(1,979,532)	(257,946)	(176,162)	(80,590)	(101,354)	(342,112)	126,372	(2,811,324)
	-----	-----	-----	-----	-----	-----	-----	-----
Net increase (decrease)	(1,619,487)	1,522,188	704,588	392,755	296,348	(151,903)	95,933	1,240,422
Net assets available for participants:								
Beginning of year	20,654,121	1,241,095	972,987	599,209	459,584	797,389	113,416	24,837,801
	-----	-----	-----	-----	-----	-----	-----	-----
End of year	\$ 19,034,634	2,763,283	1,677,575	991,964	755,932	645,486	209,349	26,078,223
	-----	-----	-----	-----	-----	-----	-----	-----

See accompanying notes to financial statements.

CERNER CORPORATION
FOUNDATIONS RETIREMENT PLAN

Notes to Financial Statements

December 31, 1996 and 1995

(1) Summary of Significant Accounting Policies

General

The following brief description of the Cerner Corporation Foundations Retirement Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan Agreement for more complete information.

The Plan was adopted by the Board of Directors of Cerner Corporation (the Company or Employer) effective November 1, 1987. The Plan is administered by a third-party administrator. All full-time associates of the Company are eligible for participation in the Plan after attaining age eighteen.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis in conformity with generally accepted accounting principles and present the Plan's net assets available for participants and changes in those net assets.

Expenses

Substantially all costs and expenses incurred in administering the Plan are paid by the Company. Expenses related to issuance of loans to participants are charged to the participant obtaining the loan.

Investments

The Plan's investments and earnings thereon are held in a bank trust account. The fair values of investments are based principally on quotations from national securities exchanges. Purchases and sales of securities are recorded on a trade-date basis.

Loans to Participants

At the discretion of the Company, loans may be made to participants in an amount up to 50% of the participant's self-directed funds balance. The loan period may not exceed ten years and the interest rate is prime plus 1%.

Use of Estimates

The Plan utilizes a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

(Continued)

CERNER CORPORATION
FOUNDATIONS RETIREMENT PLAN

Notes to Financial Statements

(2) Contributions

Participating associates may elect to make pretax contributions from 1% to 15% of their compensation to the Plan, subject to annual limits imposed by the Internal Revenue Service. Participants may direct contributions into six different investment funds. These funds include Fund A (limited to investments in the common stock of the Company), Fund B (Twentieth Century Ultra Investors), Fund C (Twentieth Century Growth Investors), Fund D (Twentieth Century Select Investors), Fund E (Twentieth Century Balanced Investors) and Fund F (Benham Preservation Fund (formerly Chase Manhattan Capital Preservation Trust)) which primarily invests in short-term investments and guaranteed insurance contracts). The Company will make matching contributions in an amount equal to 20% of the participant's annual contribution, not to exceed the lesser of 2% of the participant's compensation or \$600 per participant. All Company contributions are directed to Fund A.

(3) Distributions

Upon normal retirement, retirement for permanent disability or death, a participant is entitled to the full value of the assets attributable to his or her contributions and Company contributions made on his or her behalf. Upon termination for any other reason, a participant is entitled to 100% of his or her contributions and the vested portion of Company contributions. Company contributions vest 20% after three years of service and 20% for each additional year of service until a participant is 100% vested upon completing seven years of service. Forfeitures of nonvested contributions are allocated to all Plan participants as of the Plan year-end on a pro rata basis according to individual participant annual earnings.

Participants receive distributions from Fund A in shares of the Company's common stock, except that cash is distributed for fractional shares. Participants may also elect to receive cash for distributions with a value less than \$1,000. During the years ended December 31, 1996 and 1995, 44,382 shares and 42,192 shares of the Company's common stock, respectively, were distributed to withdrawing participants. Participants receive distributions from all other funds in cash.

(4) Tax Status

The Plan received a favorable determination letter, dated August 25, 1994, from the Internal Revenue Service confirming the tax-exempt status of the Plan under Section 401(a) of the Internal Revenue Code.

The Company is not aware of any activity or transactions that may adversely affect the qualified status of the Plan.

(Continued)

CERNER CORPORATION
FOUNDATIONS RETIREMENT PLAN

Notes to Financial Statements

(5) Plan Participants

The following summarizes the number of associate participants by fund as of December 31, 1996:

Cerner stock account	1,487
Twentieth Century Mutual Funds:	
Ultra Investors	724
Growth Investors	587
Select Investors	390
Balanced Investors	258
Benham Preservation Fund	217

CERNER CORPORATION
FOUNDATIONS RETIREMENT PLAN

Item 27 (a) - Schedule of Assets Held for Investment Purposes

December 31, 1996

Asset -----	Description -----	Cost ----	Fair value -----
Cerner Corporation	1,042,355 shares of common stock	\$ 9,620,806	16,026,208
Twentieth Century	Ultra Investors Mutual Fund, 149,825.60 shares	3,685,233	4,208,601
Twentieth Century	Growth Investors Mutual Fund, 114,371.02 shares	2,433,432	2,502,438
Twentieth Century	Select Investors Mutual Fund, 38,481.54 shares	1,469,251	1,482,694
Twentieth Century	Balanced Investors Mutual Fund, 58,742.28 shares	981,204	1,013,892
Benham Preservation Trust	836,952.26 units of participation in a pooled fund	836,952	836,952
Loans to participants	Loans to participants (bearing interest from 7% to 10%)	286,952	286,581
		-----	-----
		19,313,459	26,357,366

See accompanying independent auditors' report.

CERNER CORPORATION
FOUNDATIONS RETIREMENT PLAN

Item 27(d) - Schedule of Reportable Transactions

Year ended December 31, 1996

	Number of transactions -----	Purchase price -----
Cerner Corporation common stock (176,829 shares)	Various	\$ 3,127,101
Ultra	73	1,554,567

In addition, the Plan distributed 44,382 shares of Cerner Corporation common stock with a cost of \$508,599 to withdrawing participants was sold 12,345 shares of Cerner Corporation common stock with a cost of \$204,320 during the year ended December 31, 1996.

Transactions involving Cerner Corporation common stock are party-in-interest transactions.

NOTES:

A reportable transaction is defined by the Department of Labor as:

- * A single transaction is excess of 5% of the fair value of Plan assets.
- * A series of transactions with or in conjunction with the same person, involving property other than securities, which amounts in the aggregate to more that 5% of the fair value of the Plan assets.
- * A series of transactions with respect oto securities of the same issue which amount in the aggregate to more that 5% of the fair value of the total Plan assets.
- * Any transaction with or in conjunction with a person if a prior or subsequent single transaction has occurred with respect to securities with or in conjunction with the same person in an amount in excess of 5% of the fair value of Plan assets.

A reportable transaction is identified by comparing the fair value of the transaction at the transaction date with the fair value of the Plan assets at the beginning of the year ended December 31, 1996.

See accompanying independent auditors' report.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Cerner Corporation Foundations Retirement Plan

(Name of Plan)

Date: June 26, 1997

/s/Maureen M. Evans

Maureen M. Evans

Title: Administrator

/s/Rene L. Whitcraft

/s/Clifford W. Illig

Rene L. Whitcraft

Clifford W. Illig

Title: Administrator

Title: Administrator

INDEPENDENT AUDITORS' CONSENT

The Board of Directors
Cerner Corporation:

We consent in incorporation by reference in the Registration Statements (No. 33-56868, No. 33-55082, No. 33-41580, No. 33-39777, No. 33-39776, No. 33-20155 and No. 33-15156) on Form S-8 of Cerner Corporation of our report dated June 13, 1997, relating to the statements of net assets available for participants of Cerner Corporation Foundations Retirement Plan as of December 31, 1996 and 1995, and the related statements of changes in net assets available for participants for the years ended and the related supplemental schedules of assets held for investment purposes and reportable transactions, which report included herein.

/s/ KPMG Peat Marwick LLP

Kansas City, Missouri
June 26, 1997

