

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345

Topeka, Kansas

Financial Statements

For the Year Ended June 30, 2017

This page intentionally left blank.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Financial Statements
For the Year Ended June 30, 2017

Table of Contents

	<u>Page Number</u>
INTRODUCTORY SECTION	
Table of Contents	i - ii
FINANCIAL SECTION	
Independent Auditor's Report	1 – 2
Summary Statement of Receipts, Expenditures and Unencumbered Cash	3
Notes to the Financial Statements	4 - 11
REGULATORY REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE 1	
Summary of Expenditures - Actual and Budget	12
SCHEDULE 2	
Schedule of Receipts and Expenditures - Actual and Budget and Actual Only	
General Fund	13
Supplemental General Fund	14
Special Education Fund	15
Driver Education Fund	16
Food Service Fund	17
Capital Outlay Fund	18
Vocational Education Fund	19
Professional Development Fund	20
At-Risk Fund	21
Parent Education Fund	22
Adult Supplemental Education Fund	23
Summer School Fund	24
4 Year Old At-Risk Fund	25
KPERS Special Retirement Contribution Fund	26
Gifts and Grants Fund	27
Federal Grant Funds	28
Textbook Rental Fund	29
Sewer Assessment Fund	30
Extraordinary School Program Fund	31
Other Gifts and Grants Fund	32
Bond and Interest Fund	33
Construction Fund	34
Private Purpose Trust Fund	35

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Financial Statements
For the Year Ended June 30, 2017

Table of Contents
(Continued)

	<u>Page Number</u>
SCHEDULE 3	
Summary of Receipts and Disbursements	
Student Organization and Other Agency Funds	36 - 38
SCHEDULE 4	
Schedule of Receipts, Expenditures, and Unencumbered Cash	
Athletic Gate Receipts	39
District Activity Funds	40 - 41
GOVERNMENTAL AUDIT SECTION	
Schedule of Expenditures of Federal Awards	42
Notes to the Schedule of Expenditures of Federal Awards	43
Schedule of Findings and Questioned Costs	44- 46
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"	47 - 48
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	49 - 50

INDEPENDENT AUDITOR'S REPORT

Board of Education
Seaman Unified School District No. 345
Topeka, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Seaman Unified School District No. 345, Topeka, Kansas, (the District), as of and for the year ended June 30, 2017 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* (KMAAG) as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement 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*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Seaman Unified School District No. 345, Topeka, Kansas, as of June 30, 2017, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District, as of June 30, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the KMAAG described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory receipts and expenditures-actual and budget, summary of regulatory receipts and disbursements-agency funds, and the schedule of regulatory receipts, expenditures and unencumbered cash-district activity funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statements, however they are required to be presented under the provisions of the KMAAG. The accompanying 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 not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, 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 statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Other Matter

Prior Period Financial Statements

The financial statements of the District as of June 30, 2016, were audited by other auditors whose report dated January 3, 2017, expressed an unmodified opinion, in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, on those statements.

Mjc Houser & Company PA

Certified Public Accountants
Lawrence, Kansas

December 11, 2017

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For The Year Ended June 30, 2017

<u>Fund</u>	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled Encumbrances	<u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Add Outstanding Encumbrances and Accounts Payable	Ending Cash <u>Balance</u>
Governmental Type Funds:							
General Funds:							
General Fund	\$ 2,058	\$ -	\$ 25,269,103	\$ 25,271,161	\$ -	\$ 118,668	\$ 118,668
Supplemental General	245,844	-	7,437,068	7,475,889	207,023	-	207,023
Special Purpose Funds:							
Special Education	2,821,908	-	7,547,681	7,277,584	3,092,005	8,370	3,100,375
Driver Education	132,470	-	69,326	53,100	148,696	-	148,696
Food Service	251,541	-	1,756,503	1,764,910	243,134	2,500	245,634
Capital Outlay	3,567,448	-	4,608,371	4,794,888	3,380,931	1,503,441	4,884,372
Vocational Education	-	-	558,708	558,708	-	600	600
Professional Development	5,370	-	50,000	50,000	5,370	-	5,370
At-Risk	-	-	2,100,768	2,100,768	-	2,429	2,429
Parent Education	-	-	26,300	26,300	-	-	-
Adult Supplemental Education	221	-	-	-	221	-	221
Summer School	63,958	-	6,460	641	69,777	-	69,777
4 Year Old At-Risk	-	-	120,000	120,000	-	-	-
KPERS Special Retirement Contribution	-	-	2,011,429	2,011,429	-	-	-
Gifts and Grants	95,264	-	10,713	17,531	88,446	3,204	91,650
Federal Grant	[10,262]	-	508,620	529,384	[31,026]	8,496	[22,530]
Textbook Rental	596,811	-	411,680	241,568	766,923	39,673	806,596
Sewer Assessment	10,074	-	-	-	10,074	-	10,074
Extraordinary School Program	56	-	-	-	56	-	56
Other Gifts and Grants	[17,945]	-	87,178	74,161	[4,928]	3,365	[1,563]
District Activity Funds - Gate Receipts	27,713	-	234,779	223,234	39,258	-	39,258
District Activity Funds	90,613	-	271,879	279,746	82,746	-	82,746
Bond and Interest Funds:							
Bond and Interest Fund	2,451,097	-	4,040,076	4,222,590	2,268,583	-	2,268,583
Capital Projects Fund							
Construction	4,747,979	-	3,721	4,278,077	473,623	2,492,000	2,965,623
Fiduciary Funds:							
Seaman Private Purpose Trust	4,539	-	-	-	4,539	-	4,539
Total	<u>\$ 15,086,757</u>	<u>\$ -</u>	<u>\$ 57,130,363</u>	<u>\$ 61,371,669</u>	<u>\$ 10,845,451</u>	<u>\$ 4,182,746</u>	<u>\$ 15,028,197</u>
Composition of Cash:							
Silver Lake Bank							
Checking accounts							\$ 2,345,231
Money market							9,128,381
Kansas Municipal Investment Pool							3,476,512
Kaw Valley State Bank							
Checking							87,724
Savings							187,784
Certificates of Deposit							<u>42,000</u>
Total Cash							15,267,632
Less: Agency Funds per Schedule 3							<u>[239,435]</u>
Total Reporting Entity (excluding Agency Funds per Schedule 3)							<u>\$ 15,028,197</u>

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

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2017

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Seaman Unified School District No. 345 (the District) is a municipal corporation governed by an elected seven-member board. This financial statement includes all the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of \$602 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the District for the year ended June 30, 2017:

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Projects Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Agency Fund - funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, student organization fund, etc.).

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2017

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Fiduciary Fund - used to report assets held in a trust for others and which therefore cannot be used to support the government's own programs (i.e. permanent trust funds, etc.).

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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 calendar year on or before August 1.
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.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The 2016-17 budget was not amended.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior years 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. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, agency funds, and the following special purpose funds: Textbook Rental, Sewer Assessment, Extraordinary School Program, Other Gifts and Grants Fund, Gate Receipts, and District Activity Funds.

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

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2017

NOTE 2 - Deposits and Investments

Deposits. K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

As of June 30, 2017, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		Rating U.S.
		Less than 1	1-2	
Kansas Municipal Investment Pool	\$ 3,476,512	\$ 3,476,512	\$ -	S&P AA+/S1+

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's investments were composed entirely of deposits with the Kansas Municipal Investment Pool during and as of the fiscal year ended June 30, 2017.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods." All deposits were legally secured at June 30, 2017.

At June 30, 2017, the District's carrying amount of deposits was \$11,791,120 and the bank balance was \$10,989,649. The bank balance was held by two banks, resulting in a concentration of credit risk. Of the bank balance, \$605,309 was covered by federal depository insurance and \$10,384,340 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At June 30, 2017, the District had invested \$3,476,512 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2017

NOTE 3 - In-Substance Receipt in Transit

The District received \$1,614,061 in General State Aid and \$356,543 in Supplemental General State Aid subsequent to June 30, 2017 and, as required by K.S.A. 72-6466, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2017.

NOTE 4 - Long-Term Debt

The District is subject to statutes of the State of Kansas, which limit the bonded debt outstanding to 14% of the assessed valuation. The District requested and received approval under K.S.A. 75-2315 which allows the issuance of bonded debt in excess of the general bond debt limitation.

Following is a summary of changes in long-term debt for the year ended June 30, 2017:

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Original Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Restated Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds:									
Series 2011	2.0 - 4.0%	06/30/11	\$ 8,990,000	09/01/16	\$ 2,270,000	\$ -	\$ 2,270,000	\$ -	\$ 36,400
Series 2013A	1.5 - 5.0%	05/14/13	57,485,000	09/01/36	57,485,000	-	-	57,485,000	1,916,190
Certificates of Participation:									
Series 2014	2.0 - 3.5%	05/01/14	1,200,000	05/01/24	985,000	-	110,000	875,000	32,163
Lease Purchase Agreements									
Apple Lease	1.05%	06/12/15	730,082	07/15/19	630,785	-	155,234	475,551	6,623
Apple Lease	1.46%	04/15/16	1,480,833	07/05/20	1,480,833	-	195,196	1,285,637	4,804
Apple Lease	1.77%	06/09/17	1,028,814	07/15/21	-	1,028,814	-	1,028,814	-
Total Contractual Indebtedness					<u>\$ 62,851,618</u>	<u>\$ 1,028,814</u>	<u>\$ 2,730,430</u>	<u>\$ 61,150,002</u>	<u>\$ 1,996,180</u>

Annual debt service requirements to maturity for long-term debt:

<u>Year Ended June 30,</u>	<u>General Obligation Bonds</u>		
	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2018	\$ 1,714,752	\$ 1,881,895	\$ 3,596,647
2019	2,100,000	1,831,850	3,931,850
2020	1,991,019	2,040,081	4,031,100
2021	1,948,570	2,112,530	4,061,100
2022	1,905,644	2,195,456	4,101,100
2023 - 2027	11,335,015	9,550,235	20,885,250
2028 - 2032	15,965,000	5,767,500	21,732,500
2033 - 2037	20,525,000	2,133,100	22,658,100
Total	<u>\$ 57,485,000</u>	<u>\$ 27,512,647</u>	<u>\$ 84,997,647</u>

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2017

NOTE 4 - Long-Term Debt (Continued)

Year Ended June 30,	Certificates of Participation		
	Principal Due	Interest Due	Total Due
2018	\$ 115,000	\$ 28,863	\$ 143,863
2019	115,000	25,413	140,413
2020	120,000	21,963	141,963
2021	125,000	18,063	143,063
2022	130,000	14,000	144,000
2023 - 2024	270,000	14,175	284,175
Total	<u>\$ 875,000</u>	<u>\$ 122,477</u>	<u>\$ 997,477</u>

Year Ended June 30,	Capital Leases		
	Principal Due	Interest Due	Total Due
2018	\$ 682,921	\$ 25,585	\$ 708,506
2019	676,516	31,990	708,506
2020	686,360	22,146	708,506
2021	534,494	12,154	546,648
2022	209,711	3,712	213,423
Total	<u>\$ 2,790,002</u>	<u>\$ 95,587</u>	<u>\$ 2,885,589</u>

NOTE 5 – Operating Leases

The District has a four-year operating lease for a 16 passenger bus. As of June 30, 2017, future annual minimum lease payments are \$6,287 for the next year. Lease expense for the current year was \$8,382.

The District has a four-year operating lease for four 16 passenger busses. As of June 30, 2017, future annual minimum lease payments are \$33,260 for each of the next two years with a payment of \$24,945 in year four of the lease. Lease expense for the current year was \$33,260.

The District has a four- year operating lease for sixteen 12 passenger busses. As of June 30, 2017, future annual minimum lease payments are \$143,040 for each of the next two years. Lease expense for the current year was \$143,040.

The District has a four-year operating lease for a 12 passenger bus. As of June 30, 2017, future annual minimum lease payments are \$10,600 for each of the next two years with a payment of \$7,950 in year four of the lease. Lease expense for the current year was \$10,600.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2017

NOTE 6 - Interfund Transactions

Transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	At-Risk	\$ 919,236	K.S.A. 72-6478
General	KPERS Special Retirement Contribution	2,011,429	K.S.A. 72-6478
General	Special Education	4,726,249	K.S.A. 72-6478
General	Parent Education	26,300	K.S.A. 72-6478
General	Vocational Education	237,621	K.S.A. 72-6478
General	4 Year Old At-Risk	69,269	K.S.A. 72-6478
General	Food Service	1,354	K.S.A. 72-6478
Supplemental General	At-Risk	1,181,532	K.S.A. 72-6478
Supplemental General	Special Education	1,659,193	K.S.A. 72-6478
Supplemental General	Professional Development	50,000	K.S.A. 72-6478
Supplemental General	Vocational Education	292,295	K.S.A. 72-6478
Supplemental General	4 Year Old At-Risk	50,731	K.S.A. 72-6478
		<u>\$ 11,225,209</u>	

NOTE 7 - Defined Benefit Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report, which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contribution rates are withheld by their employer and paid to KPERS according to provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate was 16.03% and 10.81%, respectively, for the fiscal year ended June 30, 2017. Per 2016 House Substitute for Senate Bill 161, Section 98(a)(1), state general fund and expanded lottery act revenue funds for employer contributions to KPERS were deferred. The amount deferred for school contributions was \$92,917,091.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$2,011,429 for the year ended June 30, 2017.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2017

NOTE 7 - Defined Benefit Pension Plan (Continued)

Net Pension Liability. At June 30, 2017, the District's proportionate share of the collective net pension liability reported by KPERS was \$37,795,752. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2016. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report, including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the KPERS website at www.kpers.org or can be obtained as described above.

NOTE 8 – Commitments and Contingencies

During the year ended June 30, 2013, the District issued General Obligation bonds Series 2013 A and B in the amounts of \$57,485,000 and \$5,000, respectively, for the construction of a new middle school, improvements to other District facilities and sites including additions at West Indianola, Elmont, and North Fairview elementary schools and remodeling the current middle school for use as an elementary school. Construction began in fiscal year 2014, continued through 2015, 2016 and 2017, and will continue into 2018.

NOTE 9 – 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; injuries to employees; and natural disasters for which the District carries commercial insurance. Settled claims have not exceeded commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

NOTE 10 – Compensated Absences

Under the terms of the District's personnel policy, District employees are granted annual, personal and sick leave in varying amounts depending on whether the employee is hourly or contracted. The cost of this leave has not been quantified in this financial statement

NOTE 11 – Post-Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. Employees who retire with twenty or more years of service are allowed to stay on the District's health insurance and the District pays for single full coverage until the retiree reaches Medicare eligibility age. While other retirees pay the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2017

NOTE 12 – Seaman High School Bank

Seaman High School Bank is operated as a commercial bank with its undivided profits considered District money. The balance sheet and income and transactions in undivided profits as of and for the year ended June 30, 2017 is as follows:

Seaman High School Bank
Balance Sheet
June 30, 2017

Assets:	
Cash	\$ 258,693
Certificates of deposit	42,000
Notes receivable	<u>119</u>
Total assets	<u><u>\$ 300,812</u></u>
Liabilities:	
Depositors' accounts	<u>\$ 282,954</u>
Equity:	
Capital Stock	312
Undivided profits	<u>17,546</u>
Total equity	<u>17,858</u>
Total liabilities and equity	<u><u>\$ 300,812</u></u>

Income and Transactions in Undivided Profits
Year Ended June 30, 2017

Revenues:	
Interest earned	\$ 289
Expenses:	
Miscellaneous	<u>1,162</u>
Decrease in undivided profits	[873]
Undivided profits, beginning of year	<u>18,419</u>
Undivided profits, end of year	<u><u>\$ 17,546</u></u>

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Summary of Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Over [Under]</u>
Governmental Type Funds:						
General Funds:						
General Fund	\$ 26,172,652	\$ [902,093]	\$ 602	\$ 25,271,161	\$ 25,271,161	\$ -
Supplemental General	7,475,889	-	-	7,475,889	7,475,889	-
Special Purpose Funds:						
Special Education	7,680,800	-	-	7,680,800	7,277,584	[403,216]
Driver Education	53,100	-	-	53,100	53,100	-
Food Service	1,802,219	-	-	1,802,219	1,764,910	[37,309]
Capital Outlay	5,995,000	-	-	5,995,000	4,794,888	[1,200,112]
Vocational Education	580,000	-	-	580,000	558,708	[21,292]
Professional Development	50,000	-	-	50,000	50,000	-
At-Risk	2,300,000	-	-	2,300,000	2,100,768	[199,232]
Parent Education Program	26,300	-	-	26,300	26,300	-
Adult Supplemental Education	-	-	-	-	-	-
Summer School	20,000	-	-	20,000	641	[19,359]
4 Year Old At-Risk	120,000	-	-	120,000	120,000	-
KPERs Special Retirement Contribution	2,897,792	-	-	2,897,792	2,011,429	[886,363]
Gifts and Grants	100,000	-	-	100,000	17,531	[82,469]
Federal Grant	599,425	-	-	599,425	529,384	[70,041]
Bond and Interest Fund:						
Bond and Interest	4,222,590	-	-	4,222,590	4,222,590	-

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

	Actual	Budget	Variance Over [Under]
Receipts			
State aid			
General state aid	\$ 19,186,308	\$ 19,352,302	\$ [165,994]
Special education state aid	4,070,764	3,920,500	150,264
KPERS state aid	2,011,429	2,897,792	[886,363]
Reimbursed expense	602	-	602
Total Receipts	<u>25,269,103</u>	<u>\$ 26,170,594</u>	<u>\$ [901,491]</u>
Expenditures			
Instruction	10,743,987	\$ 10,443,427	\$ 300,560
Student support services	127,221	154,500	[27,279]
Instructional support staff	1,275,798	1,251,000	24,798
General administration	1,070,898	967,500	103,398
Central services	221,767	263,300	[41,533]
Operations and maintenance	2,481,439	2,182,400	299,039
Transportation	1,358,593	1,328,700	29,893
Transfers out	7,991,458	9,581,825	[1,590,367]
Adjustment for qualifying budget credits	-	602	[602]
Adjustment to comply with legal max budget	-	[902,093]	902,093
Total Expenditures	<u>25,271,161</u>	<u>\$ 25,271,161</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[2,058]		
Unencumbered Cash, Beginning	<u>2,058</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Taxes and Shared Revenue:			
Ad valorem property tax	\$ 3,349,515	\$ 3,447,506	\$ [97,991]
Delinquent tax	34,317	26,385	7,932
Motor vehicle tax	538,073	466,010	72,063
Recreational vehicle tax	-	6,533	[6,533]
Commercial vehicle tax	-	35,691	[35,691]
State aid	<u>3,515,163</u>	<u>3,515,163</u>	<u>-</u>
 Total Receipts	 <u>7,437,068</u>	 <u>\$ 7,497,288</u>	 <u>\$ [60,220]</u>
Expenditures			
Instruction	767,707	\$ 792,500	\$ [24,793]
Student support services	942,309	964,000	[21,691]
School administration	1,674,257	1,851,000	[176,743]
Operations and maintenance	857,865	710,000	147,865
Transfers out	<u>3,233,751</u>	<u>3,158,389</u>	<u>75,362</u>
 Total Expenditures	 <u>7,475,889</u>	 <u>\$ 7,475,889</u>	 <u>\$ -</u>
 Receipts Over [Under] Expenditures	 [38,821]		
 Unencumbered Cash, Beginning	 <u>245,844</u>		
 Unencumbered Cash, Ending	 <u>\$ 207,023</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Federal aid	\$ 708,686	\$ -	\$ 708,686
Medicaid	418,767	-	418,767
Investment income	34,786	-	34,786
Transfers in	<u>6,385,442</u>	<u>6,825,599</u>	<u>[440,157]</u>
Total Receipts	<u>7,547,681</u>	<u>\$ 6,825,599</u>	<u>\$ 722,082</u>
Expenditures			
Instruction	4,637,562	\$ 5,033,000	\$ [395,438]
Student support services	1,437,733	1,424,000	13,733
Instructional support staff	12,056	10,000	2,056
General administration	415,478	440,800	[25,322]
Transportation	<u>774,755</u>	<u>773,000</u>	<u>1,755</u>
Total Expenditures	<u>7,277,584</u>	<u>\$ 7,680,800</u>	<u>\$ [403,216]</u>
Receipts Over [Under] Expenditures	270,097		
Unencumbered Cash, Beginning	<u>2,821,908</u>		
Unencumbered Cash, Ending	<u>\$ 3,092,005</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Driver Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
State aid	\$ 20,144	\$ 25,800	\$ [5,656]
Miscellaneous	<u>49,182</u>	<u>-</u>	<u>49,182</u>
Total Receipts	<u>69,326</u>	<u>\$ 25,800</u>	<u>\$ 43,526</u>
Expenditures			
Instruction	<u>53,100</u>	<u>\$ 53,100</u>	<u>\$ -</u>
Total Expenditures	<u>53,100</u>	<u>\$ 53,100</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	16,226		
Unencumbered Cash, Beginning	<u>132,470</u>		
Unencumbered Cash, Ending	<u>\$ 148,696</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Federal aid	\$ 946,543	\$ 843,231	\$ 103,312
State aid	20,075	17,221	2,854
Charges for services	785,626	703,438	82,188
Investment income	1,823	-	1,823
Transfer in	1,354	-	1,354
Miscellaneous	<u>1,082</u>	<u>-</u>	<u>1,082</u>
Total Receipts	<u>1,756,503</u>	<u>\$ 1,563,890</u>	<u>\$ 192,613</u>
Expenditures			
Food service operation	1,707,531	\$ 1,730,000	\$ [22,469]
Operations and maintenance	<u>57,379</u>	<u>72,219</u>	<u>[14,840]</u>
Total Expenditures	<u>1,764,910</u>	<u>\$ 1,802,219</u>	<u>\$ [37,309]</u>
Receipts Over [Under] Expenditures	[8,407]		
Unencumbered Cash, Beginning	<u>251,541</u>		
Unencumbered Cash, Ending	<u>\$ 243,134</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts			
Taxes and Shared Revenue:			
Ad valorem property tax	\$ 1,868,032	\$ 1,805,435	\$ 62,597
Delinquent tax	14,557	12,570	1,987
Motor vehicle tax	273,857	238,545	35,312
Recreational vehicle tax	-	3,344	[3,344]
Commercial vehicle tax	-	18,270	[18,270]
Investment income	60,590	-	60,590
Miscellaneous	187,644	-	187,644
State aid	661,271	667,603	[6,332]
Reimbursement	<u>1,542,420</u>	<u>-</u>	<u>1,542,420</u>
 Total Receipts	 <u>4,608,371</u>	 <u>\$ 2,745,767</u>	 <u>\$ 1,862,604</u>
Expenditures			
Instruction	1,014,186	\$ 2,000,000	\$ [985,814]
Operations and maintenance	62,481	2,010,000	[1,947,519]
Transportation	512,888	535,000	[22,112]
Other support services	6,734	-	6,734
Site and building improvements	3,054,936	810,000	2,244,936
Debt service	<u>143,663</u>	<u>640,000</u>	<u>[496,337]</u>
 Total Expenditures	 <u>4,794,888</u>	 <u>\$ 5,995,000</u>	 <u>\$ [1,200,112]</u>
 Receipts Over [Under] Expenditures	 [186,517]		
 Unencumbered Cash, Beginning	 <u>3,567,448</u>		
 Unencumbered Cash, Ending	 <u>\$ 3,380,931</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Vocational Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Local revenues	\$ -	\$ 30,000	\$ [30,000]
State aid	4,318	5,003	[685]
Federal aid	24,474	24,474	-
Transfers in	<u>529,916</u>	<u>520,523</u>	<u>9,393</u>
Total Receipts	<u>558,708</u>	<u>\$ 580,000</u>	<u>\$ [21,292]</u>
Expenditures			
Instruction	553,171	\$ 573,800	\$ [20,629]
Student support staff	-	250	[250]
Instructional support staff	<u>5,537</u>	<u>5,950</u>	<u>[413]</u>
Total Expenditures	<u>558,708</u>	<u>\$ 580,000</u>	<u>\$ [21,292]</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Transfers in	\$ 50,000	\$ 50,000	\$ -
Total Receipts	<u>50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Expenditures			
Instructional support	<u>50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Total Expenditures	<u>50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>5,370</u>		
Unencumbered Cash, Ending	<u>\$ 5,370</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
At-Risk Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Transfer in	\$ 2,100,768	\$ 2,300,000	\$ [199,232]
Total Receipts	<u>2,100,768</u>	<u>\$ 2,300,000</u>	<u>\$ [199,232]</u>
Expenditures			
Instruction	<u>2,100,768</u>	<u>\$ 2,300,000</u>	<u>\$ [199,232]</u>
Total Expenditures	<u>2,100,768</u>	<u>\$ 2,300,000</u>	<u>\$ [199,232]</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Parent Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Transfers in	\$ 26,300	\$ 26,300	\$ -
Total Receipts	<u>26,300</u>	<u>\$ 26,300</u>	<u>\$ -</u>
Expenditures			
Student support services	<u>26,300</u>	<u>\$ 26,300</u>	<u>\$ -</u>
Total Expenditures	<u>26,300</u>	<u>\$ 26,300</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Adult Supplemental Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Charges for services	\$ -	\$ -	\$ -
Total Receipts	-	\$ -	\$ -
Expenditures			
Instruction	-	\$ -	\$ -
Total Expenditures	-	\$ -	\$ -
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	221		
Unencumbered Cash, Ending	\$ 221		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Summer School Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Tuition	\$ 6,460	\$ 10,000	\$ [3,540]
Total Receipts	<u>6,460</u>	<u>\$ 10,000</u>	<u>\$ [3,540]</u>
Expenditures			
Instruction	<u>641</u>	\$ 20,000	\$ [19,359]
Total Expenditures	<u>641</u>	<u>\$ 20,000</u>	<u>\$ [19,359]</u>
Receipts Over [Under] Expenditures	5,819		
Unencumbered Cash, Beginning	<u>63,958</u>		
Unencumbered Cash, Ending	<u>\$ 69,777</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
4 Year Old At-Risk Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Transfer in	\$ 120,000	\$ 120,000	\$ -
Total Receipts	<u>120,000</u>	<u>\$ 120,000</u>	<u>\$ -</u>
Expenditures			
Instruction	46,084	\$ 120,000	\$ [73,916]
Transportation	<u>73,916</u>	<u>-</u>	<u>73,916</u>
Total Expenditures	<u>120,000</u>	<u>\$ 120,000</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Transfers in	\$ 2,011,429	\$ 2,897,792	\$ [886,363]
 Total Receipts	 <u>2,011,429</u>	 <u>\$ 2,897,792</u>	 <u>\$ [886,363]</u>
Expenditures			
Instruction	1,327,543	\$ 1,912,542	\$ [584,999]
Student support services	120,686	173,868	[53,182]
Instructional support staff	80,457	115,884	[35,427]
General administration	40,229	57,955	[17,726]
School administration	140,800	202,845	[62,045]
Central services	20,114	28,978	[8,864]
Operations and maintenance	120,686	173,868	[53,182]
Transportation	100,571	144,890	[44,319]
Food service	60,343	86,962	[26,619]
 Total Expenditures	 <u>2,011,429</u>	 <u>\$ 2,897,792</u>	 <u>\$ [886,363]</u>
 Receipts Over [Under] Expenditures	 -		
 Unencumbered Cash, Beginning	 -		
 Unencumbered Cash, Ending	 <u>\$ -</u>		

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Gifts and Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Contributions and donations	\$ 8,978	\$ 25,000	\$ [16,022]
Miscellaneous	<u>1,735</u>	<u>-</u>	<u>1,735</u>
Total Receipts	<u>10,713</u>	<u>\$ 25,000</u>	<u>\$ [14,287]</u>
Expenditures			
Instruction	11,108	\$ 100,000	\$ [88,892]
Instructional support staff	4,688	-	4,688
Food service	<u>1,735</u>	<u>-</u>	<u>1,735</u>
Total Expenditures	<u>17,531</u>	<u>\$ 100,000</u>	<u>\$ [82,469]</u>
Receipts Over [Under] Expenditures	[6,818]		
Unencumbered Cash, Beginning	<u>95,264</u>		
Unencumbered Cash, Ending	<u>\$ 88,446</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Federal Grant Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

	Title I <u>2016-2017</u>	Logan 21st Century <u>2016-2017</u>	Title VI-B <u>2016-2017</u>	Title VI-B <u>2015-2016</u>
Receipts				
Federal aid	\$ 403,074	\$ 10,000	\$ -	\$ -
Total Receipts	<u>403,074</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
Expenditures				
Instruction	403,074	-	13,000	-
Transportation	-	10,000	-	-
Instructional support staff	<u>-</u>	<u>-</u>	<u>7,744</u>	<u>20</u>
Total Expenditures	<u>403,074</u>	<u>10,000</u>	<u>20,744</u>	<u>20</u>
Receipts Over [Under] Expenditures	-	-	[20,744]	[20]
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>[10,262]</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ [20,744]</u>	<u>\$ [10,282]</u>

Private School PS 3-21 2016-2017	Title II-A 2016-2017	Actual	Total Budget	Variance Over [Under]
\$ 3,361	\$ 92,185	\$ 508,620	\$ 635,259	\$ [126,639]
<u>3,361</u>	<u>92,185</u>	<u>508,620</u>	<u>\$ 635,259</u>	<u>\$ [126,639]</u>
3,361	-	419,435	\$ 470,000	\$ [50,565]
-	-	10,000	425	9,575
<u>-</u>	<u>92,185</u>	<u>99,949</u>	<u>129,000</u>	<u>[29,051]</u>
<u>3,361</u>	<u>92,185</u>	<u>529,384</u>	<u>\$ 599,425</u>	<u>\$ [70,041]</u>
-	-	[20,764]		
<u>-</u>	<u>-</u>	<u>[10,262]</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ [31,026]</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Textbook Rental Fund
Schedule of Receipts and Expenditures - Actual Only
Regulatory Basis
For The Year Ended June 30, 2017

Receipts	
Charges for services	\$ 411,680
Total Receipts	<u>411,680</u>
Expenditures	
Instruction	<u>241,568</u>
Total Expenditures	<u>241,568</u>
Receipts Over [Under] Expenditures	170,112
Unencumbered Cash, Beginning	<u>596,811</u>
Unencumbered Cash, Ending	<u>\$ 766,923</u>

* This fund is not required to be budgeted.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Sewer Assessment Fund*
Schedule of Receipts and Expenditures - Actual Only
Regulatory Basis
For The Year Ended June 30, 2017

Receipts	
Delinquent tax	\$ -
Total Receipts	-
Expenditures	
Instruction	-
Total Expenditures	-
Receipts Over [Under] Expenditures	-
Unencumbered Cash, Beginning	10,074
Unencumbered Cash, Ending	\$ 10,074

* This fund is not required to be budgeted.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Extraordinary School Program Fund*
Schedule of Receipts and Expenditures - Actual Only
Regulatory Basis
For The Year Ended June 30, 2017

Receipts	
Reimbursement of expenses	\$ <u>-</u>
Total Receipts	<u>-</u>
Expenditures	
Instruction	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over [Under] Expenditures	-
Unencumbered Cash, Beginning	<u>56</u>
Unencumbered Cash, Ending	<u>\$ 56</u>

* This fund is not required to be budgeted.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Other Gifts and Grants Fund*
Schedule of Receipts and Expenditures - Actual Only
Regulatory Basis
For The Year Ended June 30, 2017

Receipts	
Federal aid	\$ 87,178
Total Receipts	<u>87,178</u>
Expenditures	
Instruction	51,856
Instructional support staff	<u>22,305</u>
Total Expenditures	<u>74,161</u>
Receipts Over [Under] Expenditures	13,017
Unencumbered Cash, Beginning	<u>[17,945]</u>
Unencumbered Cash, Ending	<u>\$ [4,928]</u>

* This fund is not required to be budgeted.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Taxes and Shared Revenues:			
Ad valorem property tax	\$ 2,240,283	\$ 4,413,253	\$ [2,172,970]
Delinquent tax	19,563	11,957	7,606
Motor vehicle tax	302,323	266,347	35,976
Recreational vehicle tax	-	3,734	[3,734]
Commercial vehicle tax	-	20,399	[20,399]
State aid	<u>1,477,907</u>	<u>1,477,907</u>	<u>-</u>
 Total Receipts	 <u>4,040,076</u>	 <u>\$ 6,193,597</u>	 <u>\$ [2,153,521]</u>
 Expenditures			
Principal	2,270,000	\$ 2,270,000	\$ -
Interest	<u>1,952,590</u>	<u>1,952,590</u>	<u>-</u>
 Total Expenditures	 <u>4,222,590</u>	 <u>\$ 4,222,590</u>	 <u>\$ -</u>
 Receipts Over [Under] Expenditures	 [182,514]		
 Unencumbered Cash, Beginning	 <u>2,451,097</u>		
 Unencumbered Cash, Ending	 <u>\$ 2,268,583</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Construction Fund*
Schedule of Receipts and Expenditures - Actual Only
Regulatory Basis
For The Year Ended June 30, 2017

Receipts	
Interest income	<u>\$ 3,721</u>
Total Receipts	<u>3,721</u>
 Expenditures	
Site and building improvements	<u>4,278,077</u>
Total Expenditures	<u>4,278,077</u>
 Receipts Over [Under] Expenditures	 [4,274,356]
 Unencumbered Cash, Beginning	 <u>4,747,979</u>
 Unencumbered Cash, Ending	 <u>\$ 473,623</u>

* This fund is not required to be budgeted.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Private Purpose Trust Funds*
Schedule of Receipts and Expenditures - Actual Only
Regulatory Basis
For The Year Ended June 30, 2017

Receipts	
Delinquent tax	\$ <u>-</u>
Total Receipts	<u>-</u>
Expenditures	
Instruction	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over [Under] Expenditures	-
Unencumbered Cash, Beginning	<u>4,539</u>
Unencumbered Cash, Ending	<u>\$ 4,539</u>

* This fund is not required to be budgeted.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Student Organization Funds and Other Agency Funds
Summary of Receipts and Disbursements - Actual
Regulatory Basis
For The Year Ended June 30, 2017

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<u>STUDENT ORGANIZATION FUNDS</u>				
<u>ELEMENTARY SCHOOLS</u>				
Elmont	\$ 11,167	\$ 10,227	\$ 13,426	\$ 7,968
Logan	9,130	15,616	18,402	6,344
Northern Hills	-	28,957	14,446	14,511
North Fairview	11,029	10,147	10,844	10,332
Pleasant Hill	3,553	-	3,553	-
Rochester	10,387	-	10,387	-
West Indianola	9,318	10,852	12,215	7,955
Total Elementary School Student Organization Funds	<u>54,584</u>	<u>75,799</u>	<u>83,273</u>	<u>47,110</u>
<u>MIDDLE SCHOOL</u>				
Seaman Middle School				
Dance	5,085	6,738	7,451	4,372
Cheerleading	3,861	10,381	9,818	4,424
Spirit Squad	1,475	2,475	3,101	849
Stuco	5,378	9,293	9,953	4,718
Yearbook	3,362	5,729	7,117	1,974
Miscellaneous	104	-	-	104
Faculty	2,131	-	-	2,131
FCCLA	456	6,322	6,198	580
Drama	5,174	2,672	3,200	4,646
Band	453	2,272	2,538	187
N.J.H.S.	496	1,014	1,124	386
Industrial tech	-	1,282	91	1,191
Invitational school	6,707	55,595	54,652	7,650
Power club	401	-	-	401
Petty cash	-	750	750	-
Total Seaman Middle School Student Organization Funds	<u>35,083</u>	<u>104,523</u>	<u>105,993</u>	<u>33,613</u>
Total Middle School Student Organization Funds	<u>35,083</u>	<u>104,523</u>	<u>105,993</u>	<u>33,613</u>
<u>HIGH SCHOOL</u>				
Seaman High School				
ACT Prep	-	450	430	20
ACT Review	-	3,796	3,744	52
Allen community college	28	-	-	28
Alumni classes	13,458	-	-	13,458
Art club	-	515	385	130
Asian culture club	-	25	-	25
Biology club	1,097	-	-	1,097
Bionic club	74	913	860	127
Broadway	16,019	13,023	8,288	20,754
Bully T's	77	-	-	77
Cabinet making	926	105	-	1,031
Cardinal characters	230	140	300	70
Centennial league	941	7,500	7,310	1,131
Cheerleaders	8,766	40,252	43,397	5,621
Class of 2015	690	-	-	690
Class of 2016	1,029	198	198	1,029
Class of 2017	273	-	149	124
Class of 2018	2,125	36,014	37,039	1,100
Class of 2019	-	5,700	66	5,634
Clipper	1,229	840	1,730	339
Close-up	73	2,166	2,112	127
Coach's clinic	4,700	8,400	8,123	4,977
Subtotals to Schedule 3, page 2 of 3	<u>51,735</u>	<u>120,037</u>	<u>114,131</u>	<u>57,641</u>

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Student Organization Funds and Other Agency Funds
Summary of Receipts and Disbursements - Actual
Regulatory Basis
For The Year Ended June 30, 2017

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<u>STUDENT ORGANIZATION FUNDS</u>				
<u>HIGH SCHOOL</u>				
Seaman High School				
Subtotals from Schedule 3, page 1 of 3	\$ 51,735	\$ 120,037	\$ 114,131	\$ 57,641
Crime stoppers	472	-	-	472
Disc golf	-	24	-	24
Diversity club	32	-	-	32
E-2020	620	-	-	620
Fall into fitness	35,795	7,905	1,948	41,752
FBLA	1,914	15,465	16,548	831
FCA	243	327	401	169
FCCLA	185	3,592	3,653	124
Feed the children	152	500	68	584
FFA	380	16,122	16,502	-
File memorial	52	48	-	100
Fishing club	-	863	581	282
Football	675	14,519	13,106	2,088
French club	5	104	90	19
Friends of Rachel	76	-	-	76
German club	56	137	102	91
History day	2,502	20,730	21,416	1,816
Interact	821	2,754	3,051	524
Intl Thespian society	7,547	13,817	16,693	4,671
KAHKA	492	319	376	435
Key club	214	7,114	7,042	286
Leadership club	109	1,874	1,847	136
Math club	437	597	483	551
Model UN	60	142	166	36
National honor society	520	1,322	835	1,007
National tourney	1,366	8,317	8,657	1,026
Orchestra	4,464	15,355	13,202	6,617
Patron of the arts	416	1,399	575	1,240
Picture perfect	31	-	-	31
Robotics club	44	8,303	7,326	1,021
Runners club	1,429	4,263	3,941	1,751
SADD	74	-	-	74
Sea Mapp	41	8,827	1,120	7,748
SFC biology	416	2,000	2,288	128
Softball	2,226	8,992	9,714	1,504
Spanish club	59	808	808	59
Spirit club	168	3,417	3,585	-
Student council	4,263	8,940	10,219	2,984
Study abroad	6	-	-	6
SVTV	850	3,075	2,235	1,690
Swimming	726	11,542	11,076	1,192
Target	1,500	-	-	1,500
Technical writing	224	-	212	12
Subtotals to Schedule 3, page 3 of 3	<u>123,397</u>	<u>313,550</u>	<u>293,997</u>	<u>142,950</u>

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Student Organization Funds and Other Agency Funds
Summary Receipts and Disbursements - Actual
Regulatory Basis
For The Year Ended June 30, 2017

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<u>STUDENT ORGANIZATION FUNDS</u>				
HIGH SCHOOL				
Seaman High School				
Subtotals from Schedule 3, page 2 of 3	\$ 123,397	\$ 313,550	\$ 293,997	\$ 142,950
Tri-M honor society	493	-	-	493
Vikettes	6,324	7,729	12,091	1,962
Viking supply shack	527	278	245	560
Welding	3,804	2,487	3,875	2,416
Woodworking	2,570	4,139	358	6,351
Writing center	1,440	2,237	2,638	1,039
Yearbook	23,110	25,291	42,280	6,121
Total Seaman High School Student Organization Funds	<u>161,665</u>	<u>355,711</u>	<u>355,484</u>	<u>161,892</u>
Total Student Organization Funds	<u>251,332</u>	<u>536,033</u>	<u>544,750</u>	<u>242,615</u>
Unclaimed Property Fund	<u>[3,180]</u>	<u>-</u>	<u>-</u>	<u>[3,180]</u>
Total Agency Funds	<u>\$ 248,152</u>	<u>\$ 536,033</u>	<u>\$ 544,750</u>	<u>\$ 239,435</u>

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
District Activity Funds
Athletic Gate Receipts
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For The Year Ended June 30, 2017

<u>FUND</u>	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled <u>Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Add Outstanding Encumbrances and Accounts <u>Payable</u>	Ending Cash <u>Balance</u>
GATE RECEIPTS							
Seaman Middle School	\$ 3,845	\$ -	\$ 23,618	\$ 19,350	\$ 8,113	\$ -	\$ 8,113
Seaman High School	<u>23,868</u>	<u>-</u>	<u>211,161</u>	<u>203,884</u>	<u>31,145</u>	<u>-</u>	<u>31,145</u>
Total Gate Receipts	<u>\$ 27,713</u>	<u>\$ -</u>	<u>\$ 234,779</u>	<u>\$ 223,234</u>	<u>\$ 39,258</u>	<u>\$ -</u>	<u>\$ 39,258</u>

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For The Year Ended June 30, 2017

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Seaman High School							
Advance placement	\$ 559	\$ -	\$ 467	\$ 422	\$ 604	\$ -	\$ 604
Art department	144	-	1,565	1,374	335	-	335
Baseball	4,107	-	29,386	25,588	7,905	-	7,905
Boys basketball	72	-	3,319	2,107	1,284	-	1,284
Boys golf	100	-	1,017	885	232	-	232
Boys tennis	12	-	3,473	3,485	-	-	-
Caps and gowns	66	-	-	-	66	-	66
College and career intern	25	-	-	-	25	-	25
Concert choir	790	-	637	639	788	-	788
Donation Austin Freeman	-	-	776	649	127	-	127
D Schmidt Scol. Fund	-	-	7,500	6,392	1,108	-	1,108
Driver's education	4,904	-	7,525	5,429	7,000	-	7,000
Faculty fund	14	-	806	767	53	-	53
Faculty recognition	7,670	-	9,435	13,215	3,890	-	3,890
Football jerseys	14	-	-	14	-	-	-
Gifted	1	-	-	1	-	-	-
Girls basketball	339	-	4,080	3,853	566	-	566
Girls golf	401	-	596	425	572	-	572
Girls tennis	54	-	-	-	54	-	54
Guidance department	76	-	-	-	76	-	76
Habitat	1,824	-	775	1,571	1,028	-	1,028
Industrial tech club	733	-	1,187	1,725	195	-	195
Library	30	-	12	-	42	-	42
Lyman staff	150	-	-	-	150	-	150
Math department	3,024	-	1,160	-	4,184	-	4,184
Parking permits	3,527	-	9,410	11,914	1,023	-	1,023
Petty cash - Monaghan	-	-	1,500	1,500	-	-	-
Ping pong club	40	-	-	40	-	-	-
Pop fund faculty	8,047	-	-	2,936	5,111	-	5,111
PSAT	105	-	660	615	150	-	150
Scholars bowl	894	-	1,517	1,923	488	-	488
Seaman activates	401	-	-	-	401	-	401
Seaman soccer	322	-	-	-	322	-	322
SHARP	16	-	6,509	5,553	972	-	972
Show choir	5,051	-	4,196	3,395	5,852	-	5,852
Subtotal	43,512	-	97,508	96,417	44,603	-	44,603

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2017

<u>Fund</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
HIGH SCHOOL							
Seaman High School							
Subtotal forward	\$ 43,512	\$ -	\$ 97,508	\$ 96,417	\$ 44,603	\$ -	\$ 44,603
SHS drill team	-	-	1,984	1,984	-	-	-
Special ED	827	-	-	16	811	-	811
Sports department pop	3,002	-	4,974	4,329	3,647	-	3,647
Student recognition	3,369	-	3,850	6,181	1,038	-	1,038
Summer school	925	-	1,575	25	2,475	-	2,475
Super O.A.	5,113	-	435	1,000	4,548	-	4,548
Thespian festival	-	-	1,606	1,606	-	-	-
Track	674	-	4,612	4,078	1,208	-	1,208
USD #345 - petty cash	1,500	-	3,719	3,719	1,500	-	1,500
Viking bank	30,257	-	118,247	128,036	20,468	-	20,468
Viking book club	328	-	95	37	386	-	386
Viking concessions	9	-	18,591	18,591	9	-	9
Viking united	-	-	1,984	964	1,020	-	1,020
Volleyball	1,032	-	3,380	3,437	975	-	975
Work Study	35	-	-	-	35	-	35
Wrestling	30	-	9,319	9,326	23	-	23
Total all funds	<u>\$ 90,613</u>	<u>\$ -</u>	<u>\$ 271,879</u>	<u>\$ 279,746</u>	<u>\$ 82,746</u>	<u>\$ -</u>	<u>\$ 82,746</u>

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Beginning Unencumbered Cash (Restated)</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash</u>
<u>U.S. Department of Education</u>					
Fund for the Improvement of Education	84.215F	\$ [20,178]	\$ 87,178	\$ 74,162	\$ [7,162]
Passed through the Boys and Girls Club of Topeka: Twenty-First Century Community Learning Centers	84.215F	-	10,000	10,000	-
Passed through Kansas Department of Education Title I, Grants to Local Educational Agencies	84.010	-	403,074	403,074	-
Special Education Cluster:					
Grants to State (IDEA Part B):					
Title VI-B	84.027	[10,262]	689,386	868,036	[188,912]
Preschool Grants (IDEA Preschool) - Early Childhood	84.173	-	24,455	27,013	[2,558]
Total Special Education Cluster		[10,262]	713,841	895,049	[191,470]
Carl Perkins	84.048	-	24,474	24,474	-
Title II-A Teacher Quality	84.367	-	92,405	92,405	-
Total Passed through Kansas Department of Education		[10,262]	1,233,794	1,415,002	[191,470]
Total U.S. Department of Education		[30,440]	1,330,972	1,499,164	[198,632]
<u>U.S. Department of Agriculture</u>					
Passed through Kansas Department of Education					
Child Nutrition Cluster:					
School Breakfast Program	10.553	-	130,219	130,219	-
National School Lunch Program	10.555	-	750,132	750,132	-
Summer Food Service Program for Children	10.559	-	37,793	37,793	-
Total Child Nutrition Cluster		-	918,144	918,144	-
Federal School Food Service	10.560	-	100	100	-
Team Nutrition Grants	10.574	-	3,800	3,800	-
NSLP Equipment	10.582	-	27,859	27,859	-
Total U.S. Department of Agriculture		-	949,903	949,903	-
Total		\$ [30,440]	\$ 2,280,875	\$ 2,449,067	\$ [198,632]

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

1. Organization

Seaman Unified School District No. 345, Topeka, Kansas, (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, 2017.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants at June 30, 2017.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified (Regulatory Basis)
Adverse (GAAP)

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency (ies) 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 (ies) 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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173 10.553, 10.555, 10.559	Special Education Cluster Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? _____ Yes X No

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345

Schedule of Findings and Questioned Costs (Continued)
For The Year Ended June 30, 2017

Section II – Financial Statement Findings

Current Year Findings

None Noted

Prior Year Findings

Finding 2016-001

Condition – Beginning in March 2016, one employee processes and approves payroll, prepares and signs payroll checks, has access to signed payroll checks and the payroll system, and performs the bank reconciliation and all adjusting journal entries, which are not reviewed by another employee.

Criteria – Review and approval of the payroll records is important for the District to prevent the possible occurrence of errors or fraud.

Cause – Due to the small size of the District, there is a limited number of employees to perform financial duties.

Effect – The lack of approval and review of payroll records could lead to potential errors or fraud.

Recommendations – We recommend that procedures be implemented that would allow for the segregation of duties within and review of payroll records for the payroll cycle.

Management's Response (Unaudited) – The District acknowledges that beginning in March 2016, one employee processed and approved payroll, prepared payroll checks, had access to signed payroll checks and the payroll system, and performed the bank reconciliation and all adjusting journal entries, which were not reviewed by another employee. This occurred because the two employees who were previously responsible for these duties retired simultaneously in February 2016 and were replaced by a single employee. The new employee did not have the benefit of working with the retiring employees before their retirements, but subsequently received training from them that continued throughout the summer of 2016. This included oversight of the activities described above.

Corrective Action Plan (Unaudited) – Starting in fiscal year 17, Director of Business Bob Horton has assumed oversight of payroll, bank reconciliations, and journal entries by reviewing and initialing them on a monthly or as-needed basis.

Follow-up – Resolved.

Section III – Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

Prior Year Findings

Finding 2014-001

Federal Program – Title I (CFDA No. 84.010); U.S. Department of Education; Kansas Department of Education

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345

Schedule of Findings and Questioned Costs (Continued)
For The Year Ended June 30, 2017

Prior Year Findings (Continued)

Finding 2014-001 (Continued)

Compliance Requirement – Activities allowed or unallowed, allowable costs/cost principles.

Condition – During the current year, the District did not meet time and effort documentation requirements for Title I employees.

Criteria – The time and effort information for the Title I grant must be supported by the records of the District.

Cause – Per discussion with the Title I Program Director, the District required Title I employees to sign a “Certification of Time: Sole Source of Funding” sheet bi-annually. During the transition period in FY14, however, these certifications were destroyed. As such, the District’s Title I time and effort records were lost. In FY15, the District did not re-implement the time and effort requirements due to turnover in the program coordinator position. In FY16, the District implemented the time and effort requirements for employees that spent 100% of their time in the Title I program. Employees that spent less than 100% of their time in the Title I program and employees that left the District during the year did not turn in certifications.

Effect – Without proper supporting documentation, the District could report incorrect information to the grantor.

Questioned Costs – None.

Recommendations – We recommend that the District implement controls over time and effort record keeping process that would allow the District to obtain the required supporting documentation for Title I time and effort reporting.

Management’s Response (Unaudited) – USD 345 – Seaman acknowledges and accepts responsibility for the loss of the “Certification of Time: Sole Source of Funding” certification documents. A Corrective Action Plan will be implemented in FY17 to ensure the documents are duplicated and secured in multiple locations.

Corrective Action Plan (Unaudited) – The “Certification of Time: Sole Source of Funding” certification documents will be completed by the appropriate employees and collected by Annie Diederich, USD 345 Elementary Curriculum Director. Ms. Diederich will create copies of certification documents and give one to Bob Horton, USD 345 Business Director and another to Mrs. Patty Carter, USD 345 Assistant Superintendent/Special Education Director.

Follow-up – Resolved.

**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
Seaman Unified School District No. 345
Topeka, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting Guide, the financial statements of the Seaman Unified School District No. 345, (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 11, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

December 11, 2017

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

Board of Education
Seaman Unified School District No. 345
Topeka, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Seaman Unified School District No. 345, (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, 2017. The District's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United State 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, 2017.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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

December 11, 2017