

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345

Topeka, Kansas

Financial Statements

For the Year Ended June 30, 2019

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SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
 Financial Statements
 For the Year Ended June 30, 2019

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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, 2019 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, 2019, 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, 2019, 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.

Other Matters

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 November 18, 2019, 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 effectiveness of 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.

Mike Houser : Company PA

Certified Public Accountants
Lawrence, Kansas

November 18, 2019

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
 Summary Statement of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For The Year Ended June 30, 2019

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General Funds:							
General Fund	\$ 193	\$ -	\$ 25,147,393	\$ 25,147,586	\$ -	\$ 44,362	\$ 44,362
Supplemental General	332,152	-	7,945,551	8,006,699	271,004	124	271,128
Special Purpose Funds:							
Special Education	2,783,184	-	8,020,742	8,481,860	2,322,066	1,886	2,323,952
Driver Education	162,899	-	35,877	20,017	178,759	-	178,759
Food Service	258,872	-	1,754,792	1,819,154	194,510	-	194,510
Capital Outlay	2,281,486	-	3,455,191	4,664,011	1,072,666	1,550,762	2,623,428
Vocational Education	-	-	442,549	442,549	-	-	-
Professional Development	-	-	80,000	80,000	-	69	69
At-Risk	-	-	2,275,446	2,275,446	-	-	-
Parent Education	-	-	32,600	32,600	-	-	-
Bilingual Education	-	-	7,268	7,268	-	-	-
Summer School	51,177	-	10,880	15,966	46,091	-	46,091
4 Year Old At-Risk	-	-	125,000	125,000	-	-	-
KPERS Special Retirement Contribution	-	-	1,710,848	1,710,848	-	-	-
Gifts and Grants	85,977	-	187,543	202,078	71,442	3,799	75,241
Federal Grant	-	-	431,550	431,550	-	250	250
Textbook Rental	893,916	-	399,838	517,885	775,869	49,888	825,757
Extraordinary School Program	56	-	-	-	56	-	56
Other Gifts and Grants	8,078	-	-	5,844	2,234	-	2,234
United Way Grant	-	-	46,915	46,926	[11]	-	[11]
District Activity Funds - Gate Receipts	40,503	-	218,657	224,420	34,740	-	34,740
District Activity Funds	100,155	-	281,441	319,037	62,559	-	62,559
Bond and Interest Funds:							
Bond and Interest Fund	2,218,871	-	4,062,751	3,898,700	2,382,922	-	2,382,922
Fiduciary Funds:							
Private Purpose Trust	4,539	-	-	-	4,539	-	4,539
Total	\$ 9,222,058	\$ -	\$ 56,672,832	\$ 58,475,444	\$ 7,419,446	\$ 1,651,140	\$ 9,070,586

Composition of Cash:

Silver Lake Bank		
Checking accounts	\$ 1,166,433	
Money market	7,961,004	
Savings	186,990	
Certificates of Deposit	60,659	
Kaw Valley State Bank		
Checking	35,313	
Total Cash	9,410,399	
Less: Agency Funds per Schedule 3		[339,813]
Total Reporting Entity (excluding Agency Funds per Schedule 3)		\$ 9,070,586

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2019

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.

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, 2019:

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.

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.).

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.).

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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 2018-19 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, Extraordinary School Program, Other Gifts and Grants Fund, United Way Grant 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.

Actual exceeded budgeted expenditures in the Food Service Fund, which is a violation of K.S.A. 79-2935.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2019

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.

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, 2019.

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 not designated "peak periods." All deposits were legally secured at June 30, 2019.

At June 30, 2019, the District's carrying amount of deposits was \$9,410,399 and the bank balance was \$11,722,597. The bank balance was held by two banks, resulting in a concentration of credit risk. Of the bank balance, \$286,743 was covered by federal depository insurance and \$11,435,854 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.

NOTE 3 - In-Substance Receipt in Transit

The District received \$1,174,722 in General State Aid and \$305,660 in Supplemental General State Aid subsequent to June 30, 2019 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, 2019.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2019

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, 2019:

<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>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 2013A	1.5 - 5.0%	05/14/13	\$ 57,485,000	09/01/36	\$ 46,495,248	\$ -	\$ 2,100,000	\$ 44,395,248	\$ 1,831,850
Series 2017	2.0 - 3.0%	08/30/17	9,975,000	09/01/27	9,975,000	-	95,000	9,880,000	292,350
Certificates of Participation:									
Series 2014	2.0 - 3.5%	05/01/14	1,200,000	05/01/24	760,000	-	115,000	645,000	25,413
Lease Purchase Agreements									
Soccer Field Lease	3.04%	06/17/19	700,000	04/30/27	-	700,000	-	700,000	-
Apple Lease	1.05%	06/12/15	730,082	07/15/19	318,687	-	158,511	160,176	3,346
Apple Lease	1.46%	04/15/16	1,480,833	07/05/20	971,182	-	319,046	652,136	14,179
Apple Lease	1.77%	06/09/17	1,028,814	07/15/21	817,212	-	198,958	618,254	14,465
Total Contractual Indebtedness					<u>\$ 59,337,329</u>	<u>\$ 700,000</u>	<u>\$ 2,986,515</u>	<u>\$ 57,050,814</u>	<u>\$ 2,181,603</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>
2020	\$ 2,091,019	\$ 1,909,981	\$ 4,001,000
2021	2,048,570	1,980,430	4,029,000
2022	2,005,644	2,061,356	4,067,000
2023	1,955,072	2,144,928	4,100,000
2024	1,904,943	2,228,057	4,133,000
2024 - 2028	13,675,000	7,364,500	21,039,500
2029 - 2033	17,680,000	4,422,400	22,102,400
2034 - 2037	12,915,000	791,700	13,706,700
Total	<u>\$ 54,275,248</u>	<u>\$ 22,903,352</u>	<u>\$ 77,178,600</u>

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 4 - Long-Term Debt (Continued)

Year Ended June 30,	Capital Leases		
	Principal Due	Interest Due	Total Due
2020	\$ 765,886	\$ 42,671	\$ 808,557
2021	617,352	30,116	647,468
2022	295,159	19,083	314,242
2023	88,119	12,700	100,819
2024	90,848	9,972	100,820
2025	93,715	7,105	100,820
2026	96,644	4,176	100,820
2027	82,843	1,176	84,019
Total	<u>\$ 2,130,566</u>	<u>\$ 126,999</u>	<u>\$ 2,257,565</u>

Year Ended June 30,	Certificates of Participation		
	Principal Due	Interest Due	Total Due
2020	\$ 120,000	\$ 21,963	\$ 141,963
2021	125,000	18,063	143,063
2022	130,000	14,000	144,000
2023	135,000	9,450	144,450
2024	135,000	4,725	139,725
Total	<u>\$ 645,000</u>	<u>\$ 68,201</u>	<u>\$ 713,201</u>

NOTE 5 – Operating Leases

The District has a four-year operating lease for four 16 passenger busses. As of June 30, 2019, future annual minimum lease payments are \$33,260 for next year 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. Lease expense for the current year was \$143,040. This lease was paid in full at June 30, 2019.

The District has a four-year operating lease for a 12 passenger bus. As of June 30, 2019, future annual minimum lease payments are \$10,600 for next year with a payment of \$7,950 in year four of the lease. Lease expense for the current year was \$10,600.

The District has a four-year operating lease for a passenger bus. As of June 30, 2019, future annual minimum lease payments are \$7,929 for next year with a payment of \$7,929 in year four of the lease. Lease expense for the current year was \$7,929.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 6 - Interfund Transactions

Transfers were as follows:

<u>From</u>	<u>To</u>	Statutory <u>Authority</u>	<u>Amount</u>
General	At-Risk	\$ 756,081	K.S.A. 72-6478
General	Special Education	5,676,160	K.S.A. 72-6478
General	Parent Education	32,600	K.S.A. 72-6478
General	Vocational Education	217,176	K.S.A. 72-6478
General	4 Year Old At-Risk	71,118	K.S.A. 72-6478
General	Food Service	22,420	K.S.A. 72-6478
Supplemental General	Bilingual Education	7,268	K.S.A. 72-6478
Supplemental General	At-Risk	1,510,365	K.S.A. 72-6478
Supplemental General	Special Education	905,451	K.S.A. 72-6478
Supplemental General	Professional Development	62,077	K.S.A. 72-6478
Supplemental General	Vocational Education	199,541	K.S.A. 72-6478
Supplemental General	4 Year Old At-Risk	53,882	K.S.A. 72-6478
		<u>\$ 9,514,139</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 establish 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 contributions are withheld by their employer and paid to KPERS according to the 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 (not including the 1% contribution rate for the Death and Disability Program) was 16.38% and 12.01%, respectively for the fiscal year ended June 30, 2018. The actuarially determined employer contribution rate and the statutory contribution rate was 14.59% and 13.21% for the fiscal year ended June 30, 2019.

Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulated that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million per year. The first year payment of \$6.4 million was received in July 2017.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 7 - Defined Benefit Pension Plan (Continued)

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contributions to KPERS were decreased by \$194,022,683 for the fiscal year ended June 30, 2019. Section 56(19) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2020. The level dollar amount was computer to be \$19.4 million per year.

Contributions (Continued). 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 \$1,710,848 for the year ended June 30, 2019.

Net Pension Liability. At June 30, 2019, the District's proportionate share of the collective net pension liability reported by KPERS was \$34,939,397. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. 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, 2018. 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 website at www.kpers.org or can be obtained as described above.

NOTE 8 – 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 9 – 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 10 – 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.

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2019.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 11 – 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, 2019 is as follows:

Seaman High School Bank
Balance Sheet
June 30, 2019

Assets:	
Cash	\$ 299,057
Certificates of deposit	<u>60,660</u>
 Total assets	 <u>\$ 359,717</u>
 Liabilities:	
Depositors' Accounts	<u>\$ 334,029</u>
 Equity	
Capital Stock	312
Undivided profits	<u>25,376</u>
 Total equity	 <u>25,688</u>
 Total liabilities and equity	 <u>\$ 359,717</u>

Income and Transactions in Undivided Profits
Year Ended June 30, 2019

Revenues:	
Interest earned	\$ 10,910
 Expenses:	
Miscellaneous	<u>4,192</u>
 Decrease in undivided profits	 6,718
 Undivided profits, beginning of year	 <u>18,658</u>
 Undivided profits, end of year	 <u>\$ 25,376</u>

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For The Year Ended June 30, 2019

<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	\$ 25,448,179	\$ [310,829]	\$ 10,236	\$ 25,147,586	\$ 25,147,586	\$ -
Supplemental General	8,006,699	-	-	8,006,699	8,006,699	-
Special Purpose Funds:						
Special Education	9,147,405	-	-	9,147,405	8,481,860	[665,545]
Driver Education	72,600	-	-	72,600	20,017	[52,583]
Food Service	1,781,219	-	-	1,781,219	1,819,154	37,935
Capital Outlay	4,925,000	-	-	4,925,000	4,664,011	[260,989]
Vocational Education	626,247	-	-	626,247	442,549	[183,698]
Professional Development	80,000	-	-	80,000	80,000	-
At-Risk	2,400,000	-	-	2,400,000	2,275,446	[124,554]
Parent Education Program	32,600	-	-	32,600	32,600	-
Bilingual Education	15,675	-	-	15,675	7,268	[8,407]
Summer School	36,700	-	-	36,700	15,966	[20,734]
4 Year Old At-Risk	125,000	-	-	125,000	125,000	-
KPERs Special Retirement Contribution	4,190,910	-	-	4,190,910	1,710,848	[2,480,062]
Gifts and Grants	297,711	-	-	297,711	202,078	[95,633]
Federal Grant	442,359	-	-	442,359	431,550	[10,809]
Bond and Interest Fund:						
Bond and Interest	3,898,700	-	-	3,898,700	3,898,700	-

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
State aid			
General state aid	\$ 20,328,830	\$ 20,518,434	\$ [189,604]
Special education state aid	4,808,327	4,929,552	[121,225]
Reimbursement	<u>10,236</u>	<u>-</u>	<u>10,236</u>
 Total Receipts	 <u>25,147,393</u>	 <u>\$ 25,447,986</u>	 <u>\$ [300,593]</u>
Expenditures			
Instruction	11,374,537	\$ 11,331,000	\$ 43,537
Student support services	122,471	194,500	[72,029]
Instructional support staff	1,430,796	1,614,900	[184,104]
General administration	1,193,860	1,225,500	[31,640]
Central services	239,272	234,460	4,812
Operations and maintenance	2,427,199	2,740,200	[313,001]
Transportation	1,583,896	1,561,000	22,896
Transfers out	6,775,555	6,546,619	228,936
Adjustment to comply with legal max budget	-	[310,829]	310,829
Adjustment for qualifying budget credit	<u>-</u>	<u>10,236</u>	<u>[10,236]</u>
 Total Expenditures	 <u>25,147,586</u>	 <u>\$ 25,147,586</u>	 <u>\$ -</u>
 Receipts Over [Under] Expenditures	 [193]		
 Unencumbered Cash, Beginning	 <u>193</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, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts			
Taxes and Shared Revenue:			
Ad valorem property tax	\$ 3,556,316	\$ 3,723,453	\$ [167,137]
Delinquent tax	38,001	26,406	11,595
Motor vehicle tax	528,035	467,459	60,576
Recreational vehicle tax	-	7,450	[7,450]
Commercial vehicle tax	-	37,013	[37,013]
State aid	<u>3,823,199</u>	<u>3,871,502</u>	<u>[48,303]</u>
 Total Receipts	 <u>7,945,551</u>	 <u>\$ 8,133,283</u>	 <u>\$ [187,732]</u>
 Expenditures			
Instruction	1,531,517	\$ 948,000	\$ 583,517
Student support services	1,045,098	809,500	235,598
School administration	1,878,603	1,752,000	126,603
Operations and maintenance	812,897	790,000	22,897
Transfers out	2,738,584	3,808,357	[1,069,773]
Adjustment to comply with legal max budget	<u>-</u>	<u>[101,158]</u>	<u>101,158</u>
 Total Expenditures	 <u>8,006,699</u>	 <u>\$ 8,006,699</u>	 <u>\$ -</u>
 Receipts Over [Under] Expenditures	 [61,148]		
 Unencumbered Cash, Beginning	 <u>332,152</u>		
 Unencumbered Cash, Ending	 <u>\$ 271,004</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, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts			
Federal aid	\$ 726,278	\$ 700,000	\$ 26,278
Medicaid	635,516	450,000	185,516
Investment income	77,337	80,000	[2,663]
Transfers in	<u>6,581,611</u>	<u>7,111,701</u>	<u>[530,090]</u>
Total Receipts	<u>8,020,742</u>	<u>\$ 8,341,701</u>	<u>\$ [320,959]</u>
Expenditures			
Instruction	5,042,710	\$ 5,754,500	\$ [711,790]
Student support services	1,999,518	2,180,000	[180,482]
Instructional support staff	7,410	10,000	[2,590]
General administration	376,289	307,100	69,189
Transportation	<u>1,055,933</u>	<u>895,805</u>	<u>160,128</u>
Total Expenditures	<u>8,481,860</u>	<u>\$ 9,147,405</u>	<u>\$ [665,545]</u>
Receipts Over [Under] Expenditures	[461,118]		
Unencumbered Cash, Beginning	<u>2,783,184</u>		
Unencumbered Cash, Ending	<u>\$ 2,322,066</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, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts			
State aid	\$ 18,435	\$ 36,600	\$ [18,165]
Miscellaneous	<u>17,442</u>	<u>-</u>	<u>17,442</u>
Total Receipts	<u>35,877</u>	<u>\$ 36,600</u>	<u>\$ [723]</u>
Expenditures			
Instruction	<u>20,017</u>	<u>\$ 72,600</u>	<u>\$ [52,583]</u>
Total Expenditures	<u>20,017</u>	<u>\$ 72,600</u>	<u>\$ [52,583]</u>
Receipts Over [Under] Expenditures	15,860		
Unencumbered Cash, Beginning	<u>162,899</u>		
Unencumbered Cash, Ending	<u>\$ 178,759</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, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts			
Federal aid	\$ 929,080	\$ 862,198	\$ 66,882
State aid	19,115	16,223	2,892
Charges for services	778,134	644,278	133,856
Investment income	5,974	3,000	2,974
Transfer in	22,420	10,000	12,420
Miscellaneous	<u>69</u>	<u>25,000</u>	<u>[24,931]</u>
Total Receipts	<u>1,754,792</u>	<u>\$ 1,560,699</u>	<u>\$ 194,093</u>
Expenditures			
Food service operation	1,761,777	\$ 1,728,000	\$ 33,777
Operations and maintenance	<u>57,377</u>	<u>53,219</u>	<u>4,158</u>
Total Expenditures	<u>1,819,154</u>	<u>\$ 1,781,219</u>	<u>\$ 37,935</u>
Receipts Over [Under] Expenditures	[64,362]		
Unencumbered Cash, Beginning	<u>258,872</u>		
Unencumbered Cash, Ending	<u>\$ 194,510</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, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts			
Taxes and Shared Revenue:			
Ad valorem property tax	\$ 1,967,466	\$ 1,894,917	\$ 72,549
Delinquent tax	18,228	11,951	6,277
Motor vehicle tax	272,889	243,394	29,495
Recreational vehicle tax	-	3,879	[3,879]
Commercial vehicle tax	-	19,272	[19,272]
Investment income	149,446	80,000	69,446
Miscellaneous	284,361	20,000	264,361
State aid	<u>762,801</u>	<u>768,531</u>	<u>[5,730]</u>
Total Receipts	<u>3,455,191</u>	<u>\$ 3,041,944</u>	<u>\$ 413,247</u>
Expenditures			
Instruction	1,671,241	\$ 1,500,000	\$ 171,241
Operations and maintenance	238,218	125,000	113,218
Transportation	263,034	550,000	[286,966]
Site and building improvements	2,349,605	2,600,000	[250,395]
Debt service	<u>141,913</u>	<u>150,000</u>	<u>[8,087]</u>
Total Expenditures	<u>4,664,011</u>	<u>\$ 4,925,000</u>	<u>\$ [260,989]</u>
Receipts Over [Under] Expenditures	[1,208,820]		
Unencumbered Cash, Beginning	<u>2,281,486</u>		
Unencumbered Cash, Ending	<u>\$ 1,072,666</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, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts			
State aid	\$ 3,935	\$ 4,350	\$ [415]
Federal aid	21,897	21,897	-
Transfers in	<u>416,717</u>	<u>600,000</u>	<u>[183,283]</u>
Total Receipts	<u>442,549</u>	<u>\$ 626,247</u>	<u>\$ [183,698]</u>
Expenditures			
Instruction	<u>442,549</u>	<u>\$ 626,247</u>	<u>\$ [183,698]</u>
Total Expenditures	<u>442,549</u>	<u>\$ 626,247</u>	<u>\$ [183,698]</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, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
State aid	\$ 17,923	\$ 10,000	\$ 7,923
Transfers in	<u>62,077</u>	<u>70,000</u>	<u>[7,923]</u>
 Total Receipts	 <u>80,000</u>	 <u>\$ 80,000</u>	 <u>\$ -</u>
 Expenditures			
Instructional support	<u>80,000</u>	<u>\$ 80,000</u>	<u>\$ -</u>
 Total Expenditures	 <u>80,000</u>	 <u>\$ 80,000</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
At-Risk Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts			
Miscellaneous	\$ 9,000	\$ -	\$ 9,000
Transfer in	<u>2,266,446</u>	<u>2,400,000</u>	<u>[133,554]</u>
Total Receipts	<u>2,275,446</u>	<u>\$ 2,400,000</u>	<u>\$ [124,554]</u>
Expenditures			
Instruction	<u>2,275,446</u>	<u>\$ 2,400,000</u>	<u>\$ [124,554]</u>
Total Expenditures	<u>2,275,446</u>	<u>\$ 2,400,000</u>	<u>\$ [124,554]</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, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Transfers in	\$ 32,600	\$ 32,600	\$ -
 Total Receipts	 <u>32,600</u>	 <u>\$ 32,600</u>	 <u>\$ -</u>
Expenditures			
Student support services	32,600	\$ 32,600	\$ -
 Total Expenditures	 <u>32,600</u>	 <u>\$ 32,600</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
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts			
Transfers in	\$ 7,268	\$ 15,675	\$ [8,407]
Total Receipts	<u>7,268</u>	<u>\$ 15,675</u>	<u>\$ [8,407]</u>
Expenditures			
Instructional	<u>7,268</u>	<u>\$ 15,675</u>	<u>\$ [8,407]</u>
Total Expenditures	<u>7,268</u>	<u>\$ 15,675</u>	<u>\$ [8,407]</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
Summer School Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over [Under]</u>
Receipts			
Tuition	\$ 10,880	\$ 6,400	\$ 4,480
 Total Receipts	 <u>10,880</u>	 <u>\$ 6,400</u>	 <u>\$ 4,480</u>
 Expenditures			
Instruction	15,966	\$ 36,700	\$ [20,734]
 Total Expenditures	 <u>15,966</u>	 <u>\$ 36,700</u>	 <u>\$ [20,734]</u>
 Receipts Over [Under] Expenditures	 [5,086]		
 Unencumbered Cash, Beginning	 <u>51,177</u>		
 Unencumbered Cash, Ending	 <u>\$ 46,091</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, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts			
Transfer in	\$ 125,000	\$ 125,000	\$ -
Total Receipts	<u>125,000</u>	<u>\$ 125,000</u>	<u>\$ -</u>
Expenditures			
Instruction	52,367	\$ 125,000	\$ [72,633]
School administration	21,179	-	21,179
Transportation	<u>51,454</u>	<u>-</u>	<u>51,454</u>
Total Expenditures	<u>125,000</u>	<u>\$ 125,000</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, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts			
State aid	\$ 1,710,848	\$ 4,190,910	\$ [2,480,062]
 Total Receipts	 <u>1,710,848</u>	 <u>\$ 4,190,910</u>	 <u>\$ [2,480,062]</u>
 Expenditures			
Instruction	1,129,161	\$ 2,815,355	\$ [1,686,194]
Student support services	102,651	243,000	[140,349]
Instructional support staff	68,434	162,000	[93,566]
General administration	34,217	81,000	[46,783]
School administration	119,759	283,000	[163,241]
Central services	17,108	40,555	[23,447]
Operations and maintenance	102,651	243,000	[140,349]
Transportation	85,542	202,000	[116,458]
Food service	51,325	121,000	[69,675]
 Total Expenditures	 <u>1,710,848</u>	 <u>\$ 4,190,910</u>	 <u>\$ [2,480,062]</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
 Gifts and Grants Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For The Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts			
State aid	\$ 187,127	\$ 19,000	\$ 168,127
Miscellaneous	416	192,733	[192,317]
	<u>187,543</u>	<u>\$ 211,733</u>	<u>\$ [24,190]</u>
Total Receipts			
Expenditures			
Instruction	145,669	\$ 232,711	\$ [87,042]
Instructional support staff	49,134	5,000	44,134
Capital outlay	7,275	60,000	[52,725]
	<u>202,078</u>	<u>\$ 297,711</u>	<u>\$ [95,633]</u>
Total Expenditures			
Receipts Over [Under] Expenditures	[14,535]		
Unencumbered Cash, Beginning	<u>85,977</u>		
Unencumbered Cash, Ending	<u>\$ 71,442</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, 2019

	<u>Title I</u> <u>2018-2019</u>	<u>Title VI-B</u> <u>2018-2019</u>	<u>Title IV-A</u> <u>2018-2019</u>
Receipts			
Federal aid	\$ 307,097	\$ 25,035	\$ 24,488
Total Receipts	<u>307,097</u>	<u>25,035</u>	<u>24,488</u>
Expenditures			
Instruction	307,097	5,149	24,488
Instructional support staff	<u>-</u>	<u>19,886</u>	<u>-</u>
Total Expenditures	<u>307,097</u>	<u>25,035</u>	<u>24,488</u>
Receipts Over [Under] Expenditures	-	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Title II-A 2018-2019	<u>Actual</u>	<u>Total</u> Budget	Variance Over [Under]
\$ 74,930	\$ 431,550	\$ 436,515	\$ [4,965]
<u>74,930</u>	<u>431,550</u>	<u>\$ 436,515</u>	<u>\$ [4,965]</u>
-	336,734	\$ 442,359	\$ [105,625]
<u>74,930</u>	<u>94,816</u>	<u>-</u>	<u>94,816</u>
<u>74,930</u>	<u>431,550</u>	<u>\$ 442,359</u>	<u>\$ [10,809]</u>
-	-		
-	-		
<u>\$ -</u>	<u>\$ -</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, 2019

Receipts	
Charges for services	\$ <u>399,838</u>
Total Receipts	<u>399,838</u>
Expenditures	
Instruction	<u>517,885</u>
Total Expenditures	<u>517,885</u>
Receipts Over [Under] Expenditures	[118,047]
Unencumbered Cash, Beginning	<u>893,916</u>
Unencumbered Cash, Ending	<u>\$ 775,869</u>

* 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, 2019

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><u> 56</u></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, 2019

Receipts	
Federal aid	\$ <u> -</u>
Total Receipts	<u> -</u>
Expenditures	
Instruction	1,471
Instructional support staff	<u>4,373</u>
Total Expenditures	<u>5,844</u>
Receipts Over [Under] Expenditures	[5,844]
Unencumbered Cash, Beginning	<u>8,078</u>
Unencumbered Cash, Ending	<u>\$ 2,234</u>

* This fund is not required to be budgeted.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
United Way Grant Fund
Schedule of Receipts and Expenditures - Actual Only
Regulatory Basis
For The Year Ended June 30, 2019

Receipts	
Federal aid	<u>\$ 46,915</u>
Total Receipts	<u>46,915</u>
Expenditures	
Instruction	<u>46,926</u>
Total Expenditures	<u>46,926</u>
Receipts Over [Under] Expenditures	[11]
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u>\$ [11]</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over [Under]</u>
Receipts			
Taxes and Shared Revenues:			
Ad valorem property tax	\$ 2,248,475	\$ 2,163,866	\$ 84,609
Delinquent tax	20,570	12,335	8,235
Motor vehicle tax	312,200	279,863	32,337
Recreational vehicle tax	-	4,461	[4,461]
Commercial vehicle tax	-	22,159	[22,159]
State aid	<u>1,481,506</u>	<u>1,481,506</u>	<u>-</u>
 Total Receipts	 <u>4,062,751</u>	 <u>\$ 3,964,190</u>	 <u>\$ 98,561</u>
 Expenditures			
Principal	2,195,000	\$ 2,195,000	\$ -
Interest	<u>1,703,700</u>	<u>1,703,700</u>	<u>-</u>
 Total Expenditures	 <u>3,898,700</u>	 <u>\$ 3,898,700</u>	 <u>\$ -</u>
 Receipts Over [Under] Expenditures	 164,051		
 Unencumbered Cash, Beginning	 <u>2,218,871</u>		
 Unencumbered Cash, Ending	 <u>\$ 2,382,922</u>		

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, 2019

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><u> \$ 4,539</u></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, 2019

<u>STUDENT ORGANIZATION FUNDS</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
ELEMENTARY SCHOOLS				
Elmont	\$ 9,784	\$ 11,150	\$ 12,003	\$ 8,931
Mathes Early Learning Center	-	12,493	11,634	859
Logan	12,355	15,875	13,195	15,035
Northern Hills	20,114	18,955	19,384	19,685
North Fairview	10,330	7,634	7,075	10,889
West Indianola	11,180	14,674	12,194	13,660
Total Elementary School Student Organization Funds	<u>63,763</u>	<u>80,781</u>	<u>75,485</u>	<u>69,059</u>
MIDDLE SCHOOL				
Seaman Middle School				
Dance	3,706	8,337	9,634	2,409
Cheerleading	2,502	7,193	6,739	2,956
Spirit Squad	915	441	925	431
Stuco	3,162	9,157	10,917	1,402
Yearbook	815	3,831	4,091	555
Miscellaneous	104	-	-	104
Faculty	2,131	-	-	2,131
FCCLA	811	10,363	9,370	1,804
Drama	4,521	1,602	1,678	4,445
Band	223	2,227	2,295	155
N.J.H.S.	253	799	847	205
Industrial tech	1,446	-	-	1,446
Invitational school	10,732	62,351	62,671	10,412
Power club	401	-	-	401
PE	457	3,802	4,106	153
Petty cash	-	1,164	1,164	-
Total Seaman Middle School Student Organization Funds	<u>32,179</u>	<u>111,267</u>	<u>114,437</u>	<u>29,009</u>
Total Middle School Student Organization Funds	<u>32,179</u>	<u>111,267</u>	<u>114,437</u>	<u>29,009</u>
HIGH SCHOOL				
Seaman High School				
ACT Prep	110	235	274	71
ACT Review	250	2,790	2,790	250
Adventure Club	46	-	-	46
Allen community college	28	-	-	28
Alumni classes	13,458	-	-	13,458
Art club	37	158	50	145
Asian culture club	28	3	-	31
Biology club	1,097	-	-	1,097
Bionic club	23	-	23	-
Broadway	21,395	13,839	12,869	22,365
Bully T's	77	-	-	77
Cabinet making	1,012	433	108	1,337
Cardinal characters	70	-	70	-
Centennial league	2,274	8,500	7,370	3,404
Cheerleaders	18,689	70,868	62,523	27,034
Class of 2015	690	-	-	690
Class of 2016	1,029	1,054	-	2,083
Class of 2017	124	-	-	124
Class of 2018	995	720	720	995
Class of 2019	2,619	-	677	1,942
Class of 2020	6,949	21,956	26,631	2,274
Class of 2021	-	8,105	300	7,805
Clipper	292	1,129	1,341	80
Close-up	36	-	-	36
Coach's clinic	4,821	3,525	5,932	2,414
Subtotals to Schedule 3, page 2 of 3	<u>76,149</u>	<u>133,315</u>	<u>121,678</u>	<u>87,786</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, 2019

<u>STUDENT ORGANIZATION FUNDS</u>	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<u>HIGH SCHOOL</u>				
Seaman High School				
Subtotals from Schedule 3, page 1 of 3	\$ 76,149	\$ 133,315	\$ 121,678	\$ 87,786
Crime stoppers	472	-	-	472
Disc golf	24	-	-	24
Diversity club	32	-	32	-
Europe trip	183	14,501	13,859	825
E-2020	620	-	-	620
Fall into fitness	46,477	5,595	1,776	50,296
FBLA	3,674	21,903	21,166	4,411
FCA	88	3	-	91
FCCLA	477	8,270	8,456	291
Feed the children	699	-	-	699
FFA	1,290	16,442	16,498	1,234
File memorial	100	-	-	100
Fishing club	725	205	96	834
Football	2,956	24,180	21,107	6,029
French club	18	7	18	7
Friends of Rachel	76	-	-	76
Gay Straight Alliance	-	601	600	1
German club	100	1,460	851	709
History day	2,047	28,276	26,115	4,208
Interact	902	1,178	581	1,499
Intersectional Feminist Club	13	37	50	-
Intl Thespian society	5,876	31,847	28,706	9,017
KAHKA	646	-	414	232
Key club	357	6,304	6,046	615
Leadership club	425	190	358	257
Math club	769	829	578	1,020
Midwest dairy	1,518	-	-	1,518
Model UN	21	65	71	15
National honor society	1,245	1,010	843	1,412
National tourney	1,448	3,048	2,583	1,913
Nik Snaks	-	1,200	784	416
Optimist Football	-	2,750	2,745	5
Orchestra	4,300	10,805	6,385	8,720
Patron of the arts	455	1,324	1,042	737
Robotics club	660	2,939	1,937	1,662
Runners club	1,620	1,146	1,860	906
SABC - Norse Nook	371	601	480	492
SADD	74	-	-	74
Sea Mapp	81	8,515	20	8,576
Senior Women's T-shirts	-	980	980	-
SFC biology	128	-	-	128
Softball	1,256	9,276	7,837	2,695
Spanish club	22	15	-	37
Spirit club	362	1,049	627	784
Student council	2,819	16,164	13,799	5,184
Study abroad	6	5	-	11
SVTV	536	-	15	521
Swimming	1,103	2,325	2,591	837
Target	617	-	-	617
Technical writing	12	50	51	11
Subtotals to Schedule 3, page 3 of 3	<u>163,849</u>	<u>358,410</u>	<u>313,635</u>	<u>208,624</u>

See independent auditor's report on the financial statements.

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, 2019

<u>STUDENT ORGANIZATION FUNDS</u>	Beginning Cash Balance	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash Balance
<u>HIGH SCHOOL</u>				
Seaman High School				
Subtotals from Schedule 3, page 2 of 3	\$ 163,849	\$ 358,410	\$ 313,635	\$ 208,624
Tri-M honor society	493	-	-	493
Vikettes	2,560	28,100	20,745	9,915
Viking athletic camp	-	1,737	1,585	152
Viking supply shack	590	268	268	590
Welding	1,133	1,654	2,096	691
Woodworking	3,812	1,709	4,016	1,505
Writing center	354	-	119	235
Yearbook	8,049	24,834	16,782	16,101
Yearbook scholarship	974	3,752	-	4,726
Total Seaman High School Student Organization Funds	<u>181,814</u>	<u>420,464</u>	<u>359,246</u>	<u>243,032</u>
Total Student Organization Funds	<u>277,756</u>	<u>612,512</u>	<u>549,168</u>	<u>341,100</u>
Advertising	-	16,100	14,207	1,893
Unclaimed Property Fund	<u>[3,180]</u>	<u>-</u>	<u>-</u>	<u>[3,180]</u>
Total Agency Funds	<u>\$ 274,576</u>	<u>\$ 628,612</u>	<u>\$ 563,375</u>	<u>\$ 339,813</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, 2019

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GATE RECEIPTS							
Seaman Middle School	\$ 2,401	\$ -	\$ 27,715	\$ 23,814	\$ 6,302	\$ -	\$ 6,302
Seaman High School	<u>38,102</u>	<u>-</u>	<u>190,942</u>	<u>200,606</u>	<u>28,438</u>	<u>-</u>	<u>28,438</u>
Total Gate Receipts	<u>\$ 40,503</u>	<u>\$ -</u>	<u>\$ 218,657</u>	<u>\$ 224,420</u>	<u>\$ 34,740</u>	<u>\$ -</u>	<u>\$ 34,740</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, 2019

Fund	Beginning	Prior Year Cancelled	Receipts	Expenditures	Ending	Add	Ending
	Unencumbered Cash				Unencumbered Cash	Outstanding Encumbrances and Accounts Payable	
	<u>Balance</u>	<u>Encumbrances</u>			<u>Balance</u>	<u>Payable</u>	<u>Balance</u>
Seaman High School							
Advance placement	\$ 688	\$ -	\$ 846	\$ 765	\$ 769	\$ -	\$ 769
Art department	194	-	-	76	118	-	118
Baseball	3,559	-	4,730	7,730	559	-	559
Boys basketball	6,473	-	14,754	17,117	4,110	-	4,110
Boys golf	90	-	566	588	68	-	68
Boys tennis	-	-	1,948	1,948	-	-	-
Caps and gowns	66	-	100	-	166	-	166
College and career intern	25	-	-	-	25	-	25
Concert choir	829	-	3,961	2,160	2,630	-	2,630
Donation Austin Freeman	127	-	-	127	-	-	-
D Schmidt Scol. Fund	20	-	6,525	5,720	825	-	825
Driver's education	4,025	-	6,650	4,025	6,650	-	6,650
Faculty fund	410	-	-	120	290	-	290
Faculty recognition	2,366	-	7,081	9,124	323	-	323
Girls basketball	642	-	1,105	632	1,115	-	1,115
Girls golf	636	-	153	425	364	-	364
Girls soccer	881	-	350	950	281	-	281
Girls tennis	54	-	-	33	21	-	21
Guidance department	76	-	241	225	92	-	92
Habitat	875	-	910	452	1,333	-	1,333
Industrial tech club	822	-	1,636	1,910	548	-	548
Library	235	-	232	200	267	-	267
Math department	4,803	-	955	1,174	4,584	-	4,584
Parking permits	365	-	8,200	8,447	118	-	118
Pence Jerry FBLA Scholarshi	-	-	500	500	-	-	-
Petty cash - Monaghan	-	-	1,500	1,500	-	-	-
Pleasant Hill Learning	-	-	1,000	161	839	-	839
PSAT	106	-	774	800	80	-	80
Scholars bowl	195	-	2,076	1,826	445	-	445
Seaman activates	401	-	-	-	401	-	401
Seaman soccer	322	-	-	-	322	-	322
SHARP	346	-	5,557	5,420	483	-	483
Show choir	4,477	-	1,626	3,414	2,689	-	2,689
Subtotal	<u>34,108</u>	<u>-</u>	<u>73,976</u>	<u>77,569</u>	<u>30,515</u>	<u>-</u>	<u>30,515</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
HIGH SCHOOL							
Seaman High School							
Subtotal forward	\$ 34,108	\$ -	\$ 73,976	\$ 77,569	\$ 30,515	\$ -	\$ 30,515
Special ED	1,092	-	800	-	1,892	-	1,892
Sports department pop	2,677	-	3,799	3,346	3,130	-	3,130
Student recognition	1,248	-	7,080	7,551	777	-	777
Summer school	3,000	-	2,100	3,700	1,400	-	1,400
Super O.A.	2,454	-	1,000	2,363	1,091	-	1,091
Track	954	-	4,902	4,816	1,040	-	1,040
USD #345 - petty cash	1,300	-	5,133	4,776	1,657	-	1,657
Viking bank	43,457	-	140,039	172,724	10,772	-	10,772
Viking book club	[5]	-	145	140	-	-	-
Viking brew	3,618	-	8,047	4,750	6,915	-	6,915
Viking Chick Inn	-	-	9,700	8,632	1,068	-	1,068
Viking concessions	55	-	14,310	13,630	735	-	735
Viking united	1,622	-	1,045	1,424	1,243	-	1,243
Viking Warriors	-	-	309	198	111	-	111
Volleyball	986	-	355	122	1,219	-	1,219
Work Study	35	-	-	-	35	-	35
Wrestling	3,554	-	8,701	13,296	[1,041]	-	[1,041]
Total all funds	\$ 100,155	\$ -	\$ 281,441	\$ 319,037	\$ 62,559	\$ -	\$ 62,559

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, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash (Restated)	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Education</u>					
Fund for the Improvement of Education	84.215F	\$ 5,844	\$ -	\$ 5,844	\$ -
Passed through Kansas Department of Education					
Title I, Grants to Local Educational Agencies	84.010	-	307,097	307,097	-
Special Education Cluster:					
Grants to State (IDEA Part B):					
Title VI-B	84.027	[253,959]	728,560	741,396	[266,795]
Preschool Grants (IDEA Preschool) - Early Childhood	84.173	[18,061]	22,994	38,860	[33,927]
Total Special Education Cluster		[272,020]	751,554	780,256	[300,722]
Carl Perkins	84.048	-	21,897	21,897	-
Title II-A Teacher Quality	84.367	-	75,060	75,060	-
Student Support Academic Enrichment	84.424A	-	24,488	24,488	-
Total Passed through Kansas Department of Education		[272,020]	1,180,096	1,208,798	[300,722]
Total U.S. Department of Education		[266,176]	1,180,096	1,214,642	[300,722]
<u>U.S. Department of Agriculture</u>					
Passed through Kansas Department of Education					
Child Nutrition Cluster:					
School Breakfast Program	10.553	-	137,471	137,471	-
National School Lunch Program	10.555	-	713,128	713,128	-
Summer Food Service Program for Children	10.559	-	36,531	36,531	-
Total Child Nutrition Cluster		-	887,130	887,130	-
Cash for Commodities	10.558	-	15,942	15,942	-
Federal School Food Service	10.560	-	50	50	-
NSLP Equipment	10.582	-	26,007	26,007	-
Total U.S. Department of Agriculture		-	929,129	929,129	-
Total		\$ [266,176]	\$ 2,109,225	\$ 2,143,771	\$ [300,722]

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

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, 2019.

5. Outstanding Loans

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

6. Pass Through Numbers

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

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
 Schedule of Findings and Questioned Costs
 For The Year Ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

	Unmodified (Regulatory Basis)
Type of auditor's report issued:	<u>Adverse (GAAP)</u>
Internal control over financial reporting:	
Material weakness(es) identified?	___ Yes <u> X </u> No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	___ Yes <u> X </u> None reported
Noncompliance material to financial statements noted?	___ Yes <u> X </u> No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	___ Yes <u> X </u> No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	___ Yes <u> X </u> None reported
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	___ Yes <u> X </u> No

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs:	<u>\$750,000</u>
--	------------------

Auditee qualified as low-risk auditee?	___ Yes <u> X </u> No
--	-------------------------

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345

Schedule of Findings and Questioned Costs (Continued)
For The Year Ended June 30, 2019

Section II – Financial Statement Findings

Current Year Findings

None Noted

Prior Year Findings

None Noted

Section III – Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

Prior Year Findings

None Noted



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

Board of Education
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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 18, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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7101 College Blvd, Suite 900 ■ Overland Park, KS 66210-1984 ■ 913.451.1882 p ■ 913.451.2211 f
211 E Eighth Suite A ■ Lawrence, KS 66044-2771 ■ 785.842.8844 p ■ 785.842.9049 f

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.

Mize Houser & Company PA

Certified Public Accountants
Lawrence, Kansas

November 18, 2019



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

Board of Education
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, 2019. The District's major federal 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United 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, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Mize Houser & Company PA

Certified Public Accountants
Lawrence, Kansas

November 18, 2019