BT & Co. P.A.

Certified Public Accountants

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS

FINANCIAL STATEMENT
YEAR ENDED JUNE 30, 2022

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
FINANCIAL STATEMENT
REGULATORY BASIS
Year Ended June 30, 2022

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SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
FINANCIAL STATEMENT
REGULATORY BASIS
Year Ended June 30, 2022

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INDEPENDENT AUDITORS' REPORT

Board of Education
Seaman Unified School District No. 345:

Report on the Audit of the Financial Statement

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Seaman Unified School District No. 345 (the District) as of and for the year ended June 30, 2022 and the related notes to the financial statement.

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 and Unmodified Opinions section of our report, the accompanying 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 District as of June 30, 2022, or the changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying 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, 2022, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 2.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note 2 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 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 2; 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.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt that the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 (the basic financial statement) as a whole. The schedules listed under supplementary information in the accompanying table of contents, including the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform*

Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. 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 basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 2.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BT&Co., P.A.

August 8, 2023
Topeka, Kansas

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND
UNENCUMBERED CASH
REGULATORY BASIS
Year Ended June 30, 2022

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts
General fund	$ -	$ -	$ 27,542,662
Supplemental general fund	305,559	-	9,088,219
Special purpose funds:			
Special education	3,910,087	-	10,084,732
Driver education	216,027	-	37,225
Food service	354,858	-	2,686,144
Capital outlay	2,330,799	-	4,022,775
Contingency reserve	-	-	54,695
Career and postsecondary education	-	-	491,402
Professional development	10,541	-	11,573
At-risk	-	-	2,262,511
Parent education	-	-	33,000
Bilingual education	-	-	8,000
Summer school	38,104	-	-
4 year old at-risk	-	-	110,000
KPERS special retirement contribution	-	-	4,099,691
Gifts and grants	64,514	-	156,861
Federal grant funds	(822,049)	-	3,298,072
Textbook rental	395,352	-	457,326
Extraordinary school program	56	-	-
United Way grant	1,099	-	19,551
District activity funds - gate receipts	68,512	-	292,445
District activity funds - other	113,396	-	347,226
Bond and interest fund	3,278,198	-	4,674,955
Fiduciary fund:			
Private purpose trust funds	4,359	-	-
Total reporting entity (excluding agency funds)	$ 10,269,412	$ -	$ 69,779,065

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND
UNENCUMBERED CASH
REGULATORY BASIS
Year Ended June 30, 2022
(Continued)

FUNDS	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General fund	$ 27,542,662	$ -	$ 2,063,061	$ 2,063,061
Supplemental general fund	9,041,413	352,365	454,870	807,235
Special purpose funds:				
Special education	8,978,583	5,016,236	781,536	5,797,772
Driver education	25,323	227,929	8,568	236,497
Food service	1,898,567	1,142,435	57,816	1,200,251
Capital outlay	1,995,922	4,357,652	274,900	4,632,552
Contingency reserve	-	54,695	-	54,695
Career and postsecondary education	491,402	-	56,940	56,940
Professional development	11,573	10,541	-	10,541
At-risk	2,262,511	-	289,096	289,096
Parent education	33,000	-	-	-
Bilingual education	8,000	-	-	-
Summer school	6,230	31,874	-	31,874
4 year old at-risk	110,000	-	16,921	16,921
KPERS special retirement contribution	4,099,691	-	-	-
Gifts and grants	112,500	108,875	11,323	120,198
Federal grant funds	2,477,813	(1,790)	115,111	113,321
Textbook rental	461,068	391,610	7,593	399,203
Extraordinary school program	-	56	-	56
United Way grant	20,595	55	1,021	1,076
District activity funds - gate receipts	304,302	56,655	-	56,655
District activity funds - other	302,863	157,759	-	157,759
Bond and interest fund	4,208,638	3,744,515	-	3,744,515
Fiduciary fund:				
Private purpose trust funds	-	4,359	-	4,359
Total reporting entity (excluding agency funds)	$ 64,392,656	$ 15,655,821	$ 4,138,756	$ 19,794,577
Composition of cash:				
Checking accounts				$ 19,595,804
Activity funds - checking accounts				500,671
Total cash				20,096,475
Agency funds per schedule 3				(301,898)
				$ 19,794,577

See accompanying notes to financial statement.

1 - 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.

2 - Summary of Significant Accounting Policies

(a) Fund Descriptions

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following regulatory basis fund types comprise the financial activities of the District for the year ended June 30, 2022:

GOVERNMENTAL FUNDS

General Fund and Supplemental General Fund are used to account for the general operations of the District and are used to account for all unrestricted resources except those required to be accounted for in other funds.

Special Purpose Funds are used to account for the proceeds of specific tax levies and other specific revenue sources (other than major capital projects and tax levies for long term debt) that are intended for specified purposes.

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

FIDUCIARY FUNDS

Trust Funds are used to report assets held in trust for the benefit of the District (private purpose trust funds).

Agency Funds are used to account for assets held by the District as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature and do not involve measurement of operations.

(b) Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide (the 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 District has approved a resolution that is in compliance with K.S.A. 75-1120a(c) waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the District to use the regulatory basis of accounting.

(c) Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, supplemental general fund, special purpose funds (unless specifically exempted by statute), and the bond and interest fund. Although directory rather than mandatory, 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 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
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.

If the District is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The District held a revenue neutral rate hearing for the current year.

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. There were no budget amendments for the District for the fiscal year ended June 30, 2022.

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 budgeted 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, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's 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 fiduciary funds or the following special purpose funds:

Contingency Reserve, Textbook Rental, Extraordinary School Program, United Way Grant Fund, 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.

(d) Annual, Personal, and Sick Leave Benefits

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.

(e) Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase.

(f) Use of Estimates

The preparation of the financial statement in compliance with the regulatory basis requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statement and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

3 - Deposits and Investments

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; US 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. At June 30, 2022, the District did not have any investments.

Custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Kansas 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. At June 30, 2022, the District's deposits were not exposed to custodial credit risk.

At June 30, 2022, the District's carrying amount of deposits was $ 20,096,475 and the bank balance was $ 19,601,571. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance $ 250,000 was covered by federal depository insurance and $ 19,351,571 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

4 - In-substance Receipt in Transit

The District received $ 1,347,624 subsequent to June 30, 2022 and as required by K.S.A. 72-5135 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2022.

5 - Long-term Debt

Changes in long-term liabilities for the District for the year ended June 30, 2022 were as follows:

Issue	Interest Rate	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General obligation bonds:									
Series 2013	1.5 - 5.0%	05/14/13	$ 57,485,000	09/01/36	$ 5,565,659	$ -	$ 1,905,644	$ 3,660,015	$ 379,356
Series 2017	2.0 - 5.0%	08/30/17	9,975,000	09/01/27	9,680,000	-	100,000	9,580,000	286,400
Series 2019	4.00%	12/09/19	38,065,000	09/01/36	37,605,000	-	225,000	37,380,000	1,312,238
Certificates of participation:									
Series 2014	2.0 - 3.5%	05/01/14	1,200,000	05/01/24	400,000	-	130,000	270,000	14,000
Finance leases:									
Apple lease	1.77%	06/09/17	1,028,814	07/15/21	209,710	-	209,710	-	3,711
Midwest Bus - 1 bus	0.00%	07/11/18	31,717	06/30/22	7,929	-	7,929	-	-
Apple lease	0.00%	04/05/19	820,814	04/05/22	205,203	-	205,203	-	-
Soccer field	3.04%	06/17/19	700,000	04/30/27	537,623	-	85,442	452,181	15,370
11-20 passenger buses	0.00%	06/29/19	446,320	03/31/23	195,265	-	111,580	83,685	-
Midwest Bus - 5 buses	0.00%	07/01/19	306,560	06/30/23	153,280	-	76,640	76,640	-
5-20 passenger buses	0.00%	06/29/20	193,460	03/31/24	133,004	-	48,365	84,639	-
Apple lease	0.00%	02/15/21	1,516,724	07/15/24	1,516,724	-	379,181	1,137,543	-
Apple lease	0.00%	02/17/22	1,514,899	02/17/25	-	1,514,899	378,725	1,136,174	-
Total contractual indebtedness					$ 56,209,397	$ 1,514,899	$ 3,863,419	$ 53,860,877	$ 2,011,075

Current maturities of long-term debt and interest for the next five years and in five-year increments through maturity are as follows:

	Year							
	2023	2024	2025	2026	2027	2028-2032	2033-2037	Total
Principal:								
General obligation bonds	$ 2,155,072	$ 2,429,943	$ 2,995,000	$ 3,085,000	$ 3,175,000	$ 17,235,000	$ 19,545,000	$ 50,620,015
Certificates of participation	135,000	135,000	-	-	-	-	-	270,000
Finance leases	1,054,715	885,028	851,620	96,644	82,855	-	-	2,970,862
Total principal	3,344,787	3,449,971	3,846,620	3,181,644	3,257,855	17,235,000	19,545,000	53,860,877
Interest:								
General obligation bonds	1,877,522	1,773,852	1,172,324	1,083,352	991,544	3,616,811	1,271,113	11,786,518
Certificates of participation	9,450	4,725	-	-	-	-	-	14,175
Finance leases	12,700	9,972	7,105	4,176	1,176	-	-	35,129
Total interest	1,899,672	1,788,549	1,179,429	1,087,528	992,720	3,616,811	1,271,113	11,835,822
Total principal and interest	$ 5,244,459	$ 5,238,520	$ 5,026,049	$ 4,269,172	$ 4,250,575	$ 20,851,811	$ 20,816,113	$ 65,696,699

Defeased Debt

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statement. At June 30, 2022, $ 44,165,000 of the bonds that are considered defeased remain outstanding.

6 - Interfund Transfers

The District made the following interfund transfers during the fiscal year 2022. The transfers were approved by the Board of Education.

From	To	Statutory Authority	Amount
General	Special Education	K.S.A. 72-5167	$ 6,045,797
General	Parent Education	K.S.A. 72-5167	33,000
General	Career and Postsecondary Education	K.S.A. 72-5167	240,857
General	4 Year Old At-Risk	K.S.A. 72-5167	55,000
General	At-Risk	K.S.A. 72-5167	1,495,118
Supplemental General	Bilingual Education	K.S.A. 72-5143	8,000
Supplemental General	Professional Development	K.S.A. 72-5143	11,573
Supplemental General	Special Education	K.S.A. 72-5143	2,226,185
Supplemental General	Career and Postsecondary Education	K.S.A. 72-5143	230,000
Supplemental General	4 Year Old At-Risk	K.S.A. 72-5143	55,000
Supplemental General	At-Risk	K.S.A. 72-5143	767,393
			$ 11,167,923

7 - Defined Benefit Pension Plan

General Information about the 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 Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas Avenue, 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 was 14.20% and 13.33% respectively for the fiscal year ended June 30, 2022.

Senate Substitute for House Bill 2052 authorized the delay of $ 64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $ 6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $ 194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of $ 19.4 million starting in fiscal year 2020.

House Substitute for Senate Bill 109 from the 2018 Legislative session provided for additional funding for the KPERS School Group. A payment of $ 56 million was paid in fiscal year 2018. This bill also authorized a payment of $ 82 million in fiscal year 2019. The 2019 legislative session authorized an additional fiscal year payment for the KPERS School Group. 2019 Senate Bill 9 authorized a payment of $ 115 million for the KPERS School Group. House Substitute for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in fiscal year 2020 of $ 51 million.

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 $ 3,971,583 for the year ended June 30, 2022.

Net Pension Liability

At June 30, 2022, the District's proportionate share of the collective net pension liability reported by KPERS was $ 31,721,444. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. 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, 2021. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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.

8 - 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.

9 - Death and Disability Other Post-Employment Benefits

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, 2022.

10 - 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.

11 - Stewardship, Compliance, and Accountability

The District expended monies in excess of available cash in the Federal Grant Funds by $ 1,790 which is in violation of K.S.A. 10-1113 due to issues with the timing of reimbursements from the federal government.

12 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statement of the District as of June 30, 2022.

13 - 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, 2022 are as follows:

Seaman High School Bank
Balance Sheet
June 30, 2022

Assets:		
Cash	$	364,145
Certificates of deposit		63,232
Total assets	$	427,377
Liabilities:		
Depositors' accounts	$	398,486
Equity:		
Capital stock		312
Undivided profits		28,579
Total equity		28,891
Total liabilities and equity	$	427,377

Income and Transactions in Undivided Profits
Year Ended June 30, 2022

Revenues:		
Interest earned	$	1,898
Expenses:		
Miscellaneous		(2,285)
Decrease in undivided profits		(387)
Undivided profits, beginning of year		28,966
Undivided profits, end of year	$	28,579

SUPPLEMENTARY INFORMATION

Schedule 1

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
Year Ended June 30, 2022

FUNDS	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General fund	$ 27,648,696	$ (106,034)	$ -	$ 27,542,662	$ 27,542,662	$ -
Supplemental general fund	9,068,365	(26,952)	-	9,041,413	9,041,413	-
Special purpose funds:						
Special education	11,191,632	-	-	11,191,632	8,978,583	(2,213,049)
Driver education	252,327	-	-	252,327	25,323	(227,004)
Food service	2,395,283	-	-	2,395,283	1,898,567	(496,716)
Capital outlay	5,756,049	-	-	5,756,049	1,995,922	(3,760,127)
Career and postsecondary education	494,000	-	-	494,000	491,402	(2,598)
Professional development	25,000	-	-	25,000	11,573	(13,427)
At-risk	3,745,121	-	-	3,745,121	2,262,511	(1,482,610)
Parent education	45,000	-	-	45,000	33,000	(12,000)
Bilingual education	8,000	-	-	8,000	8,000	-
Summer school	38,110	-	-	38,110	6,230	(31,880)
4 year old at-risk	110,000	-	-	110,000	110,000	-
KPERS special retirement contribution	4,589,590	-	-	4,589,590	4,099,691	(489,899)
Gifts and grants	280,531	-	-	280,531	112,500	(168,031)
Federal grant funds	3,861,499	-	-	3,861,499	2,477,813	(1,383,686)
Bond and interest fund	4,208,638	-	-	4,208,638	4,208,638	-
Totals	$ 73,717,841	$ (132,986)	$ -	$ 73,584,855	$ 63,303,828	

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
Year Ended June 30, 2022

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
State equalization aid	$ 22,825,369	$ 22,618,884	$ (206,485)
State special education fund	4,823,327	4,923,778	100,451
Total cash receipts	$ 27,648,696	27,542,662	$ (106,034)
Expenditures, encumbrances, and transfers:			
Instruction	$ 12,930,000	12,221,659	$ (708,341)
Student support services	130,500	130,133	(367)
Instructional support staff	1,310,000	1,172,646	(137,354)
General administration	1,099,397	1,109,421	10,024
Operations and maintenance	2,965,000	3,119,721	154,721
Other support services	261,000	306,581	45,581
Transportation	1,304,351	1,538,160	233,809
Food service	-	74,569	74,569
Transfers to other funds	7,648,448	7,869,772	221,324
Adjustment to comply with legal max	(106,034)		106,034
Total expenditures, encumbrances and transfers	$ 27,542,662	27,542,662	$ -
Cash receipts over expenditures, encumbrances, and transfers		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		$ -	

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Ad valorem tax in process	$ 50,243	$ 61,687	$ 11,444
Ad valorem current tax	3,751,627	4,079,812	328,185
Ad valorem delinquent tax	38,863	32,249	(6,614)
Motor vehicle tax	440,347	441,815	1,468
Recreational vehicle tax	7,291	8,108	817
Commercial vehicle tax	36,076	39,577	3,501
State aid	4,438,058	4,424,971	(13,087)
Total cash receipts	$ 8,762,505	9,088,219	$ 325,714
Expenditures, encumbrances, and transfers:			
Instruction	$ 1,812,365	1,554,686	$ (257,679)
Student support services	1,200,000	1,261,200	61,200
School administration	2,288,000	1,964,350	(323,650)
Operations and maintenance	950,000	942,636	(7,364)
Other support services	-	20,390	20,390
Transfers to other funds	2,818,000	3,298,151	480,151
Adjustment to comply with legal max	(26,952)		26,952
Total expenditures, encumbrances, and transfers	$ 9,041,413	9,041,413	$ -
Cash receipts over expenditures, encumbrances, and transfers		46,806	
Unencumbered cash, beginning		305,559	
Unencumbered cash, ending		$ 352,365	

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Budget	Actual	Variance - Over (Under)
Cash receipts and transfers:			
Federal aid	$ 606,792	$ 925,802	$ 319,010
Medicaid	500,000	863,497	363,497
Interest on idle funds	20,000	23,451	3,451
Transfer from general fund	4,823,327	6,045,797	1,222,470
Transfer from supplemental general fund	1,250,000	2,226,185	976,185
Total cash receipts and transfers	$ 7,200,119	10,084,732	$ 2,884,613
Expenditures and encumbrances:			
Instruction	$ 6,796,632	5,394,783	$ (1,401,849)
Student support services	2,355,000	2,049,684	(305,316)
Instructional support staff	25,000	35,544	10,544
General administration	655,000	337,680	(317,320)
Transportation	1,360,000	1,160,892	(199,108)
Total expenditures and encumbrances	$ 11,191,632	8,978,583	$ (2,213,049)
Cash receipts and transfers over expenditures and encumbrances		1,106,149	
Unencumbered cash, beginning		3,910,087	
Unencumbered cash, ending		$ 5,016,236	

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
DRIVER EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
State aid	$ 15,900	$ 12,200	$ (3,700)
Local revenue	20,000	25,025	5,025
Total cash receipts	$ 35,900	37,225	$ 1,325
Expenditures and encumbrances:			
Instruction	$ 192,327	25,323	$ (167,004)
Operations and maintenance	60,000	-	(60,000)
Total expenditures and encumbrances	$ 252,327	25,323	$ (227,004)
Cash receipts over expenditures and encumbrances		11,902	
Unencumbered cash, beginning		216,027	
Unencumbered cash, ending		$ 227,929	

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
State aid	$ 12,000	$ 18,349	$ 6,349
Federal aid	1,931,438	2,641,627	710,189
Local revenue	49,500	26,161	(23,339)
Interest on idle funds	160	7	(153)
Total cash receipts	$ 1,993,098	2,686,144	$ 693,046
Expenditures and encumbrances:			
Instruction	$ -	5,239	$ 5,239
Operations and maintenance	325,000	63,200	(261,800)
Food service	2,070,283	1,830,128	(240,155)
Total expenditures and encumbrances	$ 2,395,283	1,898,567	$ (496,716)
Cash receipts over expenditures and encumbrances		787,577	
Unencumbered cash, beginning		354,858	
Unencumbered cash, ending		$ 1,142,435	

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Ad valorem tax in process	$ 31,368	$ 35,661	$ 4,293
Ad valorem current tax	2,209,692	2,334,371	124,679
Ad valorem delinquent tax	22,496	17,931	(4,565)
Motor vehicle tax	262,335	263,192	857
Recreational vehicle tax	4,344	4,821	477
Commercial vehicle tax	21,492	23,024	1,532
State aid	936,717	924,525	(12,192)
Interest on idle funds	-	61,293	61,293
Local revenue	-	357,957	357,957
Total cash receipts	$ 3,488,444	4,022,775	$ 534,331
Expenditures and encumbrances:			
Instruction	$ 1,742,134	1,267,802	$ (474,332)
Operations and maintenance	265,000	45,206	(219,794)
Transportation	150,000	188,056	38,056
Site and building improvements	1,840,000	250,046	(1,589,954)
Debt service:			
Principal	1,708,000	215,442	(1,492,558)
Interest	50,915	29,370	(21,545)
Total expenditures and encumbrances	$ 5,756,049	1,995,922	$ (3,760,127)
Cash receipts over expenditures and encumbrances		2,026,853	
Unencumbered cash, beginning		2,330,799	
Unencumbered cash, ending		$ 4,357,652	

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Budget	Actual	Variance - Over (Under)
Transfers:			
Transfer from supplemental general fund	$ 25,000	$ 11,573	$ (13,427)
Expenditures:			
Instructional support staff	$ 25,000	11,573	$ (13,427)
Transfers over expenditures		-	
Unencumbered cash, beginning		10,541	
Unencumbered cash, ending		$ 10,541	

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
AT-RISK FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Budget	Actual	Variance - Over (Under)
Transfers:			
Transfer from general fund	$ 2,495,121	$ 1,495,118	$ (1,000,003)
Transfer from supplemental general fund	1,250,000	767,393	(482,607)
Total transfers	$ 3,745,121	2,262,511	$ (1,482,610)
Expenditures and encumbrances:			
Instruction	$ 3,745,121	2,259,686	$ (1,485,435)
Instructional support staff	-	2,825	2,825
Total expenditures and encumbrances	$ 3,745,121	2,262,511	$ (1,482,610)
Transfers over expenditures and encumbrances		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		$ -	

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
PARENT EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Budget	Actual	Variance - Over (Under)
Transfers:			
Transfer from general fund	$ 45,000	$ 33,000	$ (12,000)
Expenditures:			
Student support services	$ 45,000	33,000	$ (12,000)
Transfers over expenditures		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		$ -	

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Budget	Actual	Variance - Over (Under)
Transfers:			
Transfer from supplemental general fund	$ 8,000	$ 8,000	$ -
Expenditures:			
Instruction	$ 8,000	8,000	$ -
Transfers over expenditures		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		$ -	

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
SUMMER SCHOOL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Budget	Actual	Variance - Over (Under)
Expenditures:			
Instruction	$ 38,110	$ 6,230	$ (31,880)
Unencumbered cash, beginning		38,104	
Unencumbered cash, ending		$ 31,874	

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
4 YEAR OLD AT-RISK FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Budget	Actual	Variance - Over (Under)
Transfers:			
Transfer from general fund	$ 55,000	$ 55,000	$ -
Transfer from supplemental general fund	55,000	55,000	-
Total transfers	$ 110,000	110,000	$ -
Expenditures and encumbrances:			
Instruction	$ 103,000	55,463	$ (47,537)
School administration	7,000	54,537	47,537
Total expenditures and encumbrances	$ 110,000	110,000	$ -
Transfers over expenditures and encumbrances		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		$ -	

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
State aid	$ 4,589,590	$ 4,099,691	$ (489,899)
Expenditures:			
Instruction	$ 2,785,592	2,705,795	$ (79,797)
Student support services	250,341	245,982	(4,359)
Instructional support staff	166,893	163,988	(2,905)
General administration	83,447	81,994	(1,453)
School administration	292,065	286,978	(5,087)
Operations and maintenance	250,341	245,982	(4,359)
Central services	43,723	40,997	(2,726)
Transportation	211,737	204,985	(6,752)
Other support services	298,684	-	(298,684)
Food service	206,767	122,990	(83,777)
Total expenditures	$ 4,589,590	4,099,691	$ (489,899)
Cash receipts over expenditures		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		$ -	

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Local revenue	$ 100,000	$ 156,861	$ 56,861
State aid	150,000	-	(150,000)
Total cash receipts	$ 250,000	156,861	$ (93,139)
Expenditures and encumbrances:			
Instruction	$ 233,385	101,044	$ (132,341)
Student support services	30,500	11,456	(19,044)
Community services operations	16,646	-	(16,646)
Total expenditures and encumbrances	$ 280,531	112,500	$ (168,031)
Cash receipts over expenditures and encumbrances		44,361	
Unencumbered cash, beginning		64,514	
Unencumbered cash, ending		$ 108,875	

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
FEDERAL GRANT FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Title I	Title II-A	Title IV-A	COVID Testing	ESSER I	ESSER II	ESSER III	Total Actual	Budget	Variance - Over (Under)
Cash receipts:										
Federal aid	$ 332,941	$ 67,013	$ 27,181	$ 59,500	$ 252,795	$ 1,101,474	$ 1,457,168	$ 3,298,072	$ 3,599,392	$ (301,320)
Expenditures and encumbrances:										
Instruction	332,941	-	24,746	-	-	475,700	1,442,758	2,276,145	3,816,659	(1,540,514)
Instructional support staff	-	67,013	2,435	-	-	-	3,400	72,848	44,840	28,008
Student support services	-	-	-	101,536	-	-	-	101,536	-	101,536
Other support services	-	-	-	-	-	-	9,300	9,300	-	9,300
Transportation	-	-	-	-	-	16,274	1,710	17,984	-	17,984
Total expenditures and encumbrances	332,941	67,013	27,181	101,536	-	491,974	1,457,168	2,477,813	$ 3,861,499	$ (1,383,686)
Cash receipts over (under) expenditures and encumbrances	-	-	-	(42,036)	252,795	609,500	-	820,259		
Unencumbered cash, beginning	-	-	-	-	(252,795)	(569,254)	-	(822,049)		
Unencumbered cash, ending	$ -	$ -	$ -	$ (42,036)	$ -	$ 40,246	$ -	$ (1,790)		

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Ad valorem tax in process	$ 32,986	$ 40,512	$ 7,526
Ad valorem current tax	2,502,076	2,666,827	164,751
Ad valorem delinquent tax	25,525	20,924	(4,601)
Motor vehicle tax	314,533	314,206	(327)
Recreational vehicle tax	5,208	5,739	531
Commercial vehicle tax	25,769	26,436	667
Local revenue	-	961	961
State aid	1,599,282	1,599,350	68
Total cash receipts	$ 4,505,379	4,674,955	$ 169,576
Expenditures:			
Principal	$ 2,230,644	2,230,644	$ -
Interest	1,977,994	1,977,994	-
Total expenditures	$ 4,208,638	4,208,638	$ -
Cash receipts over expenditures		466,317	
Unencumbered cash, beginning		3,278,198	
Unencumbered cash, ending		$ 3,744,515	

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Cash receipts:		
Reimbursed expenditures	$	54,695
Unencumbered cash, beginning		-
Unencumbered cash, ending	$	54,695

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
TEXTBOOK RENTAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Cash receipts:		
Local revenue	$	457,326
Expenditures and encumbrances:		
Instruction		461,068
Cash receipts under expenditures and encumbrances		(3,742)
Unencumbered cash, beginning		395,352
Unencumbered cash, ending	$	391,610

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
EXTRAORDINARY SCHOOL PROGRAM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Unencumbered cash, beginning	$	56
Unencumbered cash, ending	$	56

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
UNITED WAY GRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Cash receipts:		
Local revenue	$	19,551
Expenditures and encumbrances:		
Instruction		20,595
Cash receipts under expenditures and encumbrances		(1,044)
Unencumbered cash, beginning		1,099
Unencumbered cash, ending	$	55

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
PRIVATE PURPOSE TRUST FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Unencumbered cash, beginning	$	4,359
Unencumbered cash, ending	$	4,359

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
AGENCY FUNDS
STUDENT ORGANIZATION FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
Year Ended June 30, 2022

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Seaman High School:					
ACT prep	$ 71	$ -	$ -	$ -	$ 71
ACT review	250	-	-	-	250
Adventure club	46	-	-	-	46
Allen Community College	28	-	-	-	28
Alumni classes	3,818	-	-	-	3,818
Art club	169	250	-	-	419
Asian culture club	34	-	-	-	34
Biology club	1,097	-	1,097	-	-
Broadway	14,259	4,604	8,107	-	10,756
Bully T's	78	-	-	-	78
Cabinet making	1,403	102	-	-	1,505
Centennial league	2,287	7,898	6,032	-	4,153
Cheerleaders	3,119	40,868	36,198	-	7,789
Class of 2020	2,273	-	-	-	2,273
Class of 2021	1,000	-	-	-	1,000
Class of 2022	4,723	862	4,585	-	1,000
Class of 2023	-	31,749	31,093	-	656
Class of 2024	-	5,000	-	-	5,000
Clipper	2,255	-	2,232	-	23
Close-up	114	250	-	-	364
Coach's clinic	2,646	21,446	11,714	-	12,378
Crime stoppers	872	-	-	-	872
Disc golf	24	-	-	-	24
Dungeon and Dragon	-	500	-	-	500
Europe trip	183	537	690	-	30
E-2020	620	-	620	-	-
Fall into fitness	20,675	2,145	2,243	-	20,577
FBLA	7,641	19,240	22,252	-	4,629
FCA	97	250	-	-	347
FCCLA	1,475	19,293	20,556	-	212
Feed the children	700	-	-	-	700
FFA	3,311	14,242	12,758	-	4,795
File memorial	100	-	-	-	100
Fishing club	1,855	1,660	1,341	-	2,174
Football	3,251	3,730	4,964	-	2,017
French club	10	-	10	-	-
Friends of Rachael	77	-	-	-	77
Subtotal forward	$ 80,561	$ 174,626	$ 166,492	$ -	$ 88,695

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
AGENCY FUNDS
STUDENT ORGANIZATION FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Seaman High School:					
Subtotal forward	$ 80,561	$ 174,626	$ 166,492	$ -	$ 88,695
Future medical professionals	6	-	-	-	6
Gay straight alliance	1	354	104	-	251
German club	513	-	513	-	-
Historical society	766	-	-	-	766
History day	6,448	24,010	21,178	-	9,280
Interact	619	780	503	-	896
Intergovernmental cooperation council (ICC)	1,470	1,000	2,470	-	-
International Thespian society	7,346	26,847	22,100	-	12,093
Investors club	-	300	-	-	300
Key club	810	5,470	4,933	-	1,347
Leadership club	257	-	-	-	257
Math club	900	310	226	-	984
Midwest dairy	481	121	-	-	602
Model UN	1	345	129	-	217
National honor society	1,412	1,348	846	-	1,914
National tourney	1,250	5,834	4,205	-	2,879
Nik snaks	86	-	-	-	86
Optimist football	9	4,157	4,150	-	16
Orchestra	9,955	9,303	14,392	-	4,866
Patron of the arts	1,355	-	-	-	1,355
Project lead the way	600	-	-	-	600
Robotics club	2,680	2,042	2,104	-	2,618
Runners club	1,154	1,002	972	-	1,184
SABC-Norse Nook	976	-	-	-	976
SADD	93	261	-	-	354
Sea mapp	469	15,905	14,790	-	1,584
Science club	235	1,597	-	-	1,832
SFC biology	77	-	-	-	77
Soccer turf	1	-	-	-	1
Softball	1,135	19,426	19,120	-	1,441
Spanish club	73	-	73	-	-
Spirit club	670	2,394	1,678	-	1,386
Student council	3,911	12,969	12,929	-	3,951
Study abroad	11	-	-	-	11
Swimming	1,342	234	252	-	1,324
Thirst project	96	-	-	-	96
Tri-M honor society	493	-	-	-	493
Vikettes	3,271	13,865	12,179	-	4,957
Viking athletic camp	756	1,064	1,147	-	673
Viking crew	60	250	-	-	310
Viking supply shack	595	-	-	-	595
Viking voices	54	603	225	-	432
Subtotal forward	$ 132,998	$ 326,417	$ 307,710	$ -	$ 151,705

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
AGENCY FUNDS
STUDENT ORGANIZATION FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Seaman High School:					
Subtotal forward	$ 132,998	$ 326,417	$ 307,710	$ -	$ 151,705
Welding	2,021	236	1,564	-	693
Woodworking	3,429	4,688	2,502	-	5,615
World cultures club	-	1,226	331	-	895
Yearbook	5,510	26,579	21,571	-	10,518
Yearbook scholarship	4,726	-	-	-	4,726
Young Republicans/Democrats	-	250	-	-	250
Subtotal Seaman High School	148,684	359,396	333,678	-	174,402
Seaman Middle School:					
Band	1,554	2,428	1,629	-	2,353
Cheerleading	700	4,719	4,294	-	1,125
Dance	1,399	5,546	6,292	-	653
Drama	3,454	1,726	1,692	-	3,488
FBLA	1,428	3,367	3,265	-	1,530
FCCLA	4,980	1,688	4,300	-	2,368
Faculty	2,132	-	-	-	2,132
History Day	1,455	642	555	-	1,542
Industrial tech	1,446	-	-	-	1,446
Invitational school	11,028	40,516	32,947	-	18,597
Miscellaneous	104	-	6	-	98
NJHS	113	481	505	-	89
PE	147	3,571	3,490	-	228
Petty cash	-	400	-	-	400
Power club	401	-	-	-	401
Robotics	230	-	-	-	230
Spirit squad	89	170	77	-	182
Student council	759	8,455	7,198	-	2,016
Yearbook	723	1,988	2,670	-	41
Subtotal Seaman Middle School	32,142	75,697	68,920	-	38,919
Elementary Schools:					
Elmont	8,834	9,633	10,730	-	7,737
Logan	16,227	15,825	11,360	-	20,692
Mathes Early Learning Center	886	12,762	11,374	-	2,274
North Fairview	10,795	9,576	11,700	-	8,671
Northern Hills	23,355	23,267	22,693	-	23,929
West Indianola	14,324	17,442	22,133	-	9,633
Subtotal Elementary Schools	74,421	88,505	89,990	-	72,936
Advertising	18,711	43,350	43,240	-	18,821
Unclaimed property fund	(3,180)	-	-	-	(3,180)
Total agency funds	$ 270,778	$ 566,948	$ 535,828	$ -	$ 301,898

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
DISTRICT ACTIVITY FUNDS
GATE RECEIPTS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
Year Ended June 30, 2022

Funds	Balance, July 1	Prior Year Canceled Encumbrances	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Balance, June 30
Gate receipts:							
Seaman High School	$ 60,958	$ -	$ 272,005	$ 281,422	$ 51,541	$ -	$ 51,541
Seaman Middle School	7,554	-	20,440	22,880	5,114	-	5,114
Total gate receipts	$ 68,512	$ -	$ 292,445	$ 304,302	$ 56,655	$ -	$ 56,655

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
DISTRICT ACTIVITY FUNDS
OTHER
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Seaman High School:								
Advance placement	$ 4,586	$ -	$ 16,134	$ 17,473	$ -	$ 3,247	$ -	$ 3,247
Art department	34	-	200	204	-	30	-	30
Auxiliary dance team	-	-	995	-	-	995	-	995
Baseball	892	-	896	1,000	-	788	-	788
Boys basketball	1,534	-	16,991	14,352	-	4,173	-	4,173
Boys golf	647	-	3,441	3,284	-	804	-	804
Caps and gowns	166	-	-	-	-	166	-	166
College and career intern	25	-	-	-	-	25	-	25
Concert choir	1,800	-	-	1,000	-	800	-	800
CTE excel	-	-	20,091	4,901	-	15,190	-	15,190
D Schmidt school fund	15,484	-	1,414	1,414	-	15,484	-	15,484
Driver's education	877	-	521	1,223	-	175	-	175
Faculty recognition	6,037	-	10,098	7,957	-	8,178	-	8,178
Equity Action Network	-	-	1,293	1,089	-	204	-	204
Girls basketball	533	-	838	908	-	463	-	463
Girls golf	201	-	860	320	-	741	-	741
Girls soccer	281	-	895	-	-	1,176	-	1,176
Girls tennis	20	-	-	-	-	20	-	20
Girls wrestling	-	-	4,838	-	-	4,838	-	4,838
Guidance department	92	-	-	-	-	92	-	92
Habitat	1,334	-	1,400	-	-	2,734	-	2,734
Industrial tech club	644	-	532	1,159	-	17	-	17
Kansas teacher of the year	-	-	1	-	-	1	-	1
Library	453	-	515	192	-	776	-	776
Math department	2,216	-	3,736	5,427	-	525	-	525
Online prep ACT	-	-	731	679	-	52	-	52
Parking permits	6,195	-	10,586	7,798	-	8,983	-	8,983
Pence Jerry FBLA school	-	-	500	500	-	-	-	-
Pleasant Hill learning	151	-	1,188	940	-	399	-	399
PSAT	81	-	790	828	-	43	-	43
Scholars bowl	97	-	453	-	-	550	-	550
Seaman activities	331	-	72,967	48,176	-	25,122	-	25,122
Seaman soccer	321	-	-	-	-	321	-	321
SHARP	140	-	2,349	1,555	-	934	-	934
Show choir	6,850	-	23,189	27,249	-	2,790	-	2,790
Special ED	1,548	-	507	268	-	1,787	-	1,787
Sports department pop	1,224	-	3,830	340	-	4,714	-	4,714
Student recognition	681	-	12,704	5,283	-	8,102	-	8,102
Subtotal	$ 55,475	$ -	$ 215,483	$ 155,519	$ -	$ 115,439	$ -	$ 115,439

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
DISTRICT ACTIVITY FUNDS
OTHER
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Subtotal forward	$ 55,475	$ -	$ 215,483	$ 155,519	$ -	$ 115,439	$ -	$ 115,439
Super O.A.	4,234	-	1,455	2,196	-	3,493	-	3,493
Track	424	-	2,430	866	-	1,988	-	1,988
Viking band	42,200	-	93,823	113,717	-	22,306	-	22,306
Viking brew	8,697	-	4,961	5,441	-	8,217	-	8,217
Viking Chick Inn	648	-	-	433	-	215	-	215
Viking concessions	29	-	14,077	13,799	-	307	-	307
Viking united	827	-	500	495	-	832	-	832
Viking warriors	107	-	221	164	-	164	-	164
Volleyball	176	-	6,602	3,516	-	3,262	-	3,262
Work study	35	-	-	-	-	35	-	35
Wrestling	544	-	7,674	6,717	-	1,501	-	1,501
Total all funds	$ 113,396	$ -	$ 347,226	$ 302,863	$ -	$ 157,759	$ -	$ 157,759

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Unencumbered Cash Balance June 30, 2021*	Amount Received	Disbursements, Accounts Payable, Encumbrances and Transfers	Prior-Year Canceled Encumbrances	Unencumbered Cash Balance June 30, 2022
United States Department of Education:						
Passed through Kansas State Department of Education:						
Special Education Cluster:						
Grants to State (IDEA Part B):						
Title VI-B Special Education, Grants to States	84.027	$ -	$ 716,139	$ 743,174	$ -	$ (27,035)
Title VI-B (Targeted Improvement Plan)	84.027A	-	36,897	36,897	-	-
Special Education, Preschool Grants	84.173	-	37,074	37,074		-
Total Special Education Cluster		-	790,110	817,145	-	(27,035)
Grants not clustered:						
Title I, Grants to Local Educational Agencies	84.010	-	332,941	332,941	-	-
Career and Technical Education - Carl Perkins	84.048	-	20,545	20,545	-	-
Title II-A Improving Teacher Quality	84.367A	-	67,013	67,013	-	-
Student Support and Academic Enrichment Program	84.424	-	27,181	27,181	-	-
COVID-19 Education Stabilization Fund	84.425D	(848,119)	2,947,129	2,057,260		41,750
Total grants not clustered		(848,119)	3,394,809	2,504,940	-	41,750
Total United States Department of Education		(848,119)	4,184,919	3,322,085	-	14,715
United States Department of Health and Human Services:						
Passed through Kansas Department of Education:						
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	-	190,100	232,136	-	(42,036)
Youth Risk Behavior Survey	93.079	-	747	747	-	-
Total United States Department of Health and Human Services		$ -	$ 190,847	$ 232,883	$ -	$ (42,036)

* Certain prior year amounts have been restated for consistency with the current year presentation.

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Unencumbered Cash Balance June 30, 2021*	Amount Received	Disbursements, Accounts Payable, Encumbrances and Transfers	Prior-Year Canceled Encumbrances	Unencumbered Cash Balance June 30, 2022
United States Department of Agriculture:						
Passed through Kansas State Department of Education:						
Child Nutrition Cluster:						
School Breakfast Program	10.553	$ -	$ 554,488	$ 554,488	$ -	$ -
COVID-19 National School Lunch Program	10.555	-	30,409	30,409	-	-
National School Lunch Program	10.555	-	1,825,822	1,825,822	-	-
FFVP (Fresh Fruits and Vegetable)	10.582	-	30,972	30,972	-	-
Summer Food Service Program for Children	10.559	-	192,266	192,266	-	-
Total Child Nutrition Cluster		-	2,633,957	2,633,957	-	-
Grants not clustered:						
Child and Adult Care Food Program	10.558	-	2,273	2,273	-	-
COVID-19 Child and Adult Care Food Program	10.558	-	2,334	2,334	-	-
COVID-19 Pandemic EBT Administrative Costs Grant	10.649		3,063	3,063	-	
Total grants not clustered		-	7,670	7,670	-	-
Total United States Department of Agriculture		-	2,641,627	2,641,627	-	-
Total federal awards		$ (848,119)	$ 7,017,393	$ 6,196,595	$ -	$ (27,321)

* Certain prior year amounts have been restated for consistency with the current year presentation.

See accompanying notes to schedule of expenditures of federal awards.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2022

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Seaman Unified School District No. 345 (the District) under the programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in or used in the preparation of the basic financial statement. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position of the District.

2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the regulatory basis of accounting as described in Note 2 to the District's financial statement. The District elected not to use the 10% de minimus indirect cost rate.

The expenditures on the Schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3 - Noncash Assistance

The District is a recipient of a federal financial assistance program that does not result in cash receipts or disbursements. Noncash amounts received by the District are included in the Schedule for the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) grant (ALN 93.323) in a total amount of $ 130,600 as valued by the grantor.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

Section I – Summary of Auditors' Results:

Financial Statement

Type of report issued on whether the financial statements audited were prepared in accordance with GAAP:	Adverse
Type of auditors' report issued on the basis of accounting used by the District:	Unmodified – Regulatory basis
Internal control over financial reporting:	
Material weaknesses identified	Finding 2022-003
Significant deficiencies identified that are not considered to be material weaknesses	Finding 2022-001 and 2022-002
Noncompliance material to financial statements	None

Federal Awards

Type of auditors' report issued on compliance for major programs	Unmodified
Internal control over major programs:	
Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)	None

Identification of major programs:

Assistance Listing Number	Name of Federal Program
84.425D	COVID-19 Education Stabilization Fund
84.027, 84.027A, 84.173	Special Education Cluster

(Continued)

Section I – Summary of Auditors' Results (Continued)

Dollar threshold used to distinguish between Type A and Type B programs	$ 750,000
Auditee qualified as a low-risk auditee:	No

Section II – Financial Statement Findings

Finding 2022-001 Significant Deficiency (repeat of prior year Finding 2021-001)

Condition – The bookkeeper has full accessibility to all accounting modules including her responsibilities of preparing the monthly bank reconciliation, posting journal entries, and processing and approving payroll. The bookkeeper is the signer on all bank accounts and can authorize ACH and electronic transfers without a secondary approval, and can also print checks, and receive and record receipts.

Criteria – Review and approval of the bank and payroll records are critical aspects of internal control 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 financial and payroll records could lead to potential errors or fraud.

Recommendation – We recommend that procedures be implemented that would allow for the segregation of duties within the receipts, disbursement, and payroll accounting processing procedures including review of bank and payroll records.

Management's Response/Corrective Action Plan (Unaudited) – At the July 2023 board meeting, the board removed the bookkeeper as a check signer and added the vice president as the replacement.

The bookkeeper creates the deposits for receipts, it is taken to the bank by the courier. Moving forward, the receipts are recorded in the system by the administrative assistant of the business manager. The business manager will complete the check reconciliation process moving forward.

All transfers must have sufficient documentation gathered prior to a request being made to the business manager. We are currently working on a transfer request form to show signatures throughout the process (this form would be completed by the AP, payroll, or HR department). Once all documentation has been collected for a transfer, the business manager reviews it, assigns the new code(s) for the revenue or expense, it is then completed by the administrative assistant. All documentation goes back to the business manager to review for accuracy, it is signed as complete and scanned into the software for recordkeeping.

The business manager will approve payroll/accounts payable ACH requests to the bank.

(Continued)

Section II – Financial Statement Findings (Continued)

Completion Date – We continue to review the process and procedures in place to ensure that separation of duties is at maximum efficiency and compliance.

Approval for the bank to be updated to add the Board of Education Vice President and remove bookkeeper as a signer was voted on in July 2023. We are working with the bank and software to get new signatures uploaded into the system. This change in procedure will be implemented no later than September 1, 2023.

Transfer process has started, we continue to work on the form to make it work for different situations. This process including the updates to the form will be implemented no later than October l, 2023.

The receipt process has been implemented effective July l , 2023.

The business manager will complete the bank reconciliation process starting with the FY 2023 and moving onto the current fiscal year.

Contact – Mrs. Lisa Morando, Director of Business

Finding 2022-002 Significant Deficiency (repeat of prior year Finding 2021-002)

Condition – Both student activity funds and district activity funds are required to be reported in the District's financial statement. The nature of activity funds makes them particularly vulnerable to misuse and fraud. Throughout the year, several issues occurred at some schools such as no bank reconciliations being performed or bank reconciliation were performed, but not in a timely fashion, no review of bank reconciliations, and lack of approval of disbursements. Additionally, we noted that the District office does not receive and review the financials related to activity funds (such as cash balance reports) from each school.

Criteria – Appropriate controls over the bank reconciliation process and approval are necessary as part of an effective internal control structure to reduce risks of misuse and fraud.

Cause – The Board of Education authorizes a resolution each year approving exemption from activity fund guidelines. As a result of the exemption, the administration of board policies related to internal controls over activity funds has remained at the building (activity fund) level.

Effect – Without adequate monitoring of controls over activity fund receipts and disbursements including reconciliation processes and reporting from the District Superintendent, Treasurer or their designees, increased instances of violations of policies and procedures occur and go undetected.

Recommendation – The nature of activity funds makes them particularly vulnerable to misuse and fraud. Activity fund guidelines developed by the Kansas State Department of Education are suggested minimum controls designed to both safeguard activity fund moneys and to provide the District with an efficient and effective means to administer activity funds. We recommend the District review the process currently in place, including the authorization of the resolution to exempt the District from the activity guidelines, to determine if additional

(Continued)

monitoring procedures are warranted at the District level to improve internal controls over the District's activity funds.

Management's Response/Corrective Action Plan (Unaudited) – In previous years, the district has waived the requirement to use state guidelines for activity funds. After reviewing this practice, it was decided that it is best practice to utilize the guidelines provided by the state.

At this time, we are working along our building administration to create updated policy and procedures for district and student activity funds.

All building accounts have been moved to Silver Lake Bank and the business manager along with another district office representative have been added to each account. An online drive has been created for each building to upload their monthly statements and reconciliations by the 5th of each month. These statements will be reviewed monthly by district office staff to ensure accuracy and that correct documentation and approvals are present.

The gate/event funds that are collected for entrance fees, will be accounted for with a two-person ticketing system on a new worksheet, double verified and deposits taken to the Seaman Bank no later than 3 days after the event. A copy of the worksheet and deposit will be sent to the district office for reconciliation. Part of the updated process is having number tickets at each gate to help account for discrepancies and the deposit amount.

Expenses made with the district activity funds will go through the same approval process as any purchase request in the district and will be paid by the district office.

The district has elected to go with Arbiterpay to eliminate the need for immediate access to the activity funds for the payment of officials. In addition, this will eliminate the responsibility of producing 1099 forms for the district.

District activity funds will be housed at the district bank location (Silver Lake Bank). However, access to student activity funds will still be managed through the high school bank. This will help define the difference between the two types of funds and help administrators with what policy each account follows (district or student).

Completion Date – Effective with the FY 2024 fiscal year, the board of education will no longer waive the requirement to use state guidelines for activity funds.

All student and district activity funds have been moved to the Silver Lake Bank and have updated access to those accounts to current personnel. The gate/event funds for entrance fees worksheet has been put into place as of August 15, 2023.

Arbiterpay for officials will be implemented by October l, 2023.

District activity funds will be consolidated at Silver Lake Bank by October l, 2023. The expenditure approval process will be implemented by September l, 2023.

We anticipate full building alignment with all of the new activity funds guidelines and procedures by January l, 2024.

Contact – Mrs. Lisa Morando, Director of Business

(Continued)

Section II – Financial Statement Findings (Continued)

Finding 2022-003 Material Weakness

Condition - Bank reconciliations were not performed from March 2022 through year end.

Criteria - Appropriate controls over the bank reconciliation process and approval are necessary as part of an effective internal control structure to reduce risks of misuses and fraud.

Cause - There was turnover in the accounting department that led to this issue.

Effect - The unadjusted bank balance was misstated and material journal entries were required to properly state the cash balance at year end.

Recommendation - We recommend the District complete all bank reconciliations and review their processes and controls related to bank reconciliations and approvals.

Management's Response/Corrective Action Plan (Unaudited) – The bookkeeper for Seaman left employment in March 2022. Following her departure, a new bookkeeper was hired, and then the business manager departed in July 2022. During this timeframe, the district transitioned to the new financial management software. Without anyone in the business manager role and the bookkeeper unaware of how to utilize the old software, the check reconciliation wasn't completed.

As part of the plan above for separation of duties, the business manager will be responsible for completing the bank reconciliations monthly. The business manager is currently completing all past bank reconciliations that were not completed previously.

Completion Date – All past reconciliations are scheduled to be completed by December 1, 2023.

Contact - Mrs. Lisa Morando, Director of Business

Section III – Federal Award Findings and Questioned Costs –

None.

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

Board of Education
Seaman Unified School District No. 345:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Seaman Unified School District No. 345 (the District) which comprises the summary statement of regulatory basis receipts, expenditures and unencumbered cash as of June 30, 2022 and the related notes to the financial statement and have issued our report thereon dated August 8, 2023. Our report contained an adverse opinion because the financial statement was presented using accounting practices prescribed or permitted by the State of Kansas.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-003 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 to be significant deficiencies.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on them.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BT&Co., P.A.

August 8, 2023
Topeka, Kansas

BT & Co. P.A.
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Education
Seaman Unified School District No. 345:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Seaman Unified School District No. 345's (the District's) compliance with the types of compliance requirements identified as subject to audit 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, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal programs. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of lows, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion of the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

BT&Co., P.A.

August 8, 2023
Topeka, Kansas