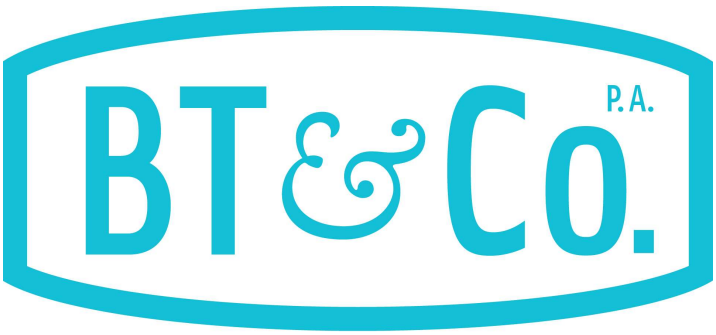


SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS

FINANCIAL STATEMENT
YEAR ENDED JUNE 30, 2021

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
FINANCIAL STATEMENT
REGULATORY BASIS
Year Ended June 30, 2021

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SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
FINANCIAL STATEMENT
REGULATORY BASIS
Year Ended June 30, 2021

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BT & Co. P.A.
Certified Public Accountants

4301 SW Huntoon St. Topeka, KS 66604 | t:785.234.3427 | toll-free: 800.530.5526 | f: 785.233.1768 | w: btandcocpa.com

INDEPENDENT AUDITORS' REPORT

Board of Education
Seaman Unified School District No. 345:

Update for new audit report (see Shawnee Heights as example)

Report on the Financial Statement

We have audited the 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, 2021 and the related notes to the financial statement.

Management's Responsibility 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 (the KMAAG) 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.

Auditors' 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 that 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 auditors' 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.

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.

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

As described 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 KMAAG, 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.

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 accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2021, or changes in financial position and cash flows thereof 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, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the KMAAG described in Note 2.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the summary statement of regulatory basis receipts, expenditures, and unencumbered cash (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 (CFR) Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards*, are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the KMAAG. 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 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 February 2, 2022 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.

February 2, 2022
Topeka, Kansas

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND
UNENCUMBERED CASH
REGULATORY BASIS
Year Ended June 30, 2021

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts
General fund	$ -	$ -	$ 26,961,134
Supplemental general fund	253,965	-	8,726,440
Special purpose funds:			
Special education	2,444,208	-	10,058,917
Driver education	203,697	-	31,194
Food service	81,947	-	1,763,841
Capital outlay	1,797,888	-	3,563,892
Contingency reserve	-	-	81,427
Career and postsecondary education	-	-	483,692
Professional development	3,016	-	22,999
At-risk	-	-	2,293,472
Parent education	-	-	42,000
Bilingual education	-	-	7,900
Summer school	40,395	-	5,000
4 year old at-risk	-	-	103,804
KPERS special retirement contribution	-	-	3,936,184
Gifts and grants	76,066	-	178,449
Federal grant funds	(88,266)	-	1,342,724
Textbook rental	599,835	-	403,416
Extraordinary school program	56	-	-
United Way grant	(33,041)	-	68,091
District activity funds - gate receipts	42,571	-	201,491
District activity funds - other	86,346	-	182,758
Bond and interest fund	3,169,035	-	4,526,787
Fiduciary fund:			
Private purpose trust funds	4,359	-	-
Total reporting entity (excluding agency funds)	$ 8,682,077	$ -	$ 64,985,612

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND
UNENCUMBERED CASH
REGULATORY BASIS
Year Ended June 30, 2021
(Continued)

FUNDS	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General fund	$ 26,961,134	$ -	$ 1,153,486	$ 1,153,486
Supplemental general fund	8,674,846	305,559	225,575	531,134
Special purpose funds:				
Special education	8,593,038	3,910,087	418,496	4,328,583
Driver education	18,864	216,027	6,184	222,211
Food service	1,490,930	354,858	24,559	379,417
Capital outlay	3,030,981	2,330,799	978,752	3,309,551
Contingency reserve	81,427	-	81,427	81,427
Career and postsecondary education	483,692	-	33,495	33,495
Professional development	15,474	10,541	6,785	17,326
At-risk	2,293,472	-	156,194	156,194
Parent education	42,000	-	-	-
Bilingual education	7,900	-	-	-
Summer school	7,291	38,104	3,562	41,666
4 year old at-risk	103,804	-	5,433	5,433
KPERS special retirement contribution	3,936,184	-	-	-
Gifts and grants	190,001	64,514	19,961	84,475
Federal grant funds	2,076,507	(822,049)	659,041	(163,008)
Textbook rental	607,899	395,352	8,127	403,479
Extraordinary school program	-	56	-	56
United Way grant	33,951	1,099	988	2,087
District activity funds - gate receipts	175,550	68,512	-	68,512
District activity funds - other	155,708	113,396	-	113,396
Bond and interest fund	4,417,624	3,278,198	-	3,278,198
Fiduciary fund:				
Private purpose trust funds	-	4,359	-	4,359
Total reporting entity (excluding agency funds)	$ 63,398,277	$ 10,269,412	$ 3,782,065	$ 14,051,477
Composition of cash:				
Checking accounts				$ (1,541,640)
Money market deposit accounts				14,388,211
Construction accounts				1,038,529
Activity funds - checking accounts				437,154
Total cash				14,322,254
Agency funds per schedule 3				(270,777)
				$ 14,051,477

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, 2021:

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.

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, 2021.

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

add paragraph about RNR
(see Shawnee Heights)

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.

All budgets must be filed with the County Clerk by August 25th. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payment.

These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by the County.

Taxes levied to finance the budget are made available to the District after January 1st and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

(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; and repurchase agreements. The District has no investment policy that would further limit its investment choices.

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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 money market deposit accounts during and as of the fiscal year ended June 30, 2021.

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. Kansas statutes require that deposits be entirely covered by federal depository insurance or 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, 2021, the District's deposits were not exposed to custodial credit risk.

4 - In-substance Receipt in Transit

The District received $ 1,788,429 subsequent to June 30, 2021 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2021.

At June 30, 2022, the District's carrying amount of deposits was $ 19,704,713 and the bank balance was $ 19,589,137. 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 the remaining $ 19,339,137 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

5 - Long-term Debt

Changes in long-term liabilities for the District for the year ended June 30, 2021 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	$ 7,514,229	$ -	$ 1,948,570	$ 5,565,659	$ 296,430
Series 2017	2.0 - 5.0%	08/30/17	9,975,000	09/01/27	9,780,000	-	100,000	9,680,000	288,400
Series 2019	4.00%	12/09/19	38,065,000	09/01/36	38,065,000	-	460,000	37,605,000	1,324,225
Certificates of participation:									
Series 2014	2.0 - 3.5%	05/01/14	1,200,000	05/01/24	525,000	-	125,000	400,000	18,063
Lease purchase agreements:									
Apple lease	1.46%	04/15/16	1,480,833	07/05/20	328,431	-	328,431	-	4,795
Apple lease	1.77%	06/09/17	1,028,814	07/15/21	415,774	-	206,064	209,710	7,359
Apple lease	0.00%	04/05/19	820,814	04/05/22	410,407	-	205,204	205,203	-
Soccer field	3.04%	06/17/19	700,000	04/30/27	620,474	-	82,851	537,623	17,958
Apple lease	0.00%	02/15/21	1,516,724	07/15/24	-	1,516,724	-	1,516,724	-
Total contractual indebtedness					$ 57,659,315	$ 1,516,724	$ 3,456,120	$ 55,719,919	$ 1,957,230

add operating leases

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

	Year								
	2022	2023	2024	2025	2026	2027-2031	2032-2036	2037	Total
Principal:									
General obligation bonds	$ 2,230,644	$ 2,155,072	$ 2,429,943	$ 2,995,000	$ 3,085,000	$ 16,785,000	$ 19,060,000	$ 4,110,000	$ 52,850,659
Certificates of participation	130,000	135,000	135,000	-	-	-	-	-	400,000
Lease purchase agreements	879,544	467,300	470,029	472,896	96,644	82,847	-	-	2,469,260
Total principal	3,240,188	2,757,372	3,034,972	3,467,896	3,181,644	16,867,847	19,060,000	4,110,000	55,719,919
Interest:									
General obligation bonds	1,977,973	1,877,522	1,773,852	1,172,324	1,083,352	4,063,738	1,763,327	52,403	13,764,491
Certificates of participation	14,000	9,450	4,725	-	-	-	-	-	28,175
Lease purchase agreements	19,083	12,700	9,972	7,105	4,176	1,176	-	-	54,212
Total interest	2,011,056	1,899,672	1,788,549	1,179,429	1,087,528	4,064,914	1,763,327	52,403	13,846,878
Total principal and interest	$ 5,251,244	$ 4,657,044	$ 4,823,521	$ 4,647,325	$ 4,269,172	$ 20,932,761	$ 20,823,327	$ 4,162,403	$ 69,566,797

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, 2021, $ 44,165,000 of the bonds that are considered defeased remain outstanding.

6 - Operating Leases

The District has a four-year operating lease for eleven, 20 passenger buses. As of June 30, 2021, future annual minimum lease payments are $ 111,580 for fiscal year 2022 and a payment of $ 83,685 in fiscal year 2023. Lease expense for the current year was $ 111,580.

The District has a four-year operating lease for five, 20 passenger buses. As of June 30, 2021, future annual minimum lease payments are $ 48,365 for fiscal years 2022 and 2023, and $ 36,274 for fiscal year 2024. Lease expense for the current year was $ 60,456.

The District has a four-year operating lease for five, 12 passenger buses. As of June 30, 2021, future annual minimum lease payments are $ 76,640 for fiscal year 2022 and a payment of $ 57,480 in fiscal year 2023. Lease expense for the current year was $ 76,640.

The District has a four-year operating lease for one, 16 passenger bus. As of June 30, 2021, the future annual minimum lease payment is $ 7,929 for fiscal year 2022. Lease expense for the current year was $ 7,929.

7 - Interfund Transfers

The District made the following interfund transfers during the fiscal year 2021. The transfers were approved by the Board of Education.

From	To	Statutory Authority	Amount
General	Special Education	K.S.A. 72-5167	$ 6,244,159
General	Parent Education	K.S.A. 72-5167	42,000
General	Career and Postsecondary Education	K.S.A. 72-5167	212,706
General	4 Year Old At-Risk	K.S.A. 72-5167	59,980
General	At-Risk	K.S.A. 72-5167	963,800
General	Professional Development	K.S.A. 72-5167	22,999
General	Contingency Reserve	K.S.A. 72-5167	81,427
Supplemental General	Bilingual Education	K.S.A. 72-5143	7,900
Supplemental General	Food Service	K.S.A. 72-5143	30,000
Supplemental General	Special Education	K.S.A. 72-5143	2,222,486
Supplemental General	Career and Postsecondary Education	K.S.A. 72-5143	237,730
Supplemental General	4 Year Old At-Risk	K.S.A. 72-5143	43,824
Supplemental General	At-Risk	K.S.A. 72-5143	1,329,672
			$ 11,498,683

8 - 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.* KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. 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 (not including the 1% contribution rate for the Death and Disability Program) was 16.15% and 14.41%, respectively, for the fiscal year ended June 30, 2020. The actuarially determined employer contribution rate and the statutory contribution rate was 15.59% and 14.23% for the fiscal year ended June 30, 2021.

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 $ 4,063,644 for the year ended June 30, 2021.

Net Pension Liability

At June 30, 2021, the District's proportionate share of the collective net pension liability reported by KPERS was $ 42,607,275. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. 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, 2020. 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.

9 - 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.

10 - 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, 2021.

11 - 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.

12 - Cash Deficit and Excess of Expenditures Over Appropriations

The District expended monies in excess of available cash in the Federal Grant Funds and expended money in excess of budgeted expenditures in the same fund. This was the result of unanticipated federal grants received as well as the timing of reimbursements received from grantors.

13 - Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the District operates. On March 27, 2020, the *Coronavirus Aid, Relief, and Economic*

Security Act (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the pandemic.

It is unknown how long the adverse conditions associated with the pandemic will last and what the complete financial effect will be to the District. Accordingly, while management cannot quantify the financial and other impacts to the District as of June 30, 2021, management believes that a material impact on the District's financial position and results of future operations is reasonably possible.

14 - 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, 2021 are as follows:

Seaman High School Bank
Balance Sheet
June 30, 2021

Assets:		
Cash	$	302,078
Certificates of deposit		62,815
Total assets	$	364,893
Liabilities:		
Depositors' accounts	$	335,615
Equity:		
Capital stock		312
Undivided profits		28,966
Total equity		29,278
Total liabilities and equity	$	364,893

Income and Transactions in Undivided Profits
Year Ended June 30, 2021

Revenues:		
Interest earned	$	1,471
Expenses:		
Miscellaneous		(774)
Increase in undivided profits		697
Undivided profits, beginning of year		28,269
Undivided profits, end of year	$	28,966

SUPPLEMENTARY INFORMATION

Schedule 1

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
Year Ended June 30, 2021

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	$ 27,022,155	$ (61,021)	$ -	$ 26,961,134	$ 26,961,134	$ -
Supplemental general fund	8,674,846	-	-	8,674,846	8,674,846	-
Special purpose funds:						
Special education	8,875,933	-	-	8,875,933	8,593,038	(282,895)
Driver education	29,715	-	-	29,715	18,864	(10,851)
Food service	1,643,442	-	-	1,643,442	1,490,930	(152,512)
Capital outlay	4,001,000	-	-	4,001,000	3,030,981	(970,019)
Career and postsecondary education	489,483	-	-	489,483	483,692	(5,791)
Professional development	35,017	-	-	35,017	15,474	(19,543)
At-risk	2,400,000	-	-	2,400,000	2,293,472	(106,528)
Parent education	42,000	-	-	42,000	42,000	-
Bilingual education	7,900	-	-	7,900	7,900	-
Summer school	35,100	-	-	35,100	7,291	(27,809)
4 year old at-risk	130,483	-	-	130,483	103,804	(26,679)
KPERS special retirement contribution	4,469,691	-	-	4,469,691	3,936,184	(533,507)
Gifts and grants	226,350	-	-	226,350	190,001	(36,349)
Federal grant funds	668,124	-	577,487	1,245,611	2,076,507	830,896
Bond and interest fund	4,417,624	-	-	4,417,624	4,417,624	-
Totals	$ 63,168,863	$ (61,021)	$ 577,487	$ 63,685,329	$ 62,343,742	

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
Year Ended June 30, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
State equalization aid	$ 22,272,198	$ 22,136,353	$ (135,845)
State special education fund	4,749,957	4,824,781	74,824
Total cash receipts	$ 27,022,155	26,961,134	$ (61,021)
Expenditures, encumbrances, and transfers:			
Instruction	$ 12,191,961	12,365,270	$ 173,309
Student support services	152,610	159,839	7,229
Instructional support staff	1,416,300	1,323,548	(92,752)
General administration	1,170,200	1,167,837	(2,363)
Operations and maintenance	2,794,300	519,767	(2,274,533)
Other support services	283,500	2,585,361	2,301,861
Transportation	1,705,801	1,212,441	(493,360)
Transfers to other funds	7,307,483	7,627,071	319,588
Adjustment to comply with legal max	(61,021)		61,021
Total expenditures, encumbrances and transfers	$ 26,961,134	26,961,134	$ -
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, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Ad valorem tax in process	$ 75,142	$ 61,475	$ (13,667)
Ad valorem current tax	3,492,888	3,755,021	262,133
Ad valorem delinquent tax	23,248	38,118	14,870
Motor vehicle tax	450,529	481,050	30,521
Recreational vehicle tax	7,150	8,171	1,021
Commercial vehicle tax	33,634	44,315	10,681
State aid	4,338,290	4,338,290	-
Total cash receipts	$ 8,420,881	8,726,440	$ 305,559
Expenditures, encumbrances, and transfers:			
Instruction	$ 1,432,000	1,021,580	$ (410,420)
Student support services	1,167,805	1,082,601	(85,204)
School administration	2,155,542	1,861,342	(294,200)
Operations and maintenance	852,550	837,711	(14,839)
Transportation	159,049	-	(159,049)
Transfers to other funds	2,907,900	3,871,612	963,712
Total expenditures, encumbrances, and transfers	$ 8,674,846	8,674,846	$ -
Cash receipts over expenditures, encumbrances, and transfers		51,594	
Unencumbered cash, beginning		253,965	
Unencumbered cash, ending		$ 305,559	

(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, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts and transfers:			
Federal aid	$ 983,486	$ 1,015,346	$ 31,860
Medicaid	700,000	554,797	(145,203)
Interest on idle funds	40,000	22,129	(17,871)
Transfer from general fund	5,950,000	6,244,159	294,159
Transfer from supplemental general fund	1,000,000	2,222,486	1,222,486
Total cash receipts and transfers	$ 8,673,486	10,058,917	$ 1,385,431
Expenditures and encumbrances:			
Instruction	$ 5,310,000	4,933,904	$ (376,096)
Student support services	2,000,500	2,073,494	72,994
Instructional support staff	5,500	22,922	17,422
General administration	382,700	472,338	89,638
Transportation	1,177,233	1,090,380	(86,853)
Total expenditures and encumbrances	$ 8,875,933	8,593,038	$ (282,895)
Cash receipts and transfers over expenditures and encumbrances		1,465,879	
Unencumbered cash, beginning		2,444,208	
Unencumbered cash, ending		$ 3,910,087	

(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, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
State aid	$ 10,175	$ 13,566	$ 3,391
Local revenue	-	17,628	17,628
Total cash receipts	$ 10,175	31,194	$ 21,019
Expenditures and encumbrances:			
Operations and maintenance	$ -	895	$ 895
Instruction	29,715	17,969	(11,746)
Total expenditures and encumbrances	$ 29,715	18,864	$ (10,851)
Cash receipts over expenditures and encumbrances		12,330	
Unencumbered cash, beginning		203,697	
Unencumbered cash, ending		$ 216,027	

(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, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts and transfers:			
State aid	$ 10,834	$ 18,032	$ 7,198
Federal aid	836,362	1,670,795	834,433
Local revenue	533,961	44,986	(488,975)
Interest on idle funds	5,000	28	(4,972)
Transfer from supplemental general fund	200,000	30,000	(170,000)
Total cash receipts and transfers	$ 1,586,157	1,763,841	$ 177,684
Expenditures and encumbrances:			
Operations and maintenance	$ 64,474	57,641	$ (6,833)
Food service	1,578,968	1,433,289	(145,679)
Total expenditures and encumbrances	$ 1,643,442	1,490,930	$ (152,512)
Cash receipts and transfers over expenditures and encumbrances		272,911	
Unencumbered cash, beginning		81,947	
Unencumbered cash, ending		$ 354,858	

(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, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Ad valorem tax in process	$ 45,448	$ 36,606	$ (8,842)
Ad valorem current tax	2,063,012	2,171,283	108,271
Ad valorem delinquent tax	14,055	20,140	6,085
Motor vehicle tax	256,911	272,808	15,897
Recreational vehicle tax	4,077	4,611	534
Commercial vehicle tax	19,180	26,198	7,018
State aid	829,689	824,466	(5,223)
Interest on idle funds	50,000	23,212	(26,788)
Local revenue	125,000	184,568	59,568
Total cash receipts	$ 3,407,372	3,563,892	$ 156,520
Expenditures and encumbrances:			
Instruction	$ 1,800,000	1,021,968	$ (778,032)
Operations and maintenance	925,000	56,183	(868,817)
Transportation	200,000	3,738	(196,262)
Other support services	-	7,713	7,713
Site and building improvements	805,000	1,697,507	892,507
Debt service:			
Principal	226,000	207,851	(18,149)
Interest	45,000	36,021	(8,979)
Total expenditures and encumbrances	$ 4,001,000	3,030,981	$ (970,019)
Cash receipts over expenditures and encumbrances		532,911	
Unencumbered cash, beginning		1,797,888	
Unencumbered cash, ending		$ 2,330,799	

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

Transfers:		
Transfer from general fund	$	81,427
Expenditures and encumbrances:		
Operations and maintenance		81,427
Transfers over expenditures and encumbrances		-
Unencumbered cash, beginning		-
Unencumbered cash, ending	$	-

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts and transfers:			
Federal aid	$ 24,483	$ 33,256	$ 8,773
Transfer from general fund	250,000	212,706	(37,294)
Transfer from supplemental general fund	215,000	237,730	22,730
Total cash receipts and transfers	$ 489,483	483,692	$ (5,791)
Expenditures and encumbrances:			
Instruction	$ 489,483	481,964	$ (7,519)
Instructional support staff	-	1,728	1,728
Total expenditures and encumbrances:	$ 489,483	483,692	$ (5,791)
Cash receipts and transfers over expenditures and encumbrances		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		$ -	

(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, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts and transfers:			
State aid	$ 12,000	$ -	$ (12,000)
Transfer from general fund	-	22,999	22,999
Transfer from supplemental general fund	20,000	-	(20,000)
Total cash receipts and transfers	$ 32,000	22,999	$ (9,001)
Expenditures and encumbrances:			
Instructional support staff	$ 35,017	15,474	$ (19,543)
Cash receipts and transfers over expenditures and encumbrances		7,525	
Unencumbered cash, beginning		3,016	
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, 2021

	Budget	Actual	Variance - Over (Under)
Transfers:			
Transfer from general fund	$ 1,000,000	$ 963,800	$ (36,200)
Transfer from supplemental general fund	1,400,000	1,329,672	(70,328)
Total transfers	$ 2,400,000	2,293,472	$ (106,528)
Expenditures and encumbrances:			
Instruction	$ 2,397,250	2,293,472	$ (103,778)
Instructional support staff	2,750	-	(2,750)
Total expenditures and encumbrances	$ 2,400,000	2,293,472	$ (106,528)
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, 2021

	Budget	Actual	Variance - Over (Under)
Transfers:			
Transfer from general fund	$ 42,000	$ 42,000	$ -
Expenditures:			
Student support services	$ 42,000	42,000	$ -
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, 2021

	Budget	Actual	Variance - Over (Under)
Transfers:			
Transfer from supplemental general fund	$ 7,900	$ 7,900	$ -
Expenditures:			
Instruction	$ 7,900	7,900	$ -
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, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Local revenue	$ -	$ 5,000	$ 5,000
Expenditures and encumbrances:			
Instruction	$ 35,100	7,291	$ (27,809)
Cash receipts under expenditures and encumbrances		(2,291)	
Unencumbered cash, beginning		40,395	
Unencumbered cash, ending		$ 38,104	

(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, 2021

	Budget	Actual	Variance - Over (Under)
Transfers:			
Transfer from general fund	$ 65,483	$ 59,980	$ (5,503)
Transfer from supplemental general fund	65,000	43,824	(21,176)
Total transfers	$ 130,483	103,804	$ (26,679)
Expenditures and encumbrances:			
Instruction	$ 78,229	95,340	$ 17,111
School administration	40,149	6,928	(33,221)
Transportation	12,105	1,536	(10,569)
Total expenditures and encumbrances	$ 130,483	103,804	$ (26,679)
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, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
State aid	$ 4,469,691	$ 3,936,184	$ (533,507)
Expenditures:			
Instruction	$ 2,949,996	2,597,881	$ (352,115)
Student support services	268,181	236,171	(32,010)
Instructional support staff	178,788	157,447	(21,341)
General administration	89,394	78,724	(10,670)
School administration	312,878	275,533	(37,345)
Operations and maintenance	268,182	236,171	(32,011)
Central services	44,696	39,362	(5,334)
Transportation	223,485	196,809	(26,676)
Food service	134,091	118,086	(16,005)
Total expenditures	$ 4,469,691	3,936,184	$ (533,507)
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, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Local revenue	$ 50,000	$ 47,456	$ (2,544)
State aid	154,000	130,993	(23,007)
Total cash receipts	$ 204,000	178,449	$ (25,551)
Expenditures and encumbrances:			
Instruction	$ 212,350	159,783	$ (52,567)
Instructional support staff	14,000	3,500	(10,500)
Student support services	-	24,087	24,087
General administration	-	2,631	2,631
Total expenditures and encumbrances	$ 226,350	190,001	$ (36,349)
Cash receipts under expenditures and encumbrances		(11,552)	
Unencumbered cash, beginning		76,066	
Unencumbered cash, ending		$ 64,514	

(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, 2021

	Title I	Title II-A	Title IV-A	Coronavirus Relief	ESSER I	ESSER II	Total Actual	Budget	Variance - Over (Under)
Cash receipts:									
Federal aid	$ 362,140	$ 86,600	$ 26,654	$ 867,330	$ -	$ -	$ 1,342,724	$ 765,237	$ 577,487
Expenditures and encumbrances:									
Instruction	362,140	-	22,965	849,230	252,795	569,254	2,056,384	557,425	1,498,959
Instructional support staff	-	86,600	980	-	-	-	87,580	110,699	(23,119)
Food service	-	-	-	(67,457)	-	-	(67,457)	-	(67,457)
Adjustments for qualifying budget credits - federal aid over budget								577,487	(577,487)
Total expenditures and encumbrances	362,140	86,600	23,945	781,773	252,795	569,254	2,076,507	$ 1,245,611	$ 830,896
Cash receipts over (under) expenditures and encumbrances	-	-	2,709	85,557	(252,795)	(569,254)	(733,783)		
Unencumbered cash, beginning	-	-	(2,709)	(85,557)	-	-	(88,266)		
Unencumbered cash, ending	$ -	$ -	$ -	$ -	$ (252,795)	$ (569,254)	$ (822,049)		

(Continued)

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
TEXTBOOK RENTAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

Cash receipts:		
Local revenue	$	403,416
Expenditures and encumbrances:		
Instruction		607,899
Cash receipts under expenditures and encumbrances		(204,483)
Unencumbered cash, beginning		599,835
Unencumbered cash, ending	$	395,352

(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, 2021

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, 2021

Cash receipts:		
Local revenue	$	68,091
Expenditures and encumbrances:		
Instruction		31,089
Transportation		2,862
Total expenditures and encumbrances		33,951
Cash receipts over expenditures and encumbrances		34,140
Unencumbered cash, beginning		(33,041)
Unencumbered cash, ending	$	1,099

(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, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Ad valorem tax in process	$ 63,624	$ 45,083	$ (18,541)
Ad valorem current tax	2,339,997	2,466,250	126,253
Ad valorem delinquent tax	17,299	23,116	5,817
Motor vehicle tax	301,359	320,797	19,438
Recreational vehicle tax	4,783	5,470	687
Commercial vehicle tax	22,498	31,550	9,052
State aid	1,634,521	1,634,521	-
Total cash receipts	$ 4,384,081	4,526,787	$ 142,706
Expenditures:			
Principal	$ 2,508,570	2,508,570	$ -
Interest	1,909,054	1,909,054	-
Total expenditures	$ 4,417,624	4,417,624	$ -
Cash receipts over expenditures		109,163	
Unencumbered cash, beginning		3,169,035	
Unencumbered cash, ending		$ 3,278,198	

(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, 2021

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, 2021

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	350	350	-	3,818
Art club	60	109	-	-	169
Asian culture club	31	3	-	-	34
Biology club	1,097	-	-	-	1,097
Broadway	13,889	4,333	3,963	-	14,259
Bully T's	77	1	-	-	78
Cabinet making	1,163	359	119	-	1,403
Centennial league	6,030	3,400	7,143	-	2,287
Cheerleaders	7,253	83,067	87,201	-	3,119
Class of 2020	2,274	-	1	-	2,273
Class of 2021	9,934	-	8,934	-	1,000
Class of 2022	-	18,977	14,254	-	4,723
Clipper	2,452	55	252	-	2,255
Close-up	114	-	-	-	114
Coach's clinic	3,536	339	1,229	-	2,646
Crime stoppers	472	400	-	-	872
Disc golf	24	-	-	-	24
Europe trip	3,676	-	3,493	-	183
E-2020	620	-	-	-	620
Fall into fitness	20,300	1,825	1,450	-	20,675
FBLA	7,979	1,109	1,447	-	7,641
FCA	94	3	-	-	97
FCCLA	984	966	475	-	1,475
Feed the children	699	1	-	-	700
FFA	3,879	9,883	10,451	-	3,311
File memorial	100	-	-	-	100
Fishing club	2,056	20	221	-	1,855
Football	3,534	15,316	15,599	-	3,251
French club	7	3	-	-	10
Friends of Rachael	76	1	-	-	77
Subtotal forward	$ 96,623	$ 140,520	$ 156,582	$ -	$ 80,561

(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, 2021

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Seaman High School:					
Subtotal forward	$ 96,623	$ 140,520	$ 156,582	$ -	$ 80,561
Future medical professionals	-	6	-	-	6
Gay straight alliance	1	-	-	-	1
German club	511	200	198	-	513
Historical society	-	920	154	-	766
History day	6,669	2,904	3,125	-	6,448
Interact	615	2,319	2,315	-	619
Intergovernmental cooperation council (ICC)	-	1,470	-	-	1,470
International Thespian society	8,998	7,311	8,963	-	7,346
Key club	1,342	1,717	2,249	-	810
Leadership club	257	-	-	-	257
Math club	958	33	91	-	900
Midwest dairy	481	-	-	-	481
Model UN	1	-	-	-	1
National honor society	2,071	946	1,605	-	1,412
National tourney	1,808	847	1,405	-	1,250
Nik snaks	86	-	-	-	86
Optimist football	19	3,365	3,375	-	9
Orchestra	8,524	3,952	2,521	-	9,955
Patron of the arts	1,355	-	-	-	1,355
Project lead the way	-	600	-	-	600
Robotics club	1,510	1,230	60	-	2,680
Runners club	1,300	265	411	-	1,154
SABC-Norse Nook	557	419	-	-	976
SADD	59	34	-	-	93
Sea mapp	6,323	2,451	8,305	-	469
Science club	-	235	-	-	235
SFC biology	77	-	-	-	77
Softball	1,227	5,174	5,266	-	1,135
Spanish club	56	17	-	-	73
Spirit club	715	5	50	-	670
Student council	7,031	262	3,382	-	3,911
Study abroad	11	-	-	-	11
Swimming	1,092	850	600	-	1,342
Technical writing	11	-	11	-	-
Thirst project	-	4,296	4,200	-	96
Tri-M honor society	493	-	-	-	493
Vikettes	1,048	18,587	16,364	-	3,271
Viking athletic camp	651	637	532	-	756
Viking crew	-	60	-	-	60
Viking supply shack	595	-	-	-	595
Viking voices	-	101	47	-	54
Welding	1,313	858	150	-	2,021
Woodworking	1,808	1,901	280	-	3,429
Subtotal forward	$ 156,196	$ 204,492	$ 222,241	$ -	$ 138,447

(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, 2021

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Seaman High School:					
Subtotal forward	$ 156,196	$ 204,492	$ 222,241	$ -	$ 138,447
Writing center	235	32	267	-	-
Yearbook	3,795	19,125	17,410	-	5,510
Yearbook scholarship	4,726	-	-	-	4,726
Subtotal Seaman High School	164,952	223,649	239,918	-	148,683
Seaman Middle School:					
Band	203	2,368	1,017	-	1,554
Cheerleading	242	10,284	9,826	-	700
Dance	349	7,193	6,143	-	1,399
Drama	3,413	1,053	1,012	-	3,454
FBLA	1,462	30	64	-	1,428
FCCLA	3,903	1,972	895	-	4,980
Faculty	2,131	1	-	-	2,132
History Day	1,785	400	730	-	1,455
Industrial tech	1,446	-	-	-	1,446
Invitational school	15,693	7,755	12,420	-	11,028
Miscellaneous	104	-	-	-	104
NJHS	173	566	626	-	113
PE	45	2,899	2,797		147
Power club	401	-	-	-	401
Robotics	480	-	250	-	230
Spirit squad	34	55	-	-	89
Student council	1,600	-	841	-	759
Yearbook	328	2,266	1,871	-	723
Subtotal Seaman Middle School	33,792	36,842	38,492	-	32,142
Elementary Schools:					
Elmont	11,890	3,827	6,883	-	8,834
Logan	16,577	8,930	9,280	-	16,227
Mathes Early Learning Center	1,311	1,065	1,490	-	886
North Fairview	9,203	6,430	4,838	-	10,795
Northern Hills	25,259	15,289	17,193	-	23,355
West Indianola	13,992	6,920	6,588	-	14,324
Subtotal Elementary Schools	78,232	42,461	46,272	-	74,421
Advertising	9,868	19,183	10,340	-	18,711
Unclaimed property fund	(3,180)	-	-	-	(3,180)
Total agency funds	$ 283,664	$ 322,135	$ 335,022	$ -	$ 270,777

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, 2021

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	$ 33,700	$ -	$ 192,124	$ 164,866	$ 60,958	$ -	$ 60,958
Seaman Middle School	8,871	-	9,367	10,684	7,554	-	7,554
Total gate receipts	$ 42,571	$ -	$ 201,491	$ 175,550	$ 68,512	$ -	$ 68,512

(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, 2021

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	$ 2,006	$ -	$ 10,729	$ 8,149	$ -	$ 4,586	$ -	$ 4,586
Art department	64	-	130	160	-	34	-	34
Baseball	892	-	-	-	-	892	-	892
Boys basketball	6,021	-	14,263	18,750	-	1,534	-	1,534
Boys golf	388	-	2,008	1,749	-	647	-	647
Caps and gowns	166	-	-	-	-	166	-	166
College and career intern	25	-	-	-	-	25	-	25
Concert choir	1,931	-	-	131	-	1,800	-	1,800
D Schmidt school fund	1,597	-	22,800	8,913	-	15,484	-	15,484
Driver's education	175	-	875	173	-	877	-	877
Faculty recognition	8,286	-	21,450	23,699	-	6,037	-	6,037
Girls basketball	1,318	-	343	1,128	-	533	-	533
Girls golf	201	-	-	-	-	201	-	201
Girls soccer	281	-	-	-	-	281	-	281
Girls tennis	21	-	-	1	-	20	-	20
Guidance department	92	-	-	-	-	92	-	92
Habitat	850	-	1,315	831	-	1,334	-	1,334
Industrial tech club	460	-	1,624	1,440	-	644	-	644
Library	292	-	2,176	2,015	-	453	-	453
Math department	5,204	-	1,190	4,178	-	2,216	-	2,216
Parking permits	2,283	-	9,758	5,846	-	6,195	-	6,195
Pence Jerry FBLA school	-	-	1,000	1,000	-	-	-	-
Pleasant Hill learning	768	-	-	617	-	151	-	151
PSAT	80	-	341	340	-	81	-	81
Scholars bowl	251	-	6	160	-	97	-	97
Seaman activities	421	-	78	168	-	331	-	331
Seaman soccer	322	-	-	1	-	321	-	321
SHARP	266	-	22	148	-	140	-	140
Show choir	8,171	-	1,358	2,679	-	6,850	-	6,850
Special ED	1,592	-	500	544	-	1,548	-	1,548
Sports department pop	1,153	-	2,388	2,317	-	1,224	-	1,224
Student recognition	881	-	7,837	8,037	-	681	-	681
Subtotal	$ 46,458	$ -	$ 102,191	$ 93,174	$ -	$ 55,475	$ -	$ 55,475

(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, 2021

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	$ 46,458	$ -	$ 102,191	$ 93,174	$ -	$ 55,475	$ -	$ 55,475
Super O.A.	2,755	-	4,970	3,491	-	4,234	-	4,234
Track	1,034	-	4,610	5,220	-	424	-	424
USD #345- petty cash	1,074	-	25	1,099	-	-	-	-
Viking band	24,552	-	47,888	30,240	-	42,200	-	42,200
Viking brew	7,223	-	7,178	5,704	-	8,697	-	8,697
Viking Chick Inn	648	-	-	-	-	648	-	648
Viking concessions	-	-	6,432	6,403	-	29	-	29
Viking united	1,060	-	-	233	-	827	-	827
Viking warriors	92	-	190	175	-	107	-	107
Volleyball	1,220	-	325	1,369	-	176	-	176
Work study	35	-	-	-	-	35	-	35
Wrestling	195	-	8,949	8,600	-	544	-	544
Total all funds	$ 86,346	$ -	$ 182,758	$ 155,708	$ -	$ 113,396	$ -	$ 113,396

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Living Number	Unencumbered Cash Balance 7/1/2020*	Amount Received	Disbursements, Accounts Payable, Encumbrances and Transfers	Prior-Year Canceled Encumbrances	Unencumbered Cash Balance June 30, 2021
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	$ (170,866)	$ 907,626	$ 907,626	$ -	$ (170,866)
Title VI-B (Targeted Improvement Plan)	84.027A	(8,849)	35,884	35,884	-	(8,849)
Special Education, Preschool Grants	84.173	(2,069)	25,114	25,114	-	(2,069)
Total Special Education Cluster		(181,784)	968,624	968,624	-	(181,784)
Grants not clustered:						
Title I, Grants to Local Educational Agencies	84.010	-	362,140	362,140	-	-
Career and Technical Education - Basic Grants to States	84.048	-	33,256	33,256	-	-
Title II-A Improving Teacher Quality	84.367A	-	86,600	86,600	-	-
Student Support and Academic Enrichment Program	84.424	(2,709)	26,654	23,945	-	-
COVID-19 Education Stabilization Fund	84.425D	-	46,722	894,841	-	(848,119)
Total grants not clustered		(2,709)	555,372	1,400,782	-	(848,119)
Total United States Department of Education		(184,493)	1,523,996	2,369,406	-	(1,029,903)
United States Department of Treasury:						
Passed through Shawnee County, Kansas						
COVID-19 Coronavirus Relief Fund	21.019	$ (85,557)	$ 867,330	$ 781,773	$ -	$ -

* 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, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Living Number	Unencumbered Cash Balance 7/1/2020*	Amount Received	Disbursements, Accounts Payable, Encumbrances and Transfers	Prior-Year Canceled Encumbrances	Unencumbered Cash Balance June 30, 2021
United States Department of Agriculture:						
Passed through Kansas State Department of Education:						
Child Nutrition Cluster:						
COVID-19 National School Lunch Program	10.555	$ -	$ 200,480	$ 200,480	$ -	$ -
Summer Food Service Program for Children	10.559	-	1,438,095	1,438,095	-	-
Total Child Nutrition Cluster		-	1,638,575	1,638,575	-	-
Grants not clustered:						
Child and Adult Care Food Program	10.558	-	3,892	3,892	-	-
Fresh Fruit and Vegetable Program	10.582	-	28,328	28,328	-	-
Total grants not clustered		-	32,220	32,220	-	-
Total United States Department of Agriculture		-	1,670,795	1,670,795	-	-
Total federal awards		$ (270,050)	$ 4,062,121	$ 4,821,974	$ -	$ (1,029,903)

* 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, 2021

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, 2021. 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.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
TOPEKA, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

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	None
Significant deficiencies identified that are not considered to be material weaknesses	Finding 2021-001 and 2021-002
Noncompliance material to financial statements	None

Federal Awards

Type of auditors' report issued on compliance for major programs	Unmodified – All Programs
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:

CFDA Number	Name of Federal Program
84.425D	Education Stabilization Fund
21.019	Coronavirus Relief Fund
84.027, 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

Will have a Material Weakness this year for bank recs, need to follow up on prior year findings as well

<u>Finding 2021-001 Significant Deficiency</u> (repeat of prior year Finding 2020-001)

Condition - The bookkeeper has full accessibility to all accounting modules including her responsibilities of preparing the monthly bank reconciliation, posting journal entries and processing/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 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 and payroll accounting processing procedures including review of bank and payroll records.

Management's Response/Corrective Action Plan (Unaudited) – Corrective actions taken includes the hiring of an additional support person in order to separate the Human Resource duties from the payroll clerk. The payroll position will no longer be making changes to pay scales, positions, deductions, or entering new employees in the payroll system. In addition, payroll is now being entered by one employee and audited by a 2nd employee. Payroll is then processed by the auditor and bank verification is approved by the Business Manager. A new accounting system will be implemented by the summer of 2022, which will remove the manual entering of time and hours into the payroll system.

Completion Date - Separation of Duties – Hiring – December 2021; New Accounting System – Summer 2022

Contact – Mr. Jamie Wetig, Director of Business

(Continued)

Section II – Financial Statement Findings (Continued)

Finding 2021-002 Significant Deficiency (repeat of prior year Finding 2020-002)

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 approvals 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 fund guidelines, to determine if additional 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 October of 2020 the schools began sending their reconciled activity funds and bank statements to the business office to be reviewed by the Director of Business each month. The business office will also work with Activities/Athletic Directors and Building Principals to establish a policy for cash handling on the activity funds. In addition to the cash handling, we will be making recommendation on expenditure approvals, adding a 2nd signature to the activity fund checks, and making sure all receipts of expenditures are kept with the monthly bank reconciliations.

Completion Date – August 2021 (first meeting); January 2022 (follow up)

Contact – Mr. Jamie Wetig, Director of Business

Section III – Federal Award Findings and Questioned Costs

None.

BT & Co. P.A.
Certified Public Accountants

Bring in updated reports

4301 SW Huntoon St. Topeka, KS 66604 | t:785.234.3427 | toll-free: 800.530.5526 | f: 785.233.1768 | w: btandcocpa.com

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, 2021 and the related notes to the financial statement and have issued our report thereon dated February 2, 2022. Our report contained an adverse opinion because the financial statement was presented using accounting practices prescribed or permitted by the State of Kansas.

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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Findings 2021-001 and 2021-002 that we consider to be significant deficiencies.

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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

The District's responses to the findings identified in our audit are 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 result 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.

February 2, 2022
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

We have audited Seaman Unified School District No. 345's (the District's) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2021. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 of 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, 2021.

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Report on Internal Control Over Compliance

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 of the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each of the major federal programs and to test and report on internal control over compliance in accordance with 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 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 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.

BT&Co., P.A.

February 2, 2022
Topeka, Kansas