

# Auditors' Report

## June 30, 2023

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Platte County

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# INDEPENDENT AUDITORS' REPORT

Page 2 – Paragraph #1

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To the Board of Education  
Platte County R-III School District

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of Platte County R-III School District as of June 30, 2023 and the respective changes in modified cash basis financial position, thereof for the year then ended in conformity with the basis of accounting described in Note A.

# PLATTE COUNTY R-III SCHOOL DISTRICT STATEMENT OF ACTIVITIES-MODIFIED CASH BASIS FOR THE YEAR ENDED JUNE 30, 2023

Page 14, excerpt

FUNCTION/PROGRAMS	Expenditures	PROGRAM REVENUES			Net (Expense) Revenue and Change in Net Position Governmental
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES:</b>					
Instruction	\$ 27,760,924	\$ 1,440,864	\$ 4,583,663	\$ 76,546	\$ (21,659,851)
Student activities	2,561,097	822,340	-	-	(1,738,757)
Student services	3,931,882	-	-	-	(3,931,882)
Instruction staff support	2,893,771	-	317,328	-	(2,576,443)
Building administration	2,710,758	-	-	-	(2,710,758)
General administration & central services	3,726,702	-	9,122	-	(3,717,580)
Operation of plant	6,254,281	-	32,003	-	(6,222,278)
Transportation	3,115,446	-	1,754,978	-	(1,360,468)
Food service	1,492,758	995,180	1,241,036	-	743,458
Community services	381,707	88,900	78,690	-	(214,117)
Facility acquisition and construction	45,214,780	-	-	2,356,604	(42,858,176)
Debt service:					
Principal retirement	6,143,044	-	-	-	(6,143,044)
Interest and fees	5,632,388	-	-	-	(5,632,388)
<b>Total Governmental Activities</b>	<b>\$ 111,819,538</b>	<b>\$ 3,347,284</b>	<b>\$ 8,016,820</b>	<b>\$ 2,433,150</b>	<b>(98,022,284)</b>

PLATTE COUNTY R-III SCHOOL DISTRICT  
 COMBINED STATEMENT OF ASSETS, LIABILITIES  
 AND FUND BALANCES– MODIFIED  
 CASH BASIS GOVERNMENTAL FUNDS JUNE 30, 2023

Page 15

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash and cash equivalents	<u>\$ 14,639,564</u>	<u>\$ -</u>	<u>\$ 14,613,054</u>	<u>\$ 7,875,413</u>	<u>\$ 37,128,031</u>
<b>FUND BALANCES</b>					
Restricted	\$ -	\$ -	\$ 14,613,054	\$ 7,332,674	\$ 21,945,728
Assigned	2,400,234	-	-	542,739	2,942,973
Unassigned	<u>12,239,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,239,330</u>
Total fund balances	<u>\$ 14,639,564</u>	<u>\$ -</u>	<u>\$ 14,613,054</u>	<u>\$ 7,875,413</u>	<u>\$ 37,128,031</u>

# PLATTE COUNTY R-III SCHOOL DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### JUNE 30, 2023

Page 23, excerpt from Note M – Fund Balances – Governmental Funds

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Restricted:				
Unspent bond proceeds	\$ -	\$ -	\$ -	\$ 7,332,674
Debt service	-	-	14,613,054	-
Capital projects	-	-	-	-
Total Restricted	-	-	14,613,054	7,332,674
Committed:				
Capital projects	-	-	-	-
Assigned:				
Food service	984,565	-	-	-
Student activities	1,415,669	-	-	-
Capital projects	-	-	-	542,739
Total assigned	2,400,234	-	-	542,739
Unassigned	12,239,330	-	-	-
Total fund balances	\$ 14,639,564	\$ -	\$ 14,613,054	\$ 7,875,413

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local	\$ 26,027,748	\$ 5,278,688	\$ 10,892,179	\$ 3,934,861	\$ 46,133,476
County	1,469,140	110,098	563,455	260,132	2,402,825
State	2,163,630	15,509,090	-	917,412	18,590,132
Federal	2,948,265	2,225,204	-	2,234,134	7,407,603
Other	13,848	1,382,412	-	-	1,396,260
<b>Total Revenues</b>	<b>32,622,631</b>	<b>24,505,492</b>	<b>11,455,634</b>	<b>7,346,539</b>	<b>75,930,296</b>
<b>EXPENDITURES:</b>					
Instruction	3,277,176	24,251,866	-	231,882	27,760,924
Student activities	1,343,287	1,104,985	-	112,825	2,561,097
Student services	1,483,981	2,447,901	-	-	3,931,882
Instruction staff support	1,228,967	1,649,334	-	15,470	2,893,771
Building administration	897,719	1,813,039	-	-	2,710,758
General administration & central services	2,277,504	1,122,194	-	327,004	3,726,702
Operation of plant	6,077,559	116,467	-	60,255	6,254,281
Transportation	3,098,852	-	-	16,594	3,115,446
Food service	1,453,137	-	-	39,621	1,492,758
Community services	286,408	95,299	-	-	381,707
Facility acquisition and construction	-	-	-	45,214,780	45,214,780
Debt service:					
Principal retirement	-	-	4,150,000	1,993,044	6,143,044
Interest and fees	-	-	4,665,918	966,470	5,632,388
<b>Total Expenditures</b>	<b>21,424,590</b>	<b>32,601,085</b>	<b>8,815,918</b>	<b>48,977,945</b>	<b>111,819,538</b>
Revenues Over (Under) Expenditures	11,198,041	(8,095,593)	2,639,716	(41,631,406)	(35,889,242)
<b>Other Financing Sources (Uses):</b>					
Transfers	(9,095,593)	8,095,593	-	1,000,000	-
<b>Net change in fund balance</b>	<b>2,102,448</b>	<b>-</b>	<b>2,639,716</b>	<b>(40,631,406)</b>	<b>(35,889,242)</b>
Fund balance, beginning	12,537,116	-	11,973,338	48,506,819	73,017,273
Fund balance, ending	\$ 14,639,564	\$ -	\$ 14,613,054	\$ 7,875,413	\$ 37,128,031

# PLATTE COUNTY R-III SCHOOL DISTRICT NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2023

Page 25, excerpt from Note J – Long-Term Debt

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amount Due Within One Year
Bonds payable	\$ 124,600,000	\$ -	\$ 5,725,000	\$ 118,875,000	\$ 6,325,000
Direct borrowings	237,343	1,538,262	418,044	1,357,561	403,386
<b>Total</b>	<b>\$ 124,837,343</b>	<b>\$ 1,538,262</b>	<b>\$ 6,143,044</b>	<b>\$ 120,232,561</b>	<b>\$ 6,728,386</b>

**PLATTE COUNTY R-III SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
 Page 27, Note K – Bonds Payable

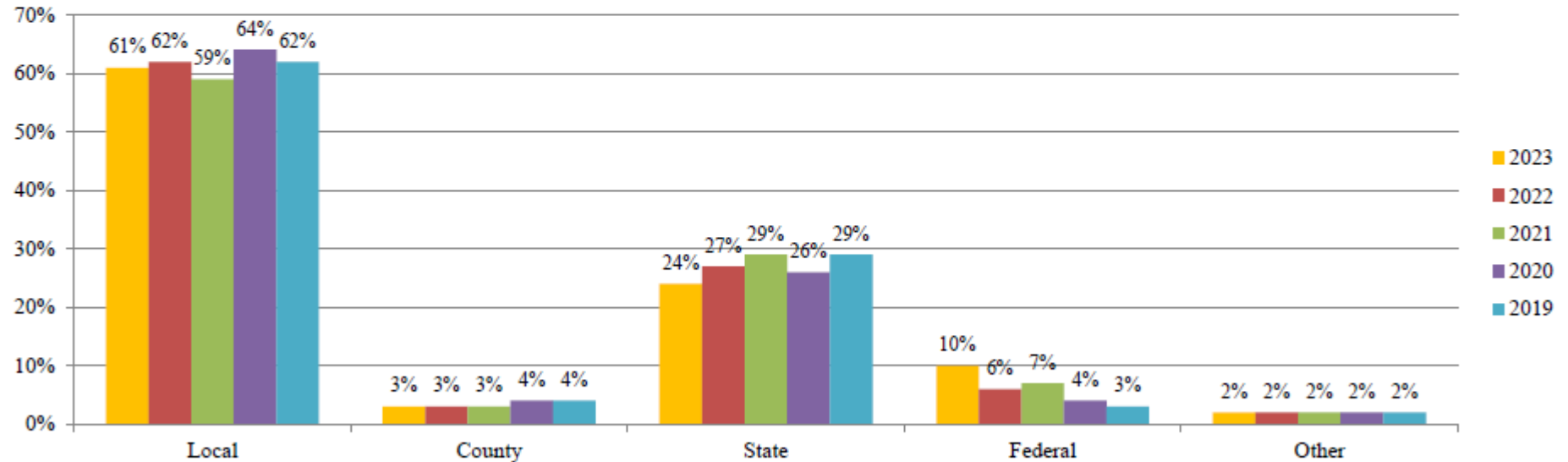
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Year Ending June 30,	Principal	Interest	Total
2024	\$ 6,325,000	\$ 5,410,310	\$ 11,735,310
2025	4,410,000	5,242,500	9,652,500
2026	4,860,000	5,071,830	9,931,830
2027	5,365,000	4,891,050	10,256,050
2028	6,190,000	4,691,210	10,881,210
2029	5,335,000	4,459,320	9,794,320
2030	6,235,000	4,245,920	10,480,920
2031	7,235,000	3,966,720	11,201,720
2032	7,055,000	3,640,480	10,695,480
2033	7,595,000	3,319,010	10,914,010
2034	7,955,000	2,972,780	10,927,780
2035	8,415,000	2,596,860	11,011,860
2036	6,200,000	2,199,750	8,399,750
2037	6,500,000	1,874,250	8,374,250
2038	6,700,000	1,533,000	8,233,000
2039	7,000,000	1,181,250	8,181,250
2040	7,500,000	813,750	8,313,750
2041	8,000,000	420,000	8,420,000
Total	<u>\$ 118,875,000</u>	<u>\$ 58,529,990</u>	<u>\$ 177,404,990</u>



**PLATTE COUNTY R-III SCHOOL DISTRICT  
COMPARISON OF REVENUES COLLECTED BY SOURCE  
FOR THE YEARS ENDED JUNE 30, 2023, 2022, 2021, 2020, AND 2019**

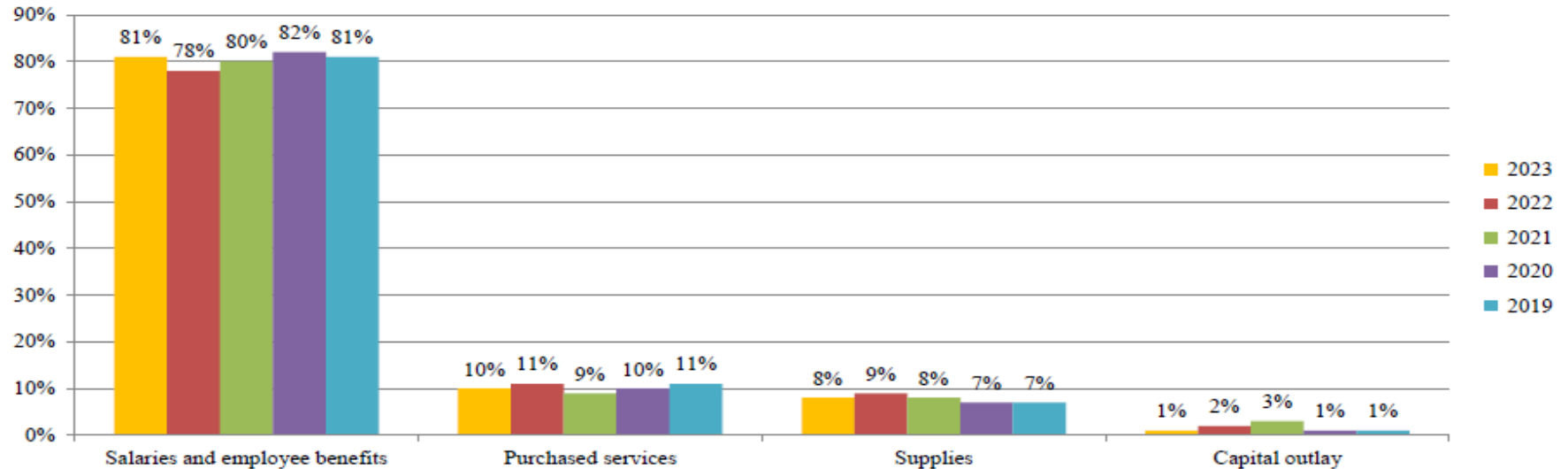
	2023	2022	2021	2020	2019
Local	\$ 46,131,614	\$ 40,633,418	\$ 63,433,392	\$ 38,569,230	\$ 34,925,140
County	2,402,825	2,111,355	2,181,446	2,163,758	2,171,225
State	18,590,132	18,214,803	18,723,504	15,738,756	16,478,581
Federal	7,407,603	3,937,768	4,372,560	2,163,335	1,779,892
Other	1,396,260	1,634,295	74,421,273	1,359,841	1,344,827
<b>Total</b>	<b>\$ 75,928,434</b>	<b>\$ 66,531,639</b>	<b>\$ 163,132,175</b>	<b>\$ 59,994,920</b>	<b>\$ 56,699,665</b>



Note: The above graphs do not include proceeds from the sale of bonds.

**PLATTE COUNTY R-III SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES PAID BY OBJECT - SCHOOL DISTRICT**  
**FOR THE YEARS ENDED JUNE 30, 2023, 2022, 2021, 2020, AND 2019**

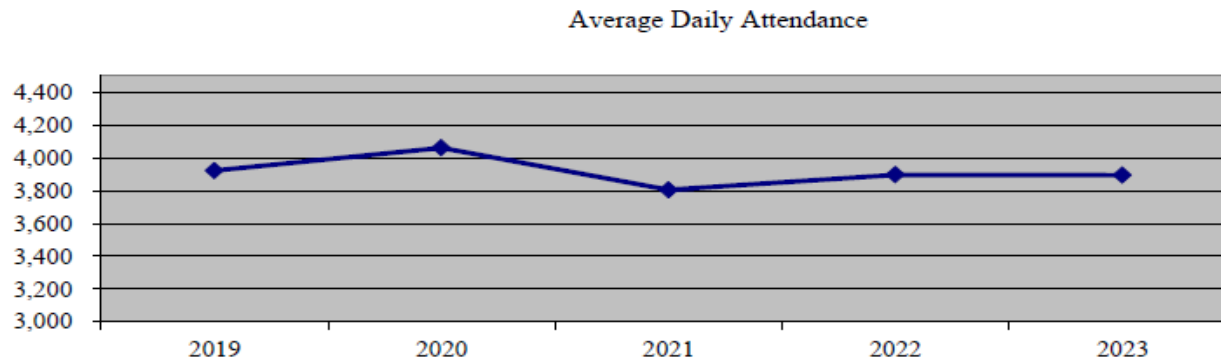
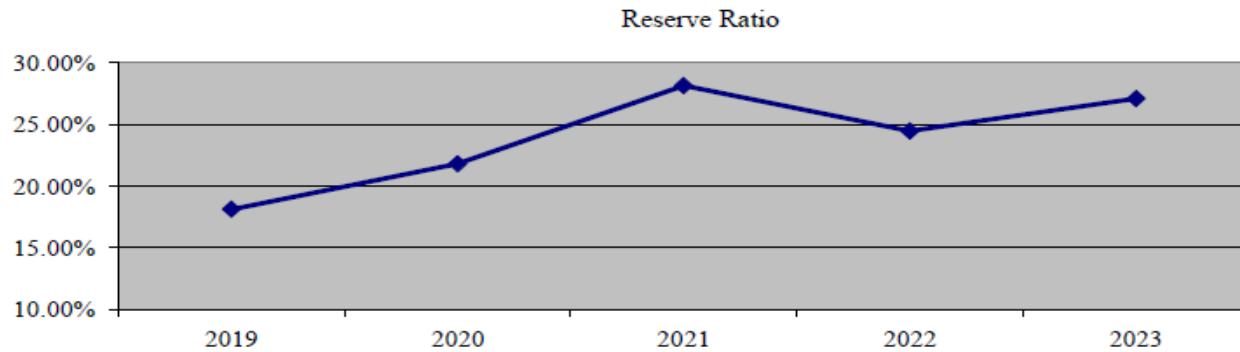
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	2023 TOTALS	2022 TOTALS	2021 TOTALS	2020 TOTALS	2019 TOTALS
Salaries	\$ 9,125,433	\$ 25,278,357	\$ -	\$ -	\$ 34,403,790	\$ 31,869,624	\$ 30,709,451	\$ 29,232,348	\$ 28,359,955
Employee benefits	2,935,430	6,760,180	-	-	9,695,610	8,846,229	8,340,095	7,855,337	7,439,533
Purchased services	4,732,946	562,548	-	-	5,295,494	5,565,552	4,424,178	4,565,470	5,145,600
Supplies	4,630,781	-	-	-	4,630,781	4,957,819	4,033,347	3,405,691	3,131,647
Capital outlay	-	-	-	47,593,431	47,593,431	52,693,434	5,898,314	3,095,934	2,575,656
Principal	-	-	4,150,000	418,044	4,568,044	4,234,571	6,399,872	3,773,392	4,033,840
Interest and fees	-	-	4,665,918	961,808	5,627,726	4,758,478	3,335,579	2,550,844	2,724,245
	<u>\$ 21,424,590</u>	<u>\$ 32,601,085</u>	<u>\$ 8,815,918</u>	<u>\$ 48,973,283</u>	<u>\$ 111,814,876</u>	<u>\$ 112,925,707</u>	<u>\$ 63,140,836</u>	<u>\$ 54,479,016</u>	<u>\$ 53,410,476</u>



Note: The above graphs do not include expenditures for debt service or for capital improvements.

**PLATTE COUNTY R-III SCHOOL DISTRICT  
SELECTED TRENDS  
FOR THE YEARS ENDED JUNE 30, 2019 THROUGH 2023**

<u>General and Special Revenue Funds</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total Fund Balances	\$ 7,990,179	\$ 9,831,948	\$ 13,365,250	\$ 12,537,116	\$ 14,639,564
Total Expenditures	<u>44,076,735</u>	<u>45,058,845</u>	<u>47,502,601</u>	<u>51,239,226</u>	<u>54,025,675</u>
Reserve Ratio	18.13%	21.82%	28.14%	24.47%	27.10%
Average Daily Attendance	3,922.52	4,061.63	3,804.47	3,896.53	3,895.10



# REPORT ON THE ADMINISTRATION'S ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS

Page 42 – Paragraphs #3 & #4

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In our opinion, the administration's assertion that the District complied with the aforementioned requirements for the year ended June 30, 2023, is fairly stated, in all material respects.

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

Page 47, excerpt

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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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL  
CONTROL OVER COMPLIANCE AS REQUIRED BY THE  
UNIFORM GUIDANCE

Page 49 – Paragraph #2 and Page 50 – Paragraph #5

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Page 49 – Paragraph #2

In our opinion, Platte County R-III School 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, 2023.

Page 50 – Paragraph #5

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.

A. SUMMARY OF AUDITORS' RESULTS

*Financial Statements*

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with the modified cash basis: Unmodified

Internal control over financial reporting:			
• Material weakness(es) identified?	<u>          </u>	Yes	<u>    X    </u> No
• Significant deficiency(ies) identified?	<u>    X    </u>	Yes	<u>          </u> None reported

Noncompliance material to financial statements noted?            Yes     X     No

*Federal Awards*

Internal control over major federal programs:			
• Material weakness(es) identified?	<u>          </u>	Yes	<u>    X    </u> No
• Significant deficiency(ies) identified?	<u>          </u>	Yes	<u>    X    </u> None reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?            Yes     X     No

Identification of major federal programs:  
 Coronavirus State and Local Fiscal Recovery Funds AL No. 21.027  
 Education Stabilization Fund AL No. 84.425

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

Auditee qualified as low-risk auditee?	<u>          </u>	Yes	<u>    X    </u>	No
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**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

**SIGNIFICANT DEFICIENCY**

**2023-001 CASH DISBURSEMENTS**

*Condition:* The bookkeeper, who inputs all accounts payable checks, has [REDACTED] check and electronically sign the check without approval or a purchase order.

*Criteria:* Safeguards should be in place so that a transaction cannot be electronically signed without proper approval.

*Cause:* The District has not properly segregated accounts payable duties.

*Effect:* Inadequate controls could allow for fraud to occur.

*Recommendation:* We recommend the District modify controls as needed and consideration be given to reassigning duties so that the same person who prepares the checks cannot initiate the electronic signing.

*Auditee's Response:* The District has implemented mitigating controls to have an employee with no check writing permissions to review the bank statement and images while performing the monthly bank reconciliation.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS  
AUDIT**

None



# Required Communications

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**SEGREGATION OF DUTIES** - Segregation of duties is a basic, key internal control and one of the most difficult to achieve. It is used to ensure that errors or fraud are prevented or detected on a timely basis by employees in the normal course of business. Segregation of duties provides two benefits. 1) A deliberate fraud is more difficult because it requires collusion of two or more persons and 2) it is much more likely that innocent errors will be found. At the most basic level it means that no single individual should have control over two or more phases of a transaction or operation. Management should assign responsibilities to ensure a crosscheck of duties. We noted the following areas where segregation of duties could be improved:

- **ACCOUNTING SOFTWARE PERMISSIONS** - We noted that the District's CFO has expansive system permissions that allow full access and control of the accounting system; allowing input of vendor and employee information, as well as input and approval of purchase orders. Essentially, this individual can perform the entire check initiation process, and as such has the ability to initiate unapproved accounts payable and payroll expenditures. We recommend the performance of a thorough review of the accounting software permissions and comparison of the permissions to the job duties of each software user. Permissions should be limited to only those required to perform the user's assigned job duties.

# Required Communications

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- **NEW VENDOR PROCEDURES** - During our audit, we made inquiries regarding the procedures for adding a new vendor for District purchases. Presently, a new vendor is added by the accounts payable specialist who also adds payments and prints checks. We recommend that prior to the addition of a new vendor, an inspection process be performed to ensure the vendor exists. This inspection can take a number of forms, but examples include checking the Internet, searching the Secretary of State website, calling the business phone number provided and requesting the completion of a Form W-9. Additionally, we recommend that the District make a thorough assessment of the accounting software system permissions and update permissions to restrict the ability of individuals to both add payees and initiate payments. Optimally, the new vendor process should be assigned to an individual not involved in the cash disbursements process and who does not prepare adjusting journal entries or perform the bank reconciliation.
- **CREDIT CARD CONTROLS** - During our audit, we traced credit card charges to underlying supporting documentation. While we noted no unusual or unsupported transactions, we noted lodging and travel expenses where there were no documents substantiating the business purpose of the travel. We recommend that a copy of the agenda or itinerary for conferences and meetings be attached to the credit card charge receipt to support the business purpose of the travel expenses. Further, we recommend that an analysis of the card holder and card holder limits be performed annually. Any unused cards should be eliminated and card holder charge limits should be reduced to anticipated reasonable monthly expenditures.

# Required Communications

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- **PAYROLL PROCEDURES** - Due to staff turnover, the District has temporarily outsourced payroll for third party processing. The payroll checks are processed twice per month, which is both costly and time consuming. Processing payroll twice monthly leaves little time to perform other duties required of the payroll department which include; retirement withholding reconciliation, payroll tax withholding reconciliation, garnishment reconciliation, updates to employee benefit elections, updates to personnel files, verification of overtime hours, absence management, processing payroll reports for both taxing authorities and retirement provider, and assisting employees with questions and forms completion/update. We recommend the District evaluate the payroll and human resources job duties in conjunction with the efficiency of moving to a monthly check process prior to bringing payroll processing back in house.
- **CASH RECEIPTS** - Although much of the District's revenue is received from Federal, State and County sources through direct deposit at the District's bank, there remains a substantial amount of cash received from fundraisers and activities. Because this revenue passes through several personnel prior to deposit at the bank, there is elevated risk of misappropriation of funds. While the District does use tamper proof bags to transport the funds, the originator of the deposit does not receive verification that the funds submitted to central office were deposited with the bank. We recommend that the bank deposits prepared by the building secretaries and personnel be taken by the District courier directly to the bank rather than to the central office. Also, providing monthly reports to the sponsors or giving them accounting software access to their activity report and removing the central office from cash handling will mitigate the District's exposure to cash misappropriation at both the building and central office levels.

# Required Communications

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**WRITTEN PROCEDURES** - We noted that the District does not maintain comprehensive written procedures over financial activities of the District, but instead appears to rely on the board policies which are broad and often times require interpretation. Written procedures should be available to personnel for reference and should be utilized to assess application of and compliance with documented procedures. Written procedures over cash disbursements should include instructions on authorization process, required document support and description of allowable and unallowable costs. Further, the business purpose of the expenditure should be noted on all purchase orders, i.e. if assigned to a federal program, indicate how the expenditures meets the program's objectives. Written procedures should be drafted and implemented for all financial activities; including, cash receipts, purchasing, cash disbursements, payroll, employee reimbursements, travel, credit card usage, attendance and transportation recordkeeping, reconciliations, accounting coding, etc. A procedures manual should include standardized documents for personnel District-wide to use when requesting purchasing authorization, documenting compliance with quote and bid requirements, and submitting expense reimbursement.

**ATTENDANCE** - During our audit of attendance, we noted that the staff system permissions are set so that principals and administrators are able to modify student attendance in the software. We recommend that the default access for principals and administrators be updated to "view only" to prevent unauthorized changes to attendance data at the administrative level.

# Required Communications

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**CHILDCARE/PRESCHOOL REVENUE** - During our audit of program service revenue, we noted that the District does not have procedures to reconcile childcare and preschool revenue reported on the general ledger to fees charged and collected for each participant. We recommend that the District implement internal control procedures to reconcile childcare and preschool revenue reported on the general ledger to actual participant revenue each month. Further, we recommend that the District use a childcare software program to record billings and collections for childcare services; which will allow for analysis of outstanding balances as well as mitigate errors resulting from manually tracking the activity in a ledger.

**SALES TAX** - During our audit of cash disbursements, we noted that the District is paying local, county and/or state sales tax on its telephone and utility bills. Because the District is a tax-exempt entity, it is not required to pay sales tax on purchases. We recommend that the District monitor all purchases to ensure that the District is not charged sales tax by providing proper information to the vendor. Additionally, we recommend that the District request a refund of previously paid sales tax on telephone and utility bills.

# Required Communications

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**EXPENSE REIMBURSEMENTS** - We sampled employee expense reimbursements for compliance with board policy and procedures. We noted that all expense reimbursement requests were submitted on the District form and had administrative approval. However, we noted that when mileage reimbursement was requested there was no document attached substantiating the distance traveled, nor were any agendas/itineraries/schedules attached to support the business purpose of the travel. We recommend that the travel procedures be communicated to all personnel outlining documentation requirements for employee reimbursement. Such documentation should include Mapquest or other support of miles from district office to the destination. Further, we recommend that all travel reimbursement requests include documentation of the business purpose, such as meeting agendas, conference agendas, and, or schedules.

**ANCILLARY ORGANIZATIONS** - We noted that there are several ancillary organizations that provide resources to the District, such as various booster clubs and parent organizations. The funds of these organizations are not included in the District's accounting records. If a District employee held a financial position, such as treasurer, with one of these organizations, the District could be held accountable in the event of fraud or theft. We recommend that the District adopt a policy to prohibit employees from accepting financial positions with supporting organizations.

# Required Communications

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**GATE RECEIPTS** - We made inquiries regarding the athletic events gatekeeping activities and noted that gate receipts pass through several individuals before being deposited with the District's bank. We noted that dual counting and reconciliation of gate receipts is performed jointly by a gatekeeper and administrator, which includes a tally sheet used to reconcile the gate box during the counting process. The gate cash and tally sheet are placed in a locked cabinet/safe by a District administrator or SRO at the end of the event. The activities secretary later retrieves the box, counts the money and prepares the bank deposit. The cash and deposit slip are sent to central office for coding and deposit with the bank. We recommend that the reconciliation sheet, a tear off slip or an electronic notification of the total cash and checks be sent to the central office prior to transferring the funds to the cabinet/safe for handling by the activities director secretary. This will strengthen internal controls by ensuring that the cash that was documented as received at the athletic event agrees to the bank deposit that was prepared by the activities director's secretary. Alternatively, gate receipts could be placed directly in bank deposit bags and taken to the bank for deposit immediately following the event. The activities department would retain only the beginning cash required for startup money for the next event. By eliminating additional handling of the gate receipts, less cash handling occurs and internal controls are improved. Further, the district should consider moving to a cashless gate process, which would require attendees to purchase tickets electronically prior to the event or use a credit card to gain access to events where a fee is charged.

# Required Communications

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**ACCOUNTING SOFTWARE** - During our interviews with personnel, we noted that individuals using the SISFin software do not receive any structured training of the modules used by the district employee. We recommend that the District record vignettes that explain processes such as PO input, PO approval, report generation, use of time keeping, etc., which will allow for employees to access these recorded trainings when questions arise. Additionally, we recommend that the central office generate a coding sheet for each department and building, which includes only their budget codes. This sheet will expedite coding of expenditures and improve coding accuracy at the building and department levels.

**ACTIVITIES RECEIPTS** - We noted that activity receipts are collected by the sponsor or teachers and remitted to the activities secretary. The activities secretary prepares the deposit slips and sends the funds and deposit slip to the central office for recording in the accounting software and remitting the deposit to the bank. We recommend that a monthly report be printed and provided to each activity sponsor to compare with the receipt form received from the activities secretary and also be used to review expenditures coded to the activity account. Alternatively, when District personnel are approved for an extra duty position, they should be given limited access to the accounting software report capabilities for the activities under their control. Periodic review by the sponsors will add an additional layer of controls by verifying deposits conveyed to the activities secretary were accurately deposited to the activity account code and expenditures coded to the activity account code were authorized and appropriately coded.



# Required Communications

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**FUNDRAISING CONTROLS** - During our audit, we reviewed the District's procedures for fundraising and noted that fundraisers are not being analyzed to determine if the fundraiser is profitable and should be continued. We concur with the current procedures requiring a fundraising application be completed and be approved by the activities director and central office administrator. We recommend, upon completion of the fundraiser, the application should be updated to include reconciliation of the revenues and expenditures; with a copy of the reconciled application submitted to central office. This will allow for analysis of the fundraiser to determine if the fundraiser was successful and whether it should be continued in the future.

**TRANSPORTATION** - During our audit, we noted that the non-disabled riders and the students with disabilities transported on separate routes reported on the Application for State Transportation Aid did not agree to the summary ridership lists maintained by the District. The non-disabled riders were overstated by 165 riders and the students with disabilities transported on separate routes were overstated by 2 riders.

We also noted the ineligible riders, less than one mile ridership count at no appreciable expense to the District, were overstated by 34 riders and the less than one mile ridership count, under the provision of HB1180, was understated by 68 riders. As a result of our audit, the Application for State Transportation Aid has been corrected.

# Required Communications

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**FUEL PURCHASES** - During our audit, we noted that the District has procedures in place to ensure the fuel charges are for authorized purchases. However, we noted that odometer readings for vehicles using unleaded fuel are not being recorded at the time of the fuel purchase. We recommend when fuel is dispensed, the vehicle description and odometer reading be submitted to the transportation department. The transportation director should use the odometer reading to track miles per gallon on each vehicle. We recommend that the District analyze the odometer and miles per gallon calculations, investigating any unusual fuel type purchases or inconsistent miles per gallon amounts. Investigation results should be included with the expenditure documentation.

**PURCHASING DOCUMENTATION** - During our audit, we selected a sample of expenditures to review for compliance with state statute, board policy and purchasing procedures. While we noted no unusual or unsupported expenditures, support for the bid acquisition or quote comparison was not attached to the invoice and the accounting department had to obtain competitive bid documents from the department that originated the purchase. Additionally, we noted several expenditures exceeding the threshold for requiring three (3) quote or bids and the District was unable to provide the required number of bids/quotes or written documentation of the reason for absence of required number of quotes or bids as required by board policy. We recommend that supporting documents for each purchase exceeding the dollar thresholds established in the board policy include either a copy of the competitive bid documentation if required, a listing of the bids/quotes received in a bid tabulation format or notes from telephone calls requesting quotes. Additionally, if the purchase is from a sole source provider, occurs in an emergency situation, or where less than three (3) bids were received; a memo or other documentation should be included to support the lack of bid or quote documentation.

**BUDGET** - Chapter 67, RSMo prohibits the expenditure of public monies unless those expenditures have been authorized. During our audit, we noted that actual expenditures of \$48,973,283 in the Capital Projects Fund exceeded budgeted amounts of \$48,700,874 by \$272,409.