

RIVERVIEW GARDENS SCHOOL DISTRICT

**INFORMATION REQUIRED FOR FEDERAL
AND STATE PROGRAM REPORTING**

June 30, 2019

RIVERVIEW GARDENS SCHOOL DISTRICT

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**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***

Special Administrative Board
Riverview Gardens School District

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 statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Riverview Gardens School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Riverview Gardens School District's basic financial statements and have issued our report thereon dated January 8, 2020.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2019-003 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Riverview Gardens School District's financial statements are 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Riverview Gardens School District's Response to Findings

Riverview Gardens School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Riverview Gardens School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keiser, Eck & Braeckel LLP

St. Louis, Missouri
January 8, 2020

**Independent Auditors' Report on Compliance for Each
Major Program and on Internal Control Over Compliance
Required by the Uniform Guidance and on the
Schedule of Expenditures of Federal Awards**

Special Administrative Board
Riverview Gardens School District

Report on Compliance for Each Major Federal Program

We have audited Riverview Gardens School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Riverview Gardens School District's major federal programs for the year ended June 30, 2019. Riverview Gardens School 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 Riverview Gardens School 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 Riverview Gardens School 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 Riverview Gardens School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Riverview Gardens 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, 2019.

Report on Internal Control over Compliance

Management of Riverview Gardens School 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 Riverview Gardens School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Riverview Gardens School 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 a 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2019-004 and 2019-005 that we consider to be significant deficiencies.

Riverview Gardens School District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Riverview Gardens School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Riverview Gardens School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Riverview Gardens School District's basic financial statements. We issued our report thereon dated January 8, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
January 8, 2020

RIVERVIEW GARDENS SCHOOL DISTRICT**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS****Year Ended June 30, 2019**

<u>Federal Grantor / Pass-Through Grantor / Program Cluster or Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Identification Number</u>	<u>Expenditures</u>
U.S. Department of Education			
Passed-through Missouri Department of Elementary and Secondary Education:			
Title I Grants to Local Educational Agencies	84.010	096-111	\$ 4,230,936
School Improvement Grants	84.377	096-111	700,700
Supporting Effective Instruction State Grants	84.367	096-111	622,575
Career and Technical Education -- Basic Grants to States	84.048	096-111	183,792
Student Support and Academic Enrichment Program	84.424	096-111	17,997
Total U.S. Department of Education			<u>5,756,000</u>
U.S. Department of Agriculture			
Passed-through Missouri Department of Elementary and Secondary Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	096-111	1,240,209
National School Lunch Program	10.555	096-111	
Cash assistance			2,635,458
Non-cash assistance (food distribution)			249,291
Total National School Lunch Program			<u>2,884,749</u>
Total U.S. Department of Agriculture			<u>4,124,958</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 9,880,958</u>

See notes to schedule of expenditures of federal awards.

RIVERVIEW GARDENS SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Riverview Gardens School District under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of the *OMB Uniform Guidance*. 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 or changes in net position of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Riverview Gardens School District prepares its Schedule of Expenditures of Federal Awards on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when related liabilities are incurred.

NOTE 3 – INDIRECT COST RATE

The District has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance

NOTE 4 – SUBRECIPIENTS

There have been no awards passed through to subrecipients.

NOTE 5 – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of commodities received and disbursed during the fiscal year ended June 30, 2019.

RIVERVIEW GARDENS SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2019

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on financial statements: Unmodified opinion

Internal control over financial reporting:

- Material weaknesses identified? Yes
- Significant deficiencies identified that are not considered material weaknesses? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes

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

Any audit findings disclosed that are required to be reported under 2 CFR Section 200.516(a) of the Uniform Guidance? Yes

The programs tested as major programs include:

CFDA Number(s)	Name of Program or Cluster
84.010	Title I Grants to Local Educational Agencies
10.553, 10.555	Child Nutrition Cluster

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

Riverview Gardens School District qualified as low risk auditee? No

RIVERVIEW GARDENS SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS **Year Ended June 30, 2019**

II. FINANCIAL STATEMENT FINDINGS

Finding 2019-001

Condition:

Our testing of payroll expenditures disclosed instances of the following matters:

- The monthly employee health insurance invoice is not being reconciled to documented employee elections.
- Certain Business Office employees have access in accounting software to make changes to employee pay rates.
- Time sheets were not always approved by applicable supervisors.
- Approval of the Accounting Manager's review of payroll reports is not formally documented.

Criteria: The District should maintain internal controls over the payroll cycle to accurately process employee payroll. In addition, changes and updates to employee health insurance elections should be reconciled on a monthly basis to the health insurance bill. This would include making sure that former employees are no longer receiving the health insurance benefits from the District or that they are properly reimbursing the District for premiums if they elect coverage under COBRA. This reconciliation would also determine that current employees who have elected and are receiving insurance coverage have the appropriate amounts withheld from their paychecks.

Cause: The District's internal controls related to the payroll cycle are not sufficient to accurately process employee payroll. The Human Resource department is responsible for reconciling the employee elected insurance benefits to the invoice. While a process has been developed and training provided to the department, the Human Resource department could not produce documentation that the invoices had been reconciled or reviewed for any month within the audit period.

Effect: There is a risk that current employees are not receiving proper insurance coverage. In addition, there is a risk that former employees could be receiving health insurance coverage and not paying the District. There is a risk that fraud or errors could occur and not be detected.

RIVERVIEW GARDENS SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

Recommendation: We recommend that the payroll process and procedures be reviewed and updated to ensure internal controls over the payroll process are sufficient to accurately report employee payroll. In addition, the general ledger account and the health insurance invoice should be reconciled to elected deductions on a monthly basis. A checklist should be utilized to ensure personnel files are complete and accurate to reduce the risk that new employees are enrolled for applicable benefits offered by the District.

Management response:

Management concurs with the audit finding.

- *The District brought in a temporary resources to catch up on the reconciliations. The Accounting Manager has trained the Human Resources Manager on the reconciliation vendor invoice to the employee elections process. The Assistant Superintendent for HR will review the health insurance reconciliation on a monthly basis.*
- *An audit process of changes to employee master files was established to mitigate this risk. The Assistant Superintendent for HR will review the audit of employee master files. As part of the implementation of the MUNIS software, a payroll backup person will be trained. That individual will perform the payroll audit process. The Chief Financial Officer will review documentation of the audit process and signify such review.*
- *Training will be provided for supervisors who fail to approve timesheets with appropriate disciplinary actions taken for continued failures.*
- *As a remedy to segregation of duties issues (the Payroll Administrator can initiate changes to the payroll master file) a process was established for the Accounting Manager to judgmentally trace a sample of changes to the payroll master file from the Payroll Audit Report to original supporting documents for each payroll processed. With the DESE mandated change in the Chart of Accounts and the transition to new financial software, the Accounting Manager was not able to keep up with this process.*

RIVERVIEW GARDENS SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

Finding 2019-002

Condition: The Annual Secretary of the Board Report (ASBR), which is the basis for preparing the audited financial statements was not complete until December 2019. As a result, the District could not prepare the financial statements in accordance with the modified accrual basis of accounting.

Criteria: The District should implement procedures to ensure that the financial statements can be prepared in accordance with the modified accrual basis of accounting.

Cause: The District's accounting system was not integrated with the new account coding requirements of the Missouri Department of Elementary and Secondary Education timely and as a result manual adjustments were required to prepare the ASBR.

Effect: It is the responsibility of District management and those charged with governance to prepare the financial statements in accordance with the modified accrual basis of accounting.

Recommendation: We recommend the District implement procedures to ensure that the financial statements can be prepared in accordance with the modified accrual basis of accounting.

Management response:

Management concurs with the audit finding.

The District via the current software vendor worked diligently to implement the mandated chart of accounts changes. Technical errors resulted in the rejection of initial ASBR the submissions. The 2019-2020 ASBR will be prepared from the MUNIS application which is already loaded with the new DESE prescribed chart-of-accounts. During the implementation process, the District implementation team will need to work with Tyler Technologies to ensure that the ASBR file extraction and upload process is properly designed.

RIVERVIEW GARDENS SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

Finding 2019-003

Condition: Our testing of expenditures disclosed instances of the following matters:

- Purchase orders were prepared and approved after the items were invoiced and received by the personnel who maintained budget authority for that department.
- A Procurement Card Request Form was not completed and approved by the employees' supervisor for items purchased with the District's purchasing card.

Criteria: All expenditures should be approved by the personnel with budget authority in accordance with established policies and procedures and all supporting documentation should be retained.

Cause: The District has written policies and procedures regarding purchasing and disbursements; however, these policies and procedures are not consistently followed.

Effect: Lack of an effective purchase order system and purchasing card authorization and approval system could lead to unauthorized expenditures. Also, the District loses its ability to control expenditures which could lead to actual expenditures exceeding budget.

Recommendation: We recommend that procedures be established to monitor compliance with the District's purchasing policies and procedures to ensure that purchase orders are prepared and approved prior to purchasing goods and Procurement Card Request Forms are completed and approved prior to making purchases with the District's purchasing card.

Management response:

Management concurs with the audit finding.

- *Review of the District purchasing procedures will be provided to individuals found to be non-compliant. Appropriate disciplinary action taken for continued violation.*
- *The administrative assistant to the CFO has been trained on the mandated use of the procurement card request form. All procurement card requests are to be processed by this individual.*

RIVERVIEW GARDENS SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2019

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2019-004

Federal Programs: Title I Grants to Local Educational Agencies

CFDA No.: 84.010

Federal Agency: Department of Education

Pass-Through Entity: Missouri Department of Elementary and Secondary Education

Award No.: As listed on the Schedule of Expenditures of Federal Awards

Award Period: Various

Compliance Requirement: Allowable Costs

Criteria: Uniform Guidance requires expenditures to be supported by appropriately approved purchase orders.

Condition: Purchase orders were prepared and approved by management after the items were received.

Cause: The District has written policies and procedures regarding purchasing and distributions; however, these policies and procedures were not consistently followed.

Effect: Lack of an effective purchase order system could lead to unauthorized purchases and the purchases could be disallowed by the federal awarding agency.

Questioned Cost: None

Recommendation: We recommend that procedures be established to monitor compliance with the District's purchasing policies to ensure that purchases are properly supported and formal approval of purchase orders is being documented in accordance with District policy. In addition, we recommend that purchase orders be prepared and approved by management before items are received or ordered by other means.

Management response:

Management concurs with the audit finding.

Review of the District purchasing procedures will be provided to individuals found to be non-compliant. Appropriate disciplinary action taken for continued violation.

RIVERVIEW GARDENS SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

Finding 2019-005

Federal Programs: Title I Grants to Local Educational Agencies

CFDA No.: 84.010

Federal Agency: Department of Education

Pass-Through Entity: Missouri Department of Elementary and Secondary Education

Award No.: As listed on the Schedule of Expenditures of Federal Awards

Award Period: Various

Compliance Requirement: Allowable Costs

Criteria: Uniform Guidance requires salaries and benefit expenditures to be appropriately approved.

Condition: Time sheets were not always approved by applicable supervisors.

Cause: The District has written policies and procedures regarding payroll transactions; however, these policies and procedures were not consistently followed.

Effect: The salary and benefit expenditures may be disallowed.

Questioned Cost: None

Recommendation: We recommend that procedures be established to monitor compliance with the District's policies and procedures to ensure that salaries and benefits are properly reviewed and approved.

Management response:

Training will be provided for supervisors who fail to approve timesheets with appropriate disciplinary actions taken for continued failures to approve timesheets.

RIVERVIEW GARDENS SCHOOL DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2019

Finding 2018-001

Condition:

Our testing of payroll expenditures disclosed instances of the following matters:

- The monthly employee health insurance invoice is not being reconciled to documented employee elections. In addition, the general ledger account used to record these transactions is not being reconciled.
- Human Resource department and certain Business Office employees have access in accounting software to make changes to employee pay rates.
- Time sheets were not always approved by applicable supervisors.
- Approval of the Accounting Manager's review of payroll reports is not formally documented.

Recommendation: We recommend that the payroll process and procedures be reviewed and updated to ensure internal controls over the payroll process are sufficient to accurately report employee payroll. In addition, the general ledger account and the health insurance invoice should be reconciled to elected deductions on a monthly basis. A checklist should be utilized to ensure personnel files are complete and accurate to reduce the risk that new employees are enrolled for applicable benefits offered by the District.

Current Status: The Human Resource department no longer has access in the accounting software to make changes to employee pay rates. The finding related to Business Office employees' accessibility to make changes to employee pay rates, time sheet approvals, and approval of payroll reports has been repeated at 2019-001.

Finding 2018-002

Condition: Our testing of expenditures disclosed instances of the following matters:

- Purchase orders were prepared and approved after the items were invoiced and received by the personnel who maintained budget authority for that department.
- The list of out-of-state travel presented to the Special Administrative Board was not always complete.

Recommendation: We recommend that procedures be established to monitor compliance with the District's purchasing policies and procedures to ensure that:

- Purchase orders are prepared and approved prior to purchasing goods.
- All out-of-state travel is presented to the Special Administrative Board for their review and consideration.

RIVERVIEW GARDENS SCHOOL DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

Current Status: Out-of-State travel expenditures are being presented to the Special Administrative Board. The finding related to purchase orders have been repeated at 2019-003.

Finding 2018-003

Condition: We noted that the general ledger accounts for debt service principal and interest were not reconciled to the amortization schedules. In addition, the current year bond issuance and refunding were not recorded and reported accurately.

Recommendation: We recommend that the debt service principal and interest expenditure accounts by fund be properly reconciled to the amortization schedules on a routine basis and journal entries to record bond issuances and refunding's be reviewed to ensure accurate reporting.

Current Status: The District appears to be reconciling debt service principal and interest expenditure general ledger accounts to amortization schedules. There were no bond issuances or refunding's in the current year.

Finding 2018-004

Condition: We noted that there is no documentation that the monthly financial reports are being reviewed by the Special Administrative Board (SAB).

Recommendation: We recommend that the monthly financial reports be reviewed on a monthly basis by the SAB. We also recommend this review process be documented.

Current Status: The SAB reviews the monthly financial reports during the SAB meetings. No similar findings noted in the 2019 audit.

Finding 2018-005: Title I Grants to Local Educational Agencies and School Improvement Grants, CFDA No. 84.010 and 84.377

Condition: Formal approval of purchase orders was not documented for certain purchases selected for testing and one expenditure of \$1,440 was paid without a supporting invoice. In addition, certain purchase orders were prepared and approved by management after the items were received.

Recommendation: We recommend that procedures be established to monitor compliance with the District's purchasing policies to ensure that purchases are properly supported and formal approval of purchase orders is being documented in accordance with District policy. In addition, we recommend that purchase orders be prepared and approved by management before items are received or ordered by other means.

RIVERVIEW GARDENS SCHOOL DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

Current Status: Approval of purchase orders were documented and expenditures selected for testing were supported by an invoice. The finding for purchase orders being prepared and approved by management after the items were received is repeated at 2019-004.

Finding 2018-006: Title I Grants to Local Educational Agencies and School Improvement Grants, CFDA No. 84.010 and 84.377

Condition: Time sheets were not always approved by applicable supervisors.

Recommendation: We recommend that procedures be established to monitor compliance with the District's policies and procedures to ensure that salaries and benefits are properly reviewed and approved.

Current Status: The finding has been repeated at 2019-005.



CPAs and
Management Consultants

One South Memorial Drive, Ste. 900
St. Louis, MO 63102
ph. 314.231.6232
fax 314.880.9307

www.kebcpa.com

**Independent Accountants' Report on Compliance
with Specified Requirements of Missouri Laws and Regulations**

Special Administrative Board
Riverview Gardens School District

We have examined Riverview Gardens School District's compliance with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures, accurate disclosure by Riverview Gardens School District's records of average daily attendance and average daily pupil transportation and other statutory requirements listed in the Schedule of Selected Statistics for the year ended June 30, 2019. Management of Riverview Gardens School District is responsible for Riverview Gardens School District's compliance with the specified requirements. Our responsibility is to express an opinion on Riverview Gardens School District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Riverview Gardens School District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Riverview Gardens School District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on Riverview Gardens School District's compliance with specified requirements.

In our opinion, Riverview Gardens School District complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2019.

This report is intended for the information and use of the Special Administrative Board, District management, the Missouri Department of Elementary and Secondary Education and other audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
January 8, 2020

RIVERVIEW GARDENS SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS - UNAUDITED Year Ended June 30, 2019

District Number: 096-111

1. Calendar (Sections 160.041, 171.029, 171.031, and 171.033, RSMo)

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
	K	5	-	6.4500	175	1,101.40
	6	8	-	6.4500	175	1,101.40
	9	12	-	6.4500	174	1,071.05
	PK	PK	-	7.0000	174	1,218.00
4020	K	5	-	6.4500	174	1,094.95
4040	6	8	-	6.4500	174	1,094.95

2. Average Daily Attendance (ADA)

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
1050	9-12	984.4940	-	-	-	6.7092	991.2032
3000	6-8	642.6257	-	-	-	0.1724	642.7981
4020	K-5	283.9711	-	-	-	-	283.9711
4040	6-8	484.0038	-	-	-	-	484.0038
4050	K-5	420.6761	-	-	-	-	420.6761
4060	K-5	288.1892	-	-	-	-	288.1892
4080	K-5	300.1340	-	-	-	-	300.1340
5000	K-5	287.9797	-	-	-	-	287.9797
5020	K-5	138.4639	-	-	-	-	138.4639
5040	K-5	335.3178	-	-	-	-	335.3178
6020	K-5	298.8588	-	-	-	-	298.8588
6040	K-5	302.7051	-	-	-	3.3847	306.0898
	Total	<u>4,767.4192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10.2663</u>	<u>4,777.6855</u>

RIVERVIEW GARDENS SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS - UNAUDITED Year Ended June 30, 2019

3. September Membership

<u>School Code</u>	<u>Grade Level</u>	<u>Full-Time</u>	<u>Part-Time</u>	<u>Other</u>	<u>Total</u>
1050	9-12	1,158.00	21.12	-	1,179.12
3000	6-8	720.00	-	-	720.00
4020	K-5	312.00	-	-	312.00
4040	6-8	548.00	-	-	548.00
4050	K-5	467.00	0.25	-	467.25
4060	K-5	321.00	-	-	321.00
4080	K-5	313.00	-	-	313.00
5000	K-5	313.00	-	-	313.00
5020	K-5	158.00	-	-	158.00
5040	K-5	368.00	-	-	368.00
6020	K-5	324.00	-	-	324.00
6040	K-5	322.00	-	-	322.00
	Total	<u>5,324.00</u>	<u>21.37</u>	<u>-</u>	<u>5,345.37</u>

RIVERVIEW GARDENS SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS - UNAUDITED Year Ended June 30, 2019

4. Free and Reduced Priced Lunch FTE Count (sections 163.011(6), RSMo)

<u>School Code</u>	<u>Free Lunch</u>	<u>Reduced Lunch</u>	<u>Deseg In Free</u>	<u>Deseg In Reduced</u>	<u>Total</u>
N/A	33.00	4.00	N/A	N/A	37.00
1050	1,095.24	-	N/A	N/A	1,095.24
3000	730.00	-	N/A	N/A	730.00
4020	305.00	-	N/A	N/A	305.00
4040	543.00	-	N/A	N/A	543.00
4050	458.25	-	N/A	N/A	458.25
4060	317.00	-	N/A	N/A	317.00
4080	318.00	-	N/A	N/A	318.00
5000	318.00	-	N/A	N/A	318.00
5020	154.00	-	N/A	N/A	154.00
5040	364.00	-	N/A	N/A	364.00
6020	326.00	-	N/A	N/A	326.00
6040	328.00	-	N/A	N/A	328.00
Total	<u>5,289.49</u>	<u>4.00</u>	<u>-</u>	<u>-</u>	<u>5,293.49</u>

RIVERVIEW GARDENS SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS - UNAUDITED

Year Ended June 30, 2019

5. Finance

5.1	The District maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The District maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	
	Academic Programs Off-Campus	N/A
	Career Exploration Program – Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	True
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	True
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	True
5.3	The District maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The District maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the Districts' treasurer in the total amount of:	\$ 50,000
5.6	The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	False
5.7	The District maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo.	True

RIVERVIEW GARDENS SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS - UNAUDITED

Year Ended June 30, 2019

5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	<u>True</u>
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected date for the projects to be undertaken.	<u>N/A</u>
5.10	The District published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	<u>True</u>
5.11	The District has a professional development committee plan adopted by the Board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost.	<u>True</u>
5.12	The amount spent for approved professional development committee plan activities was:	<u>\$ 351,863</u>

All above "false answers must be supported by a finding or management letter comment.

Findings #: 2019-006

Management Letter Comment #: N/A

RIVERVIEW GARDENS SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS - UNAUDITED Year Ended June 30, 2019

6. Transportation

6.1 The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. True

6.2 The District's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported. True

6.3 Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:

Eligible ADT 2,236

Ineligible ADT 0

6.4 The District's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year. True

6.5 Actual odometer records show the total district-operated and contracted mileage for the year was: 387,306

6.6 Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:

Eligible Miles 355,622

Ineligible Miles (Non-Route/Disapproved) 31,684

6.7 Number of days the District operated the school transportation system during the regular school year: 175

All above "False" answers must be supported by a finding or management letter comment.

Findings #: N/A

Management Letter Comment #: N/A

RIVERVIEW GARDENS SCHOOL DISTRICT

SCHEDULE OF STATE FINDINGS

Year Ended June 30, 2019

Finding 2019-006

Condition: The District's deposits maintained by a legal depository were not fully secured by either collateralized securities or insured by the Federal Deposit Insurance Program (FDIC).

Criteria: Section 110.020, RSMo, requires the value of securities deposited and maintained by a legal depository under Section 110.010 shall at all times not be less than one hundred percent of the actual amount of funds on deposit with the depository, less the amount, if any, insured by the Federal Deposit Insurance Corporation.

Cause: The District does not have internal controls to ensure that deposits maintained by a legal depository are secured at all times.

Effect: The District is not in compliance with Sections 110.010 and 110.020, RSMo.

Recommendation: We recommend the District establish the necessary controls to ensure deposits maintained by a legal depository are secured by either collateralized securities or insured by the FDIC at all times.

Management Response:

Management concurs with the finding.

Management has an agreement with the depository bank to maintain levels above 100% collateralization. District will extend the agreement to provide that the bank send a notice to the district anytime the level falls below 100% and in the event of any failure full value will be restored to the district.