

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

**WARREN COUNTY R-III SCHOOL DISTRICT**

**June 30, 2011**

# WARREN COUNTY R-III SCHOOL DISTRICT

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**STATE COMPLIANCE**



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**Independent Accountants' Report on Management's Assertions  
About Compliance with Specified Requirements of  
Missouri Laws and Regulations**

Board of Education  
Warren County R-III School District

We have examined management's assertions that the Warren County R-III School District complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's records of average daily attendance and average daily transportation of pupils and other statutory requirements as list in the Schedule of Selected Statistics. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertions about the District's compliance based on our examination.

Our examination was conducted in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Warren County R-III School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the Warren County R-III School District's compliance with specified requirements.

In our opinion, management's assertions that the Warren County R-III School District complied with the aforementioned requirements for the year ended June 30, 2011 are fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Education, 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  
December 1, 2011

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Other Locations

Belleville, IL • Carbondale, IL • Springfield, IL • Jacksonville, IL • Cape Girardeau, MO • Milwaukee, WI

# WARREN COUNTY R-III SCHOOL DISTRICT

## SCHEDULE OF SELECTED STATISTICS – UNAUDITED Year ended June 30, 2011

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Type of audit performed: Yellow Book X      Single Audit X

### 1. Calendar

The number of actual calendar hours and the number of days classes were in session and pupils were under the direction of teachers during this school year were as follows:

	<u>Hours</u>	<u>Days</u>
Grades K through 12	1,097.38	174

### 2. Average Daily Attendance (ADA)

#### Regular Term - Average daily attendance

	<u>Full-Time &amp; Part-Time</u>	<u>Remedial</u>	<u>Total</u>
Grade K	206.46	-	206.46
Grades 1 through 12	2,526.71	-	2,526.71
Subtotal - Regular attendance	<u>2,733.17</u>	<u>-</u>	2,733.17

#### Summer School - Average daily attendance

13.91

#### Total average daily attendance

2,747.08

### 3. September Membership

	<u>Full-Time &amp; Part-Time</u>	<u>Deseg In</u>	<u>Federal Lands</u>	<u>Total</u>	<u>Deseg Out</u>
September resident membership	<u>2,969.34</u>	<u>-</u>	<u>-</u>	<u>2,969.34</u>	<u>-</u>

# WARREN COUNTY R-III SCHOOL DISTRICT

## SCHEDULE OF SELECTED STATISTICS – UNAUDITED Year ended June 30, 2011

### 4. Free and Reduced Priced Lunch FTE Count

	<u>Full-Time &amp; Part-Time</u>	<u>Deseg In</u>	<u>Total</u>
Free	1,205.560	-	1,205.560
Reduced	251.710	-	251.710
<b>State FTE Total</b>	<u>1,457.270</u>	<u>-</u>	<u>1,457.270</u>

### 5. Finance

- A. As required by Section 162.401, RSMo, a bond was purchased for the District's treasurer in the total amount of: \$ 25,000
- B. The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo. True
- C. The District maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo. True
- D. Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records. True
- E. If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. True
- F. The District published a summary of the prior year's audit report within 30 days of the receipt of the audit pursuant to Section 165.121, RSMo. True
- G. All above "false" answers must be supported by a finding or management letter comment.

Finding #: N/A

Management Letter Comment #: N/A

# WARREN COUNTY R-III SCHOOL DISTRICT

## SCHEDULE OF SELECTED STATISTICS – UNAUDITED Year ended June 30, 2011

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### 6. Transportation

- A. The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. True
- B. The District's school transportation ridership records are so maintained as to accurately disclose in all material respects the average number of regular riders transported. True
- C. 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 1,638
  - Ineligible ADT 0
- D. The District's transportation odometer mileage records are so maintained as to accurately disclose in all material respects the eligible and ineligible mileage for the year. True
- E. Actual odometer records show the total District-operated and contracted mileage for the year was: 435,306
- 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 396,691
  - Ineligible Miles (Non-Route/Disapproved) 38,615
- F. Number of days the District operated the school transportation system during the regular school year: 174
- G. All above "false" answers must be supported by a finding or management letter comment.
- Finding #: N/A
- Management Letter Comment #: N/A

**FEDERAL COMPLIANCE**



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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**

Board of Education  
Warren County R-III School District

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Warren County R-III School District (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 1, 2011. Our report on the basic financial statements disclosed that as described in Note A to the financial statements, the District prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with 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 of America.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

*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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

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

This report is intended solely for the information and use of the Board of Education, District management, the Missouri Department of Elementary and Secondary Education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

St. Louis, Missouri  
December 1, 2011

*Kerber, Eck & Braeckel LLP*



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**Independent Auditors' Report on Compliance with Requirements  
That Could Have a Direct and Material Effect on Each Major Program and on  
Internal Control over Compliance in Accordance with OMB Circular A-133**

Board of Education  
Warren County R-III School District

**Compliance**

We have audited Warren County R-III School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the 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, 2011.

## **Internal Control over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

## **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Warren County R-III School District as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 1, 2011, which contained unqualified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, 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 statements as a whole.

This report is intended solely for the information and use of the Board of Education, District management, the Missouri Department of Elementary and Secondary Education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Kerber Eck & Braedel LLP*

St. Louis, Missouri  
December 1, 2011

**WARREN COUNTY R-III SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year ended June 30, 2011**

Federal Grantor Pass-through Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
<b>U.S. Department of Agriculture</b>			
Passed-through Missouri Department of Elementary and Secondary Education:			
School Breakfast Program	10.553	109-003	\$ 158,268
National School Lunch Program	10.555	109-003	535,396
Food Distribution Program	10.550	109-003	<u>72,036</u>
<b>Total U.S. Department of Agriculture</b>			<u>765,700</u>
<b>U.S. Department of Education</b>			
Passed-through Missouri Department of Elementary and Secondary Education:			
Title I Grants to Local Educational Agencies	84.010	109-003	573,484
ARRA - Title I	84.389	109-003	142,752
ARRA - Title II D	84.386	109-003	2,318
Migrant Education - State Grant Program	84.011	109-003	2,541
Safe and Drug-Free Schools and Communities - State Grants	84.186	109-003	2,128
Improving Teacher Quality State Grants	84.367	109-003	108,585
Educational Technology State Grants	84.318	109-003	26
ARRA - Special Education - Grants to States (IDEA Part B)	84.391	109-003	456,687
Special Education - Grants to States (IDEA Part B)	84.027	109-003	619,483
State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	109-003	397,052
State Fiscal Stabilization Fund - Government Services, Recovery Act	84.397	109-003	242,752
Education Jobs Funds	84.410	109-003	<u>667,800</u>
<b>Total U.S. Department of Education</b>			<u>3,215,608</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 3,981,308</u></u>

The accompanying notes are an integral part of this schedule.

# WARREN COUNTY R-III SCHOOL DISTRICT

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2011

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### NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is prepared on the modified cash basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### NOTE B – NONCASH PROGRAMS

The District received the following noncash assistance during the year ended June 30, 2011:

Food Distribution Program (Commodities)	CFDA# 10.550	\$72,036
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The commodities received are also included in the federal expenditures presented in the schedule and are valued using prices provided by the United States Department of Agriculture.

# WARREN COUNTY R-III SCHOOL DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2011

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### SECTION I – SUMMARY OF AUDITORS’ RESULTS

#### Financial Statements

Type of auditors’ report issued on financial statements: Unqualified opinion

Internal control over financial reporting

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

Noncompliance material to financial statements noted? No

#### Federal Awards

Type of auditors’ report issued on compliance for major programs: Unqualified opinion

Internal control over major programs:

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? No

The programs tested as major programs include:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027 and 84.391	Special Education Cluster
84.010 and 84.389	Title I, Cluster
84.394 and 84.397	State Fiscal Stabilization Fund Cluster
84.410	Education Jobs Funds

The dollar threshold used to distinguish between type A and type B programs: \$300,000

Warren County R-III School District qualified as low risk auditee? Yes

# **WARREN COUNTY R-III SCHOOL DISTRICT**

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year ended June 30, 2011**

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### **SECTION II – FINANCIAL STATEMENT FINDINGS**

There were no findings which are required to be reported in accordance with Generally Accepted Governmental Auditing Standards.

### **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no findings and questioned costs related to Federal Awards.

### **SECTION IV – SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

There were no prior year findings and questioned costs related to Federal Awards.