



Scott Fitzpatrick

Missouri State Auditor

Independence School District

Report No. 2025-046

August 2025

auditor.mo.gov



CITIZENS SUMMARY

Findings in the audit of the Independence School District

Cash Controls and Procedures	Receipting and depositing procedures were not always followed at some schools, and change funds were not maintained at constant amounts. For the 6 schools reviewed, personnel at 1 school did not record or deposit receipts timely. At 2 other schools, district staff did not always prepare event sheets for student activity receipts in accordance with district procedures, or promptly turn over the event sheets and money collected to the respective building's Activities Office. Personnel at 2 of the 3 schools reviewed that have change funds do not maintain the change funds at constant amounts and 1 of those schools also use the funds for petty cash expenses.
Closed Meeting Topics	The Board discussed and voted on some topics in closed meetings that were not allowable under the Sunshine Law. For example, in one meeting, the Board discussed the 4-day instructional school week and observed a presentation that included data from a previous survey by the Superintendent. In this same meeting, the Board considered the need for additional surveys regarding the 4-day instructional school week. In another closed meeting, the Board discussed the district's operating tax levy and the need to place an operating levy on the ballot at an upcoming election.
Electronic Communication Policy	The district has not developed a records management and retention policy that includes electronic communication in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission. This guidance recommends government/public entities have a policy on electronic messaging, including text messages, email, and other third party platforms.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Independence School District

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SCOTT FITZPATRICK

MISSOURI STATE AUDITOR

Board of Education
Independence School District

The State Auditor conducted an audit of the Independence School District under authority granted in Section 29.205, RSMo. We have audited certain operations of the district in fulfillment of our duties. The district engaged Daniel Jones & Associates, Certified Public Accountants, to audit the district's financial statements for the year ended June 30, 2024. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2024. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and performing sample testing using haphazard and judgmental selection, as appropriate. The results of our sample testing cannot be projected to the entire populations from which the test items were selected. We obtained an understanding of internal control that is significant to the audit objectives and planned and performed procedures to assess internal control to the extent necessary to address our audit objectives. We obtained an understanding of the process for implementation of the 4-day school week, including reviewing minutes of meetings, internal and external surveys, and interviewing various district personnel. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and its audited financial statements and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Independence School District.

A handwritten signature in black ink, reading "Scott Fitzpatrick". The signature is written in a cursive, flowing style.

Scott Fitzpatrick
State Auditor

Independence School District Management Advisory Report State Auditor's Findings

1. Cash Controls and Procedures

District cash handling procedures at some school buildings need improvement. Our review noted receipting and depositing procedures were not always followed, and change funds were not maintained at constant amounts. District financial records show total student activity collections of over \$2.1 million for the 2023-2024 school year. These are comprised of various cash and check receipts, including student activity fees, athletic fees, event admissions, school meal fees, bookstore sales, etc. These funds are at greater risk because there is a variety of handling and record-keeping methods throughout the schools.

School administrative and activity bookkeepers are generally responsible for the receipting, recording, depositing, and reconciling of money collected by teachers, organization sponsors, and school office personnel. Athletic event attendance and concession sales are generally handled by applicable school organizations and the money collected is later transmitted to the school activity office. Administrators at each school provide minimal oversight of these functions and records.

We judgmentally selected and reviewed procedures at 2 high schools, 1 middle school, and 3 elementary schools.

1.1 Depositing and recording timely

District personnel do not always record or deposit receipts timely in accordance with district procedures.

Accounting system and depositing

For the 6 schools reviewed, personnel at 1 school did not record or deposit receipts timely. For example, \$11,167 deposited on May 20, 2024, included receipts collected from May 9, 2024. The majority of these receipts were not recorded in the accounting system when received, but rather on the day of the deposit. The building secretary indicated she is unable to record receipts into the accounting system timely or prepare the deposits daily because students frequently stop by the office and she has concerns with cash being out during that time.

The District's internal control policy requires personnel to deposit receipts daily. Not transmitting and depositing money timely increases the risk of loss, theft, or misuse of funds. The District's internal control policy also requires receipts to be recorded in the accounting system when received.

Event sheets

District staff did not always prepare event sheets for student activity receipts in accordance with district procedures, or promptly turn over the event sheets and money collected to the respective building's Activities office.

District procedures require, at the end of an event, 2 people count activity receipts; record the total collected on an event sheet; prepare the bank deposit slip; and remit the form, slip, and money to the school office by the following day. Personnel in the school office are supposed to count the receipts and



Independence School District Management Advisory Report - State Auditor's Findings

reconcile that amount to the amounts recorded on the event sheet and deposit slip prior to deposit.

Personnel at 1 school do not complete an admission or concession event sheet, detailing the amounts received, at the conclusion of the sporting event; instead the office secretary counts the receipts turned in and then records the receipts on an event sheet and prepares the deposit. At another school, personnel do not follow the established policy of 2 individuals completing the event sheet and deposit slip at the end of the activity event. Personnel at that school also do not always turn in the event sheets timely to the office secretary. We identified 2 event sheets during our cash count in May 2024 that were not turned into the secretary the next day. For these issues to occur, district personnel either did not know the district's procedures or there was a lack of oversight ensuring these procedures were followed.

Conclusion

Compliance with district procedures for the handling and processing of student activity receipts is necessary to properly account for all receipts and ensure money received is deposited. The failure to timely record, transmit, and deposit money and properly perform and document verification procedures increases the risk that loss, theft, or misuse of funds will go undetected.

1.2 Change funds

Personnel at 2 of the 3 schools reviewed that have change funds do not maintain change funds at constant amounts and also use the funds for petty cash expenses. The change fund for each school building is set at \$200. We performed cash counts of change funds at 3 schools in May 2024, and identified the following concerns:

- One school office had cash on hand of \$180, a \$20 shortage. Personnel used the change fund to issue vending machine refunds and the vending machine log indicated they issued \$11 in refunds. The Bookkeeper was unable to identify the exact cause for the remaining \$9 cash shortage, but indicated errors in accounting for vending machine refunds likely led to the shortage.
- The other school's main office had cash on hand of \$436. The office collected \$215 in fees, so the total cash on hand should have only been \$415, including the change fund. The Bookkeeper indicated the \$21 overage was most likely due to adding personal funds to the change fund.

Maintaining a change fund at a constant amount and periodically counting and reconciling the fund to the authorized balance is necessary to safeguard this money from possible loss, theft, or misuse. The separation of the petty cash expenses from the change fund, and avoiding commingling personal funds with district funds, is necessary to properly account for the money in the change fund.



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Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Education:

- 1.1 Ensure receipts are promptly recorded and deposited and event forms are properly completed and verified.
- 1.2 Maintain change funds at a constant amount and avoid comingling personal funds with school funds. If needed, a petty cash fund should be established and maintained on an imprest basis to account for any petty cash expenses like the vending machine refunds.

Auditee's Response

- 1.1 *The Independence School District acknowledges the Auditor's findings and has taken significant steps to strengthen cash handling procedures and internal controls. Beginning in March 2024, the district evaluated and, by July 2024, implemented MySchoolBucks (MSB) Ticketing and MSB Concessions to track event sales, minimize manual errors, and enhance financial transparency.*

To ensure secure cash collection, all event funds are now counted by two staff members, documented, and secured in a lockbox until verified the next business day by the bookkeeper against system reports. Discrepancies are promptly investigated. MSB continues to be used for other transactions, including student fees and meals, with training provided to ensure compliance.

New bookkeepers receive formal onboarding, and all bookkeepers participate in annual reviews and training. Expectations for dual-staff cash counts and secure storage have been reinforced districtwide.

Since spring 2025, the district has also implemented unannounced internal audits to monitor compliance, with follow-up training or supervisory action when needed. These comprehensive measures demonstrate the district's commitment to financial accountability and transparency.

- 1.2 *The Independence School District acknowledges the Auditor's findings regarding change fund management and the use of funds for petty cash. In response, the district has reinforced procedures and enhanced training for all bookkeepers, including onboarding support, year-round virtual resources, and annual policy reviews with signed acknowledgments. To strengthen oversight, the Independence School District began conducting unannounced internal audits in spring 2025 at all buildings and athletic departments. These occur at least annually, with follow-ups and retraining if issues are found. The district prohibits commingling of funds and only the proper use of petty cash funds. Only two*



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designated petty cash funds exist, and change funds must remain at a fixed amount and used solely to provide change. Violations are reported to supervisors and may result in administrative action.

2. Closed Meeting Topics

The Board discussed and voted on some topics in closed meetings that were not allowable under the Sunshine Law. The Board held 27 closed meetings during the period July 1, 2022, through June 30, 2024.

Our review of meeting minutes identified closed meeting discussion topics that were not allowed. For example, in one meeting, the Board discussed the 4-day instructional school week and observed a presentation that included data from a previous survey by the Superintendent. In this same meeting, the Board considered the need for additional surveys regarding the 4-day instructional school week. In another closed meeting, the Board discussed the district's operating tax levy and the need to place an operating levy on the ballot at an upcoming election. The Board also discussed, in another closed meeting, having language added to the student/parent handbook clarifying how course credits would be recorded for students transferring into the school district and how class rank would be determined based on this information.

Missouri's Sunshine Law, Chapter 610, RSMo, provides for transparency and openness of government. Section 610.021, RSMo, provides that the discussion topics and actions in closed meetings should be limited to only those specifically allowed by law. Discussion of unallowable topics in closed meetings reduces public transparency. The Superintendent indicated the Board discussed these topics before realizing the Sunshine Law did not allow these discussions in closed meetings.

Recommendations

The Board of Education ensure only topics allowed by state law are discussed in closed meetings.

Auditee's Response

The Independence School District acknowledges the findings of the State Auditor regarding the need for strict adherence to the Missouri Sunshine Law. Moving forward, we will ensure that only items explicitly permitted under the Sunshine Law will be discussed in closed session meetings. The Board of Education will take proactive steps to review and confirm the appropriateness of each agenda item designated for closed session. In the event a topic is inadvertently introduced during a closed session that does not fall within the legal exceptions, board members will work collaboratively to redirect the conversation and ensure such matters are appropriately addressed in open session. We are implementing additional training and procedural reviews to strengthen our compliance.



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Management Advisory Report - State Auditor's Findings

3. Electronic Communication Policy

The district has not developed a records management and retention policy that includes electronic communication in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission. This guidance recommends government/public entities have a policy on electronic messaging, including text messages, email, and other third party platforms.

Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. Section 109.255, RSMo, provides that the Local Records Board issue directives for the destruction of records. The guidelines for managing electronic communications records can be found on the Secretary of State's website.¹

Development of a written policy to address the use of electronic communications is necessary to ensure all documentation of official business of the district is retained as required by state law. The Superintendent and Board of Education indicated they were unaware of the record retention requirements and the electronic communications guidelines.

Recommendations

The Board of Education develop a written records management and retention policy to address electronic communications management and retention to comply with Missouri Secretary of State Records Services Division electronic communications guidelines.

Auditee's Response

The Independence School District acknowledges the findings of the State Auditor regarding lack of a policy regarding records management and retention that explicitly includes electronic communications. We acknowledge the importance of establishing clear and comprehensive procedures to ensure compliance with applicable state records laws and to promote transparency and accountability in all aspects of district operations. The district is committed to working with legal counsel to develop and implement a records management and retention procedure that includes guidelines for the appropriate use, storage, and retention of electronic communication.

¹ Missouri Secretary of State Records Services Division, *Electronic Communications Records Guidelines for Missouri Government*, May 14, 2019, is available at <<https://www.sos.mo.gov/CMSImages/LocalRecords/CommunicationsGuidelines.pdf>>, accessed April 8, 2025.

Independence School District

Organization and Statistical Information

The Independence School District is located in Jackson County.

In the 2023-2024 school year, the Independence School District had 2 early childhood centers (grades PK), 20 elementary schools (grades K-4), 4 middle schools (grades 5-8), 3 high schools (grades 9-12), and 1 alternative learning school. Enrollment was approximately 14,639 for the 2023-2024 school year. The district employed 2,608 full- and part-time employees, at June 30, 2024.

The Independence School District has been classified under the Missouri School Improvement Program as "Accredited" by the Missouri Department of Elementary and Secondary Education.

School Board

An elected board acts as the policy-making body for the district's operations. The board's seven members serve 3-year terms without compensation. Members of the board at June 30, 2024, were

Carrie Dixon, President
 Anthony J. Mondaine, Vice President
 Denise Fears, Member
 Jill Esry, Member
 Blake Roberson, Member
 Wendy Baird, Member
 Brandi Prunte, Member

Superintendent

The district's superintendent at June 30, 2024, was Dr. Dale Herl and his annual compensation was \$270,000. An additional \$21,000 is paid annually to a tax-sheltered annuity or investment of the Superintendent's choosing. The superintendent's compensation is established by the school board.

Salary Averages - Administrators and Teachers

Average salaries for district administrators and teachers for each of the 5 fiscal years through the year ended June 30, 2024, were as follows:

Year Ended June 30,	Average Annual Salaries			
	Administrators			Teachers
	Central Office	Building	All	
2020	\$ 142,226	\$ 92,263	\$ 105,529	\$ 54,002
2021	138,993	91,803	104,773	53,544
2022	142,395	94,710	108,416	54,608
2023	148,669	99,007	110,386	56,455
2024	156,964	100,609	112,183	59,138

Source: Missouri Comprehensive Data System, <<https://apps.dese.mo.gov/MCDS/Home.aspx>>, accessed December 2, 2024.



Independence School District Organization and Statistical Information

Other Information

In December 2022, the Independence School District Board of Education voted to establish a 4-day instructional school week starting in the 2023-2024 school year. In May 2024, Missouri Senate Bill 727,² required school districts with more than 30,000 inhabitants to obtain voter approval before implementing a 4-day school week starting in the 2026-2027 school year. In November 2024, the district filed suit requesting the court find the newly passed law to be unconstitutional and issue an injunction barring enforcement and application of the statute. The case is ongoing as of August 15, 2025.

Financial Activity

A summary of the district's financial activity obtained from the financial statement audit report for the year ended June 30, 2024, follows.

² Senate Bill 727, First Regular Session, 102nd General Assembly (2024).



Independence School District Organization and Statistical Information

Independence 30 School District Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis All Governmental Funds For the Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues					
Local Sources:					
Property Taxes	\$ 64,083,711.68	\$ -	\$ 14,011,730.34	\$ -	\$ 78,095,442.02
School District Trust Fund (Prop C)	-	21,300,915.93	-	-	21,300,915.93
Financial Institution Tax	-	-	-	100,835.50	100,835.50
M&M Surtax	-	-	-	1,589,615.68	1,589,615.68
In Lieu of Tax	-	-	-	1,419,410.77	1,419,410.77
Adult/Continuing Education Tuition - Post Secondary	-	4,360.00	-	-	4,360.00
Investment Income	6,704,191.22	-	1,160,601.48	15,143.82	7,879,936.52
Other Pupil Activity	2,827,295.32	-	-	-	2,827,295.32
Community Services	1,466,652.80	-	-	-	1,466,652.80
Other Local	1,739,277.16	15,507.15	-	64,009.84	1,818,794.15
Total Local	76,821,128.18	21,320,783.08	15,172,331.82	3,189,015.61	116,503,258.69
County Sources:					
Fines, Escheats, Etc.	-	72,957.32	-	-	72,957.32
State Assessed Utilities	2,706,701.86	-	673,306.46	-	3,380,008.32
Other County	647,892.95	-	-	-	647,892.95
Total County	3,354,594.81	72,957.32	673,306.46	-	4,100,858.59
State Sources:					
Basic Formula	-	69,824,490.94	-	4,700,000.00	74,524,490.94
State Grants and Contributions	6,784,952.53	3,540,705.85	-	307,902.72	10,633,561.10
Total State	6,784,952.53	73,365,196.79	-	5,007,902.72	85,158,052.04
Federal Sources	20,259,148.71	8,115,249.06	-	973,874.76	29,348,272.53
Other	676,669.25	-	-	603,068.88	1,279,738.13
Total Revenues	107,896,493.48	102,874,186.25	15,845,638.28	9,773,861.97	236,390,179.98
Expenditures					
Current					
Instruction	\$10,397,849.02	74,935,644.06	-	1,182,181.42	86,515,674.50
Student Services	8,224,544.88	6,406,807.59	-	-	14,631,352.47
Instructional Staff Support	3,003,913.21	7,301,056.78	-	15,769.06	10,320,739.05
Building Administration	3,366,216.76	8,018,360.29	-	7,152.80	11,391,729.85
General Admin & Central Ser	11,997,731.50	3,070,218.83	-	82,207.94	15,150,158.27
Operation of Plant	21,147,486.74	-	-	9,524,167.30	30,671,654.04
Transportation	10,222,340.85	-	-	24,028.00	10,246,368.85
Food Service	9,896,718.92	-	-	134,951.67	10,031,670.59
Community Services	9,700,261.56	3,855,641.65	-	138,748.46	13,694,651.67
Facility Acq & Construction	-	-	-	4,354,969.37	4,354,969.37
Capital Outlay					
Debt Service:					
Principal	-	-	7,390,000.00	-	7,390,000.00
Interest & Fiscal Charges	-	-	6,779,741.05	313,200.00	7,092,941.05
Total Expenditures	87,957,063.44	103,587,729.20	14,169,741.05	15,777,376.02	221,491,909.71
Excess (Deficiency) of Revenues over Expenditures	19,939,430.04	(713,542.95)	1,675,897.23	(6,003,514.05)	14,898,270.27
Other Financing Sources (Uses):					
Transfers In (Out)	(7,455,577.63)	-	(1,075,350.00)	8,530,927.63	-
Total Other Financing Sources (Uses)	(7,455,577.63)	-	(1,075,350.00)	8,530,927.63	-
Net Change in Fund Balances	12,483,852.41	(713,542.95)	600,547.23	2,527,413.58	14,898,270.27
Fund Balances July 1, 2023	61,590,738.94	1,140,301.04	15,968,872.74	29,976,803.87	108,676,716.59
Fund Balances June 30, 2024	\$ 74,074,591.35	\$ 426,758.09	\$ 16,569,419.97	\$ 32,504,217.45	\$ 123,574,986.86