
SCHOOL DISTRICT OF UNIVERSITY CITY

REPORT TO THE BOARD OF EDUCATION

JUNE 30, 2011



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To the Members of the Board of Education
School District of University City

Dear Members of the Board:

We have audited the financial statements of the governmental activities and each major fund of the School District of University City (the "District") for the year ended June 30, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Audit Standards*, and OMB Circular A-133 as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 20, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School District of University City are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the District changed accounting policies by adopting Statement on Governmental Accounting Standards (GASB Statement) No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the fiscal year ended June 30, 2011. We noted no transactions entered into by the governmental unit during the year for which there is lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The financial statements do not contain any significant estimates primarily because they are on the modified cash basis of accounting.

Difficulties Encountered in Performing Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit other than those that are trivial, and communicate them to the appropriate level of management. During our audit, we proposed two reclassifying journal entries for financial statement purposes only. Management has reviewed and approved the reclassifying journal entries.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 14, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We will be pleased to meet with you at your convenience should you desire further information concerning these matters.

This information is intended solely for the internal use of the Board and management of the School District of University City, and is not intended to be and should not be used by anyone other than those specified parties.


SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri
September 14, 2011