
SCHOOL DISTRICT OF UNIVERSITY CITY

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2022

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Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of Financial Statements

Opinions

We have audited the modified cash basis financial statements of the governmental activities and each major fund of University City School District (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the District, as of June 30, 2022, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter-Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis 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 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 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 on the basis of accounting described in Note 1.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis and budgetary comparison schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

December 30, 2022

SCHOOL DISTRICT OF UNIVERSITY CITY

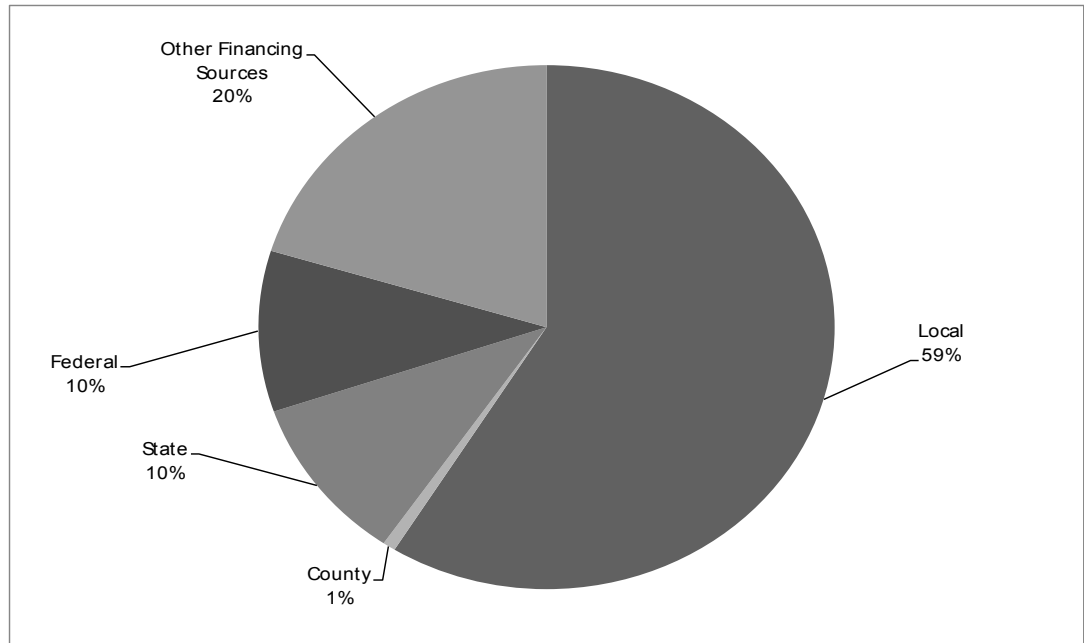
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022 - UNAUDITED**

The discussion and analysis of The School District of University City's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- ◆ The District completed the fiscal year ended June 30, 2022, with a total fund balance of \$20.2 million. The District's operating fund balance for fiscal year ended June 30, 2022, was \$12.1 million. This represents a 2.7% decrease from the prior year.
- ◆ Total revenues and other financing sources for the District were \$69.4 million in the fiscal year ended June 30, 2022. The primary resources available to the District were:

LOCAL REVENUE	\$40.9 million
Personal Property Taxes, Real Estate Taxes, Sales Tax	
COUNTY REVENUE	\$0.5 million
State Assessed Utility Tax	
STATE REVENUE	\$7.0 million
Basic Formula, At Risk, State Funded Grants	
FEDERAL REVENUE	\$6.9 million
Federal Funded Grants	
OTHER FINANCING SOURCES	\$14.1 million

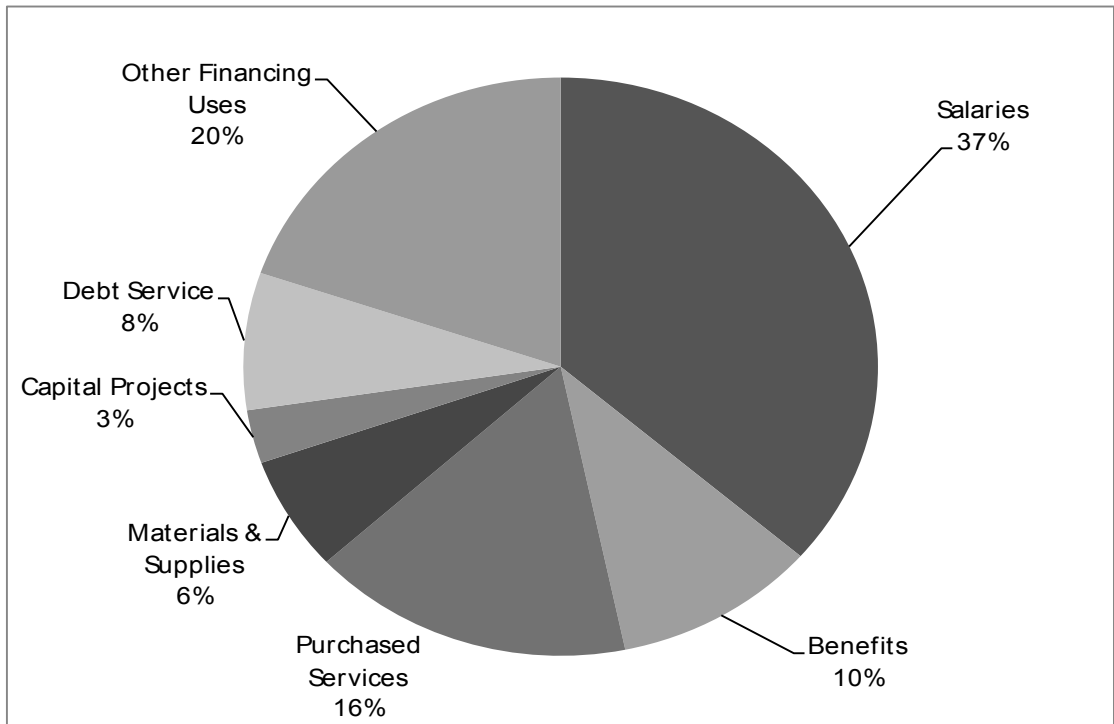


- ◆ Total expenditures and other financing uses for the District were \$70.3 million for the fiscal year ended June 30, 2022. The following are expenditures by object for fiscal year 2022:

SCHOOL DISTRICT OF UNIVERSITY CITY

Management's Discussions and Analysis (continued)

SALARIES	\$24.5 million
BENEFITS	\$7.3 million
PURCHASED SERVICES Transportation, Food Service, Conferences, Building Repairs	\$11.6 million
MATERIALS & SUPPLIES Textbooks, Testing, Library, Custodial, Gas & Electric	\$4.5 million
CAPITAL PROJECTS Computers, Vehicles, Furniture, Equipment	\$2.1 million
DEBT SERVICE Principal & Interest on Bonds	\$6.3 million
OTHER FINANCING USES	\$14.0 million



Using This Annual Report

This annual report has been prepared in accordance with the Governmental Accounting Standards Board ("GASB") Statement Number 34. As such, the report includes financial statements that show information about the District as a whole and its significant funds. The Statement of Net Position and the Statement of Activities provide a government-wide perspective on the District's financial condition. The fund financial statements provide more detail about the most significant funds.

Reporting the District as a Whole

SCHOOL DISTRICT OF UNIVERSITY CITY

Management's Discussions and Analysis (continued)

The Statement of Net Position and the Statement of Activities:

The analysis of the District as a whole provides answers as to whether the District is financially stronger or weaker as a result of the year's activities. The Statement of Net Position and the Statement of Activities report information on the District as a whole and its activities, which help to provide this answer. These statements include all assets and liabilities using the modified cash basis of accounting, which measures transactions based on when the exchange takes place.

These two statements report the District's net position and changes in net position. The change in net position is the difference between assets and liabilities and represents one way to measure the District's financial position and whether it is improving or declining. The relationship between revenue and expense indicates the District's operating results.

Reporting the District's Most Significant Funds

Fund Financial Statements:

The District's fund financial statements provide information about major funds, not the District as a whole. The District utilizes several funds to account for a wide range of financial transactions. However, these fund financial statements focus on the District's most significant funds, which are the General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund.

Governmental Funds – All of the District's services are reported in governmental funds, which focus on money flows into and out of the funds and the balances remaining at year-end available for spending in future years. The governmental fund statements provide a detailed short-term view of the District's operations and services it provides. Governmental fund information helps determine whether there are more or fewer financial resources available in the near future to finance the District's programs.

The District as a Whole

The analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities. Restricted net position is reported separately to reflect legal constraints from debt covenants and enabling legislation that limit the District's ability to use restricted net position for day-to-day operations. The District's net position was \$20.2 million at June 30, 2022.

SCHOOL DISTRICT OF UNIVERSITY CITY

Management's Discussions and Analysis (continued)

TABLE 1
NET POSITION
(In Millions)

	Governmental Activities	
	2022	2021
Current and Other Assets	\$ 23.3	\$ 24.7
Total Assets	23.3	24.7
Liabilities	3.1	3.6
Restricted	12.9	13.9
Unrestricted	7.3	7.2
Total Net Position	\$ 20.2	\$ 21.1

The results of this year's operations for the District as a whole are reported in the Statement of Activities. This information is summarized in Table 2.

TABLE 2
CHANGES IN NET POSITION
(In Millions)

	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues:		
Charges for Services	\$ 0.4	\$ 4.1
Operating Grants, Contributions, and Bond Proceeds	22.8	17.1
General Revenues:		
Taxes	40.3	38.0
State Aid	5.8	5.9
Other	0.1	0.1
Total Revenues	\$ 69.4	\$ 65.2

SCHOOL DISTRICT OF UNIVERSITY CITY

Management's Discussions and Analysis (continued)

TABLE 2
CHANGES IN NET POSITION
(In Millions)

	Governmental Activities	
	2022	2021
Functions/Program Expenses		
Instruction	\$ 23.0	\$ 20.5
Attendance and social work services	1.2	1.0
Guidance services	1.3	1.3
Health services	1.0	0.9
Improvement of instruction	1.5	1.5
Professional development	0.1	0.1
Educational media services	2.4	1.9
Board of Education services	0.5	0.3
Executive administration	1.5	1.5
Building level administration	2.6	2.4
Operation and maintenance of plant services	8.2	7.2
Pupil transportation	1.4	0.7
Food services	1.6	2.0
Business and central services	1.5	1.3
Security services	0.5	0.5
Adult basic education	0.3	0.2
Community services	1.0	1.1
Facilities acquisition and construction	0.4	0.8
Debt services	6.3	5.9
Payment to bond refunding escrow agent	14.0	8.9
	<hr/>	<hr/>
Total Expenses	70.3	60.0
	<hr/>	<hr/>
(Decrease) Increase in Net Position	(0.9)	5.2
	<hr/>	<hr/>
Net Position, Beginning of Year	21.1	15.9
	<hr/>	<hr/>
Net Position, End of Year	\$ 20.2	\$ 21.1

Governmental Activities

The cost of all governmental activities totaled \$70.3 million in fiscal year 2022. The District's taxpayers funded \$40.3 million. In the table below, the cost of each of the District's largest functions, as well as each function's net cost (total cost less revenue generated by the activities), is presented. This clearly shows the District's reliance on local taxpayers.

SCHOOL DISTRICT OF UNIVERSITY CITY

Management's Discussions and Analysis (continued)

TABLE 3
FISCAL YEAR ENDED JUNE 30, 2022
(In Millions)

	Total Cost of Services	Net Cost of Services
Instruction	\$ 23.0	\$ 17.6
Attendance and social work services	1.2	1.2
Guidance services	1.3	1.2
Health services	1.0	0.8
Improvement of instruction	1.5	1.1
Professional development	0.1	0.1
Educational media services	2.4	2.4
Board of Education services	0.5	0.5
Executive administration	1.5	1.5
Building level administration	2.6	2.6
Operation and maintenance of plant services	8.2	8.2
Pupil transportation	1.4	1.2
Food services	1.6	(0.4)
Business and central services	1.5	1.6
Security services	0.5	0.5
Adult basic education	0.3	0.2
Community services	1.0	0.2
Facilities acquisition and construction	0.4	0.4
Debt services	6.3	(7.8)
Payment to bond refunding escrow agent	14.0	14.0
Total Governmental Activities	\$ 70.3	\$ 47.1

The District's Funds

The District uses funds to control and manage money for particular purposes. Some funds are required to be established by state law and by bond covenants. The fund basis financial statement allows the District to demonstrate its stewardship over and accountability for resources provided by taxpayers and other entities. The statements also allow the reader to obtain more insight into the financial workings of the District, and assess further the District's overall financial health.

General Fund Budget Highlights

The preliminary budget for the year 2022 was approved by the Board of Education on May 20, 2021. The final revised budget was presented and approved by the Board on May 19, 2022.

Operating revenue totaled \$48.6 million, compared to the budget of \$50.3 million. Operating expenses totaled \$48.2 million, compared to the budget of \$49.6 million. Schedules showing the District's final budget compared with actual operating results are provided in the Supplementary Information section of this report.

Capital Assets and Debt Administration

Capital Assets:

The District operates under the modified cash basis of accounting; therefore, capital assets are recorded as expenditures

SCHOOL DISTRICT OF UNIVERSITY CITY

Management's Discussions and Analysis (continued)

and depreciation is not recognized. Capital assets are not reflected in the financial statements.

Debt:

At June 30, 2022, the District had outstanding general obligation bonded indebtedness of \$50,723,033.

Economic Factors and Fiscal Year 2023 Budget

The School District of University City is financially solid. The fund balances of the operating funds are expected to total approximately 24.14% of annual operating expenditures.

Total operating revenue projected for fiscal year 2023 is expected to decrease by approximately \$0.95 million, or 1.2%, as compared to fiscal year 2022. The administration is expecting an increase in local property tax revenue of approximately \$700,000, due to an increase in personal property values. Revenue from the State's Foundation Formula stays flat in fiscal year 2023. Capital projects revenue is expected to increase by approximately \$555,000, primarily due to revenue received via ESSER III. Lastly, the District is projecting an increase in debt service revenue of approximately \$645,000, primarily due to an increase in property tax collections.

Operating expenditures for fiscal year 2023 are projected to increase by approximately \$590,000, or 0.1%, as compared to fiscal year 2022. Capital projects expenditures are forecasted to decrease by approximately \$1.02 million in fiscal year 2023. Due to the sale of the McNair central office building in fiscal year 2021, the District acquired a new property and completed renovation projects. These are one-time costs that will not be realized in fiscal year 2023.

Contacting The District's Financial Management

This discussion and analysis is intended to provide full and complete disclosure of the financial condition and operations of the District. If you wish to request additional financial information, please contact Scott Hafertepe, Chief Financial Officer, at the School District of University City, 7700 Olive Blvd, University City, Missouri 63130.

Basic Financial Statements

SCHOOL DISTRICT OF UNIVERSITY CITY

STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2022

	<u>Governmental Activities</u>
-- ASSETS --	
Cash and investments	\$ 21,392,132
Restricted cash and investments	1,975,245
	<hr/>
TOTAL ASSETS	\$ 23,367,377
	<hr/>
-- LIABILITIES AND NET POSITION --	
LIABILITIES:	
Medical claims	\$ 3,135,631
	<hr/>
Total Liabilities	3,135,631
	<hr/>
NET POSITION:	
Restricted for:	
Capital projects	1,495,473
Debt service	6,585,642
Teacher salary and benefits	4,883,887
Unrestricted	7,266,744
	<hr/>
Total Net Position	20,231,746
	<hr/>
TOTAL LIABILITIES AND NET POSITION	\$ 23,367,377
	<hr/>

SCHOOL DISTRICT OF UNIVERSITY CITY

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants, Contributions, and Bond Proceeds	Revenue and Changes in Net Position
				Total Governmental Activities
GOVERNMENTAL ACTIVITIES:				
Instruction	\$ 23,013,726	\$ 354,358	\$ 4,872,412	\$ (17,786,956)
Attendance and social work services	1,255,577	8,056	40,836	(1,206,685)
Guidance services	1,305,017	-	88,336	(1,216,681)
Health services	955,473	-	140,916	(814,557)
Improvement of instruction	1,527,461	-	469,462	(1,057,999)
Professional development	54,840	-	-	(54,840)
Educational media services	2,366,639	-	-	(2,366,639)
Board of Education services	526,890	-	-	(526,890)
Executive administration	1,493,592	-	-	(1,493,592)
Building level administration	2,624,821	-	-	(2,624,821)
Operation and maintenance of plant services	8,203,065	34,658	-	(8,168,407)
Pupil transportation	1,394,672	34,198	194,379	(1,166,095)
Food services	1,650,567	45,057	1,958,072	352,562
Business and central services	1,555,320	-	-	(1,555,320)
Security services	494,832	-	-	(494,832)
Adult basic education	251,385	-	87,640	(163,745)
Community services	1,040,185	-	830,495	(209,690)
Facilities acquisition and construction	439,034	-	-	(439,034)
Debt service:				
Principal	4,570,649	-	-	(4,570,649)
Interest	1,252,150	-	1,446,520	194,370
Other	472,896	-	911	(471,985)
Payment to bond refunding escrow agent	13,902,872	-	12,630,000	(1,272,872)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 70,351,663	\$ 476,327	\$ 22,759,979	(47,115,357)
General Revenues				
Taxes:				
				35,866,842
				3,113,688
				1,317,206
				5,834,537
				24,593
				10,362
				67,590
				46,234,818
				(880,539)
				21,112,285
				\$ 20,231,746

See accompanying notes to basic financial statements

SCHOOL DISTRICT OF UNIVERSITY CITY

**BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
-- ASSETS --					
Cash and investments	\$ 7,266,333	\$ 8,019,929	\$ 4,610,397	\$ 1,495,473	\$ 21,392,132
Restricted cash and investments	-	-	1,975,245	-	1,975,245
TOTAL ASSETS	\$ 7,266,333	\$ 8,019,929	\$ 6,585,642	\$ 1,495,473	\$ 23,367,377
-- LIABILITIES AND FUND BALANCES --					
LIABILITIES:					
Medical claims	\$ (411)	\$ 3,136,042	\$ -	\$ -	\$ 3,135,631
FUND BALANCES:					
Restricted for:					
Capital projects	-	-	-	1,495,473	1,495,473
Debt service	-	-	6,585,642	-	6,585,642
Teacher salary and benefits	-	4,883,887	-	-	4,883,887
Assigned:					
Student activities	519,219	-	-	-	519,219
Unassigned	6,747,525	-	-	-	6,747,525
Total Fund Balances	7,266,744	4,883,887	6,585,642	1,495,473	20,231,746
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,266,333	\$ 8,019,929	\$ 6,585,642	\$ 1,495,473	\$ 23,367,377

SCHOOL DISTRICT OF UNIVERSITY CITY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
REVENUES:					
Local sources:					
Property taxes	\$ 14,680,657	\$ 14,679,832	\$ 5,870,039	\$ 636,314	\$ 35,866,842
Sales taxes	1,556,844	1,556,844	-	-	3,113,688
Investment income	28,404	28,218	11,788	92	68,502
Food service	45,057	-	-	-	45,057
Other local	1,563,388	50,761	-	161,414	1,775,563
Total local	<u>17,874,350</u>	<u>16,315,655</u>	<u>5,881,827</u>	<u>797,820</u>	<u>40,869,652</u>
County sources:					
State assessed utilities	182,245	182,245	132,047	16,712	513,249
Other county	47,500	10,362	-	-	57,862
Total county	<u>229,745</u>	<u>192,607</u>	<u>132,047</u>	<u>16,712</u>	<u>571,111</u>
State sources:					
Basic formula	-	5,834,537	-	-	5,834,537
State grants and contributions	616,214	610,414	-	-	1,226,628
Total state	<u>616,214</u>	<u>6,444,951</u>	<u>-</u>	<u>-</u>	<u>7,061,165</u>
Federal sources	4,112,533	2,780,143	-	-	6,892,676
Total Revenues	<u>22,832,842</u>	<u>25,733,356</u>	<u>6,013,874</u>	<u>814,532</u>	<u>55,394,604</u>
EXPENDITURES:					
Current:					
Instruction	3,804,252	19,058,446	-	-	22,862,698
Attendance and social work services	763,971	491,606	-	-	1,255,577
Guidance services	193,314	1,111,703	-	-	1,305,017
Health services	955,473	-	-	-	955,473
Improvement of instruction	682,520	844,941	-	-	1,527,461
Professional development	29,893	24,947	-	-	54,840
Educational media services	1,809,159	507,158	-	-	2,316,317
Board of Education services	526,890	-	-	-	526,890
Executive administration	837,006	544,766	-	-	1,381,772
Building level administration	708,982	1,915,839	-	-	2,624,821
Operation and maintenance of plant services	7,391,122	-	-	-	7,391,122
Pupil transportation	1,217,815	-	-	-	1,217,815
Food services	1,546,720	-	-	-	1,546,720
Business and central services	1,333,482	221,838	-	-	1,555,320
Security services	434,537	-	-	-	434,537
Adult basic education	68,707	176,328	-	-	245,035
Community services	486,165	554,020	-	-	1,040,185
Capital outlay	-	-	-	1,911,496	1,911,496
Debt service:					
Principal	-	-	3,765,000	805,649	4,570,649
Interest	-	-	1,186,581	65,569	1,252,150
Other	-	-	472,896	-	472,896
Total Expenditures	<u>22,790,008</u>	<u>25,451,592</u>	<u>5,424,477</u>	<u>2,782,714</u>	<u>56,448,791</u>

SCHOOL DISTRICT OF UNIVERSITY CITY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	42,834	281,764	589,397	(1,968,182)	(1,054,187)
OTHER FINANCING SOURCES (USES):					
Bond proceeds	-	-	12,630,000	-	12,630,000
Bond premium	-	-	1,446,520	-	1,446,520
Payment to bond refunding escrow agent	-	-	(13,902,872)	-	(13,902,872)
Total Other Financing Sources (Uses)	-	-	173,648	-	173,648
NET CHANGE IN FUND BALANCES	42,834	281,764	763,045	(1,968,182)	(880,539)
FUND BALANCES, BEGINNING OF YEAR	7,223,910	4,602,123	5,822,597	3,463,655	21,112,285
FUND BALANCES, END OF YEAR	\$ 7,266,744	\$ 4,883,887	\$ 6,585,642	\$ 1,495,473	\$ 20,231,746

See accompanying notes to basic financial statements

SCHOOL DISTRICT OF UNIVERSITY CITY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School District of University City (the "District") operates under the regulations pursuant to Section 162.092 RSMo of the Public School Laws of Missouri, which designates a Board of Education to act as the governing authority. The District provides educational services.

As discussed further in Note 1, these financial statements are presented on the modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Principles Determining the Scope of Reporting Entity

The financial statements of the District consist only of the funds of the District. A component unit is a legally separate organization for which the primary government is financially accountable or closely related. The District has no financial accountability for any other governmental entity, since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective board. In addition, the District is not aware of any entity that would exercise such oversight which would result in the District being considered a component unit of the entity.

Excluded from the reporting entity:

Public School Retirement System of Missouri, Public Education Employee Retirement System, and Missouri United School Insurance Council ("MUSIC"). The participating School District's governing bodies have appointed these potential component units jointly. These are independent units that select management staff, set user charges, establish budgets and control all aspects of its daily activity.

Additionally, while the parent-teacher organizations of the District's schools and the School District of University City Educational Foundation are organizations that provide financial support exclusively to the District, they are not required to be included as a component unit because the amount of financial support provided is of a de minimis nature.

Fund Accounting

The accounts of the District are organized on the basis of legally established funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. District resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the District:

Governmental Funds

Governmental Funds are those through which all functions of the District are financed. The District's expendable financial resources are accounted for through Governmental Funds. The measurement focus is upon determination of changes in the financial position rather than upon net income determination. The following are the District's governmental fund types, each of which the District considers to be a major fund:

General Fund

This fund is the general operating fund of the District and accounts for expenditures for non-certified employees, pupil transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any expenditure not required or permitted to be accounted for in other funds.

Special Revenue Fund

SCHOOL DISTRICT OF UNIVERSITY CITY

Notes to Basic Financial Statements (continued)

A special revenue fund accounts for revenues derived from specific taxes or other earmarked revenue sources. The Special Revenue Fund accounts for expenditures for certified employees involved in administration and instruction, and includes revenues restricted by the state and local tax levy allocations for the payment of teacher salaries and benefits.

Debt Service Fund

This fund is used to account for the accumulation of resources for and the payment of principal, interest, and fiscal charges on long-term debt.

Capital Projects Fund

This fund is used to account for the proceeds of long-term debt, taxes, and other revenues restricted for acquisition or construction of major capital assets.

Basis of Presentation

Government-Wide Financial Statements:

The Statement of Net Position and the Statement of Activities present financial information about the District as a whole. These statements include the financial activities of the primary government. The effect of interfund activity has been eliminated for these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* include (a) charges paid by the students for tuition, fees, or goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as *program revenues* are presented as general revenues and include all property taxes. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

The fund financial statements provide information about the District's funds. A balance sheet - modified cash basis and statement of revenues, expenditures, and changes in fund balances - modified cash basis are presented. The emphasis of fund financial statements is on *major* governmental funds, each displayed in a separate column. The District considers each of its funds to be major.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the modified cash basis of accounting.

This basis of accounting recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions except that the purchase of investments are recorded as assets, payroll withholdings are reported as liabilities and self-insured medical claims are expensed as the estimated premiums are paid into a separate cash account used to pay claims. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of using this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, incurred but not paid self-insurance claims, general and leasehold revenue

SCHOOL DISTRICT OF UNIVERSITY CITY

Notes to Basic Financial Statements (continued)

bonds, and obligations under capital leases), and certain expenses (such as expenses for goods or services received but not yet paid) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types (if any) would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. The County collects the property tax and remits it to the District.

The assessed valuations of the tangible taxable property for the calendar years 2021 and 2020, for purposes of local taxation, were \$806,973,430 and \$759,249,380, respectively.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2021 and 2020, for purposes of local taxation, were:

	December 31, 2021	December 31, 2020
General Fund	\$ 1.8457	\$ 1.9148
Special Revenue Fund	1.8456	1.9148
Debt Service Fund	0.0800	0.7380
Capital Projects Fund	0.7380	-
Total	\$ 4.5093	\$ 4.5676

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2022, aggregated approximately 101% of the current assessment computed on the basis of the levy as shown above.

Pooled Cash and Temporary Investments

Cash resources are combined to form a pool of cash and temporary investments which is managed by the District Treasurer, except for resources from the Debt Service Fund, as state law requires these deposits to be separately maintained.

The District may invest in United States Treasury bills, notes, bonds, government agency and instrumentality obligations, repurchase agreements collateralized by government securities, time certificates of deposit, bankers' acceptances issued by domestic commercial banks, and commercial paper issued by domestic corporations.

Restricted Cash and Investments

Restricted cash and investments represent amounts whose use is limited by legal requirements and consists of amounts escrowed for future general obligation bond principal and interest payments in conjunction with the Missouri School District Direct Deposit Program as discussed in Note 2.

Governmental Fund Balances

In the governmental fund financial statements, the following classifications are used to define the governmental fund balances:

Nonspendable - This consists of the governmental fund balances that are not in spendable form or legally or contractually are required to remain intact. The District has no nonspendable fund balance as of June 30, 2022.

SCHOOL DISTRICT OF UNIVERSITY CITY

Notes to Basic Financial Statements (continued)

Restricted - This consists of the governmental fund balances that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. The District's restricted funds consist of amounts restricted for capital projects, debt service and teacher salaries and benefits.

Committed - This consists of the governmental fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Board of Education, the District's highest level of decision-making authority. The District has no committed fund balances as of June 30, 2022.

Assigned - This consists of the governmental fund balances that are intended to be used for specific purposes by the Board of Education or the chief financial officer. As of June 30, 2022, the District's assigned fund balance includes student activities.

Unassigned - This consists of the governmental funds that do not meet the definition of "nonspendable," "restricted," "committed," or "assigned."

The unassigned fund balance in the operating funds will be maintained at a level sufficient to provide the resources required to meet operating cost needs, to allow for unforeseen needs of an emergency nature, and to permit orderly adjustment to changes resulting from fluctuations of revenue sources. The District strives to maintain a minimum undesignated balance in its operating funds equal to a range of 15% - 20% of its prior year operating expenditures.

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Interfund Activity

Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

The District made no interfund transfers during the fiscal year ended June 30, 2022.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year ended June 30, 2022.

2. CASH AND INVESTMENTS

The District is governed by the deposit and investment limitations of state law, as described in Note 1. The depository bank is to pledge securities in addition to Federal Deposit Insurance Corporation (FDIC) insurance at least equal to the amount on deposit at all times in accordance with sections 110.010 and 110.020 of the Missouri Revised Statutes. The District may invest funds in bonds or any instrument permitted by law for the investment of state monies in accordance with section 165.051 of the Missouri Revised Statutes.

The District participates in the Missouri Direct Deposit Program which is a mechanism for public school bond repayments through the Health and Educational Facilities Authority of the State of Missouri ("MOHEFA") Bond

SCHOOL DISTRICT OF UNIVERSITY CITY

Notes to Basic Financial Statements (continued)

Program. It authorizes the direct deposit of a portion of the District's state aid payment by the State of Missouri to a trustee bank that accumulates these payments and then makes the principal and interest payments to the paying agent on the bonds. The direct deposits occur monthly and the balance is withdrawn every six months to pay the debt service requirement of the related bond issues. At June 30, 2022, the District had \$1,975,245 in this program.

The District also participates in the Missouri Securities Investment Program ("MOSIP"). MOSIP is an external investment pool in which a District's monies are pooled with other Districts' monies to purchase investments that are permitted by state statutes. The District's monies purchase a pro-rata share of the pool. A board of directors composed of Missouri school administrators, school board members, and school business officials provides governance and oversight of MOSIP's operations. The board seeks to maintain a stable net asset value of \$1 per share.

The deposits and investments held at June 30, 2022, and reported at cost, are as follows:

Type	Carrying Value
Deposits:	
Cash and demand deposits	\$ 16,781,698
Money market	4,610,397
Investments:	
External investment pool (MOSIP)	37
MOHEFA bond program:	
Money market mutual funds	1,975,245
TOTAL DEPOSITS AND INVESTMENTS	\$ 23,367,377
Reconciliation to financial statements:	
Current:	
Cash and investments	\$ 21,392,132
Cash and investments - restricted	1,975,245
	\$ 23,367,377

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2022, the District's deposits were not exposed to custodial credit risk.

Custodial Credit Risk - Investments - Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the District or its agent but not in the government's name. The District has no formal investment policy for custodial credit risk. All investments, evidenced by individual securities, are registered in the name of the District or are of a type not exposed to custodial credit risk.

Investment Interest Rate Risk - The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments in state and local government securities range from one (1) to five (5) years.

Investment Credit Risk - The District has no investment policy that limits its investment choices other than the limitation of state law, as documented above. At June 30, 2022, the District's investments were rated as follows:

SCHOOL DISTRICT OF UNIVERSITY CITY

Notes to Basic Financial Statements (continued)

Description	Amount	Rating
External investment pool (MOSIP)	\$ 37	AAAm
MOHEFA bond program:		
Money market mutual funds	1,975,245	AAAm

Concentration of Investment Credit Risk - Concentration of credit risk is required to be disclosed by the District for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The District does not have a policy limiting the amount it may invest in any one issuer. At June 30, 2022, the District did not have any investments subject to this disclosure.

3. LONG-TERM LIABILITIES

Long term debt activity for the year ended June 30, 2022, is summarized as follows:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amount Due within One Year
Bonds payable:					
General obligation bonds	\$ 55,808,033	\$ 12,630,000	\$ 17,715,000	\$ 50,723,033	\$ 4,420,000
Energy efficiency loan	358,766	-	358,766	-	-
Total long-term liabilities	\$ 56,166,799	\$ 12,630,000	\$ 18,073,766	\$ 50,723,033	\$ 4,420,000

Payments on the general obligation bonds are made by the debt service fund. Payments on the energy efficiency loan are made by the capital projects fund.

Bonds Payable

General obligation bonds outstanding as of June 30, 2022 are as follows:

General Obligation Refunding Bonds Series 2022	
Original aggregate amount \$12,630,000	
Interest rate – 4.0%	
Payments – principal and interest	
payments in varying amounts through	
2/15/2035	\$12,630,000
 General Obligation Refunding Bonds Series 2021	
Original aggregate amount \$8,045,000	
Interest rate – 3.0%	
Payments – principal and interest	
payments in varying amounts through	

SCHOOL DISTRICT OF UNIVERSITY CITY

Notes to Basic Financial Statements (continued)

2/15/2031	6,210,000
General Obligation Refunding Bonds Series 2017	
Original aggregate amount \$12,335,000	
Interest rate – 2.7% - 4.00%	
Payments – principal and interest	
payments in varying amounts through	
2/15/2030	10,815,000
General Obligation Refunding Bonds Series 2016	
Original aggregate amount \$9,100,000	
Interest rate - 3.0%	
Payments - principal and interest	
payments in varying amounts through	
2/15/2029	7,195,000
General Obligation Bonds Series 2013	
Original aggregate amount \$12,998,033	
Interest rate - 3.0% - 3.2% for \$6,400,000	
Accretion rate - 3.9% - 4.94% for \$6,598,033	
Payments - principal and interest	
payments in varying amounts through	
2/15/2033	6,598,033
Qualified School Construction Bonds	
Series 2009A -	
Original amount \$9,185,000	
Interest rate - 1.25%	
Payments - principal and interest	
payments in varying amounts through	
2/15/2025	<u>7,275,000</u>
Total General Obligation Bonds	<u>\$50,723,033</u>

The annual requirements to amortize bonded debt outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 4,420,000	\$ 1,398,603	\$ 5,818,603
2024	4,475,000	1,272,988	5,747,988
2025	3,860,000	1,161,913	5,021,913
2026	3,370,000	1,077,225	4,447,225
2027	4,400,000	942,425	5,342,425
2028-2032	21,275,749	7,086,351	28,362,100
2033-2035	8,922,284	3,682,316	12,604,600
Total	\$ 50,723,033	\$ 16,621,821	\$ 67,344,854

Repayment of the bond issues are through the Missouri Direct Deposit Program, which is a mechanism for public school bond repayments. It authorizes the direct deposit of a portion of the District's state aid payment by the State of Missouri to a trustee bank that accumulates these payments and then makes the principal and interest payments to the paying agent on the bonds. At June 30, 2022, the balance of these funds held at the trustee bank was \$1,975,377.

General Obligation Bonds

General obligation bonds are supported by a pledge of the District's full faith and credit. These bonds were originally issued to finance various capital projects.

SCHOOL DISTRICT OF UNIVERSITY CITY

Notes to Basic Financial Statements (continued)

During the fiscal year ended June 30, 2022, the District issued \$12,630,000 in General Obligation Refunding Bonds, Series 2022 to refund \$7,550,000 outstanding General Obligation Bonds, Series 2014 maturing in the years 2023 and thereafter and \$6,400,000 outstanding General Obligation Bonds, Series 2015B maturing in the years 2034 and thereafter. The refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,012,832.

Energy Efficiency Loan

In a prior year, the District received a total of \$4,404,643 relating to the Missouri Department of Natural Resources Energy Efficiency Leveraged Loan Program ("Program"). The Program allows the District to implement approved energy conservation measures and receive funding for the costs. This loan was paid off in February 2022.

Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a District to fifteen (15%) percent of the assessed valuation of the District (including State assessed railroad and utility). The legal debt margin of the District at June 30, 2022, was:

Constitutional debt limit	\$ 117,920,073
General obligation bonds payable	(50,723,033)
Amount available in Debt Service Fund	<u>6,585,642</u>
Legal Debt Margin	<u>\$ 73,782,682</u>

4. LEASES

The District has the following lease commitments outstanding as of June 30, 2022:

Energy Saving Equipment The lease is for a total of \$1,132,000 and calls semi-annual payments of approximately \$86,631. The final payment is due in December 2032.	\$ 818,174
2018 Bus Lease The lease is for a total of \$544,600 and calls for annual payments of approximately \$79,000. The final payment is due in July 2026.	283,871
2019 Bus Lease The lease is for a total of \$928,756 and calls for annual payments of approximately \$120,000. The final payment is due in July 2027.	583,533
Copiers The lease is for a total of \$164,144 and calls for monthly payments of \$3,460. The final payment is due in September 2024.	92,769
Solar Panels The lease is for a total of \$108,000 and calls for monthly payments of \$900. The final payment is due in August 2024.	22,500
2019 Smart Boards The lease is for a total of \$225,720 and calls for annual payments of approximately \$62,000. The final payment is due in August 2022.	58,218

SCHOOL DISTRICT OF UNIVERSITY CITY

Notes to Basic Financial Statements (continued)

2021 Smart Boards

The lease is for a total of \$490,814 and calls for annual payments of approximately \$102,000.

The final payment is due in July 2025.

22,500

Total Lease Commitments

\$1,881,565

The annual requirements to repay lease obligations outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 449,091	\$ 55,689	\$ 504,780
2024	399,563	43,015	442,578
2025	367,415	33,938	401,353
2026	365,121	24,941	390,062
2027	191,178	15,684	206,862
2028-2032	390,395	42,760	433,155
2033	85,241	2,236	87,477
Total	\$ 2,248,004	\$ 218,263	\$ 2,466,267

5. RETIREMENT PLANS

**Public School and Education Employee Retirement Systems of Missouri
(PSRS and PEERS, also referred to as “the Systems”)**

General Information about the Pension Plan

Plan Description. PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of Systems, Missouri State Teachers’ Association, Missouri State High School Activities Association, and certain employees of the State of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the “2/3’s statute.” PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members’ benefits are further calculated at two-thirds the normal benefit amount.

PEERS is a mandatory cost-sharing multiple employer retirement system for all non-certified public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of the Public School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600 - 169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of PSRS.

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for

SCHOOL DISTRICT OF UNIVERSITY CITY

Notes to Basic Financial Statements (continued)

benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

PEERS is a defined benefit plan providing service retirement, disability, and death benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary benefit until reaching minimum Social Security age (currently 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

Summary Plan Descriptions detailing the provisions of the plans can be found on Systems' website at www.psr-peers.org.

Cost-of-Living Adjustments ("COLA"). The Board of Trustees has established a policy of providing COLAs to both PSRS and PEERS members as follows:

- If the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for one or more consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.
- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.
- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.
- If the CPI decreases, no COLA is provided.

For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2020, 2021 and 2022. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2020, 2021 and 2022. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PSRS and PEERS were \$2,963,262 and \$418,080, respectively, for the year ended June 30, 2022.

SCHOOL DISTRICT OF UNIVERSITY CITY

Notes to Basic Financial Statements (continued)

6. INSURANCE PROGRAM

The District, along with various other local school districts, participates in the Missouri United School Insurance Council ("MUSIC"), an insurance association for workers' compensation, general liability, and property and casualty insurance. The purpose of MUSIC is to distribute the cost of self-insurance over similar entities. MUSIC requires an annual premium payment to cover estimated claims payable and reserves for claims from each entity. The members of MUSIC have no legal interest in the assets, liabilities, or fund balances of the insurance association. However, the District retains a contingent liability to fund its pro rata share of any deficit incurred by MUSIC should it cease operations at some future date. The District's premium assessment from MUSIC for 2022 was \$559,253. Settled claims have not exceeded insurance coverage in any of the past three years.

7. SELF-INSURANCE

Effective October 1, 2009, the District adopted a self-insurance medical plan to cover substantially all employees of the District. The District generally retains the risks related to its obligations to provide medical benefits to its employees. However, the District's maximum liability for each one-year period related to health benefits is limited by insurance coverage.

The special revenue fund pays estimated premiums into a separate cash account which is used to pay claims. The estimated premiums paid are based on both exposure and experience factors. Premiums include amounts needed to pay prior and current-year claims. The difference between the premium payments (both employer and employee) and actual claims paid is reported as a liability in the respective fund. A summary of activity for the years ended June 30, 2020 through June 30, 2022 are presented in the table below.

Year Ended June 30,	Liability, Beginning of Year	Income and Premium Payments	Claim Payments	Liability, End of Year
2022	\$ 3,636,974	\$ 4,106,834	\$ 4,605,455	\$ 3,138,353
2021	3,051,278	3,949,566	3,363,870	3,636,974
2020	2,242,760	4,114,821	3,306,303	3,051,278

The estimated liability for payment of incurred (both reported and unreported) but unpaid claims have not been calculated by the District.

8. COMMITMENTS AND CONTINGENCIES

Legal Matters

The District is involved in various lawsuits and other legal matters. While in the District's opinion, based on consultation with legal counsel, these items will be resolved with no material adverse effect on the District, the results of the proceedings have yet to be finalized.

SCHOOL DISTRICT OF UNIVERSITY CITY

Notes to Basic Financial Statements (continued)

Vacation & Sick Liability

Vacation time and sick leave are considered expenditures in the year paid. Sick leave amounts which are unused and vested by the employee are payable upon retirement or after five complete years of service. The liability for those benefits, which is not included in the accompanying financial statements, amounted to approximately \$574,000.

Coronavirus Pandemic

In March of 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "public health emergency of international concern", which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of the situation precludes any prediction as to the ultimate material adverse impact, if any, on the District's future financial operating performance and financial condition.

9. POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 5, the District allows employees who retire from the District to continue to participate in the District's health care benefits. Upon meeting the retirement requirements, the retirees can elect to participate in the District's plans.

During the fiscal year ended June 30, 2022, the District offered retirees \$450 per month for 18 months towards the District's health insurance. After 18 months, the retirees pay the entire amount of the premium. However, retirees on Medicare are charged a reduced rate and the District contributes the remaining premiums.

The premiums are based on a single blended rate used for both active employees and retirees. The difference between the amount the retiree is required to pay and the actual cost to the District is considered to be a post-employment benefit. The District has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay as you go basis. A stand alone financial report is not available for the plan.

During the fiscal year ended June 30, 2022, 7 retirees received benefits totaling approximately \$28,000. In addition, there are 166 retirees who pay 100% of their premium. The District finances these benefits on a pay-as-you-go basis.

SCHOOL DISTRICT OF UNIVERSITY CITY

Notes to Basic Financial Statements (continued)

10. TAX ABATEMENTS

As of June 30, 2022, the District is subject to the following tax abatement programs initiated by other governmental entities:

	Real Estate and Surcharges Abated
	<hr/>
City of University City	\$ 316,330
City of Overland	33,649
City of Hazelwood	12,151
St. Louis County	10,450
City of Clayton	4,146
City of Kinloch	3,130
City of Bridgeton	1,414
Port Authority	1,238
City of Edmundson	750
City of Frontenac	684
City of Brentwood	512
City of Maryland Heights	508
City of Richmond Heights	402
City of Ferguson	378
City of Maplewood	374
City of Bellerive	203
City of Eureka	199
City of Berkeley	145
City of Olivette	141
City of Rock Hill	110
City of Sunset Hills	83
City of Woodson Terrace	11
City of Jennings	11
	<hr/>
Total	\$ 387,017
	<hr/> <hr/>

11. SUBSEQUENT EVENTS

There were no subsequent events to report as of the audit report date.

Other Information

SCHOOL DISTRICT OF UNIVERSITY CITY

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS
GENERAL FUND - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local	\$ 17,146,150	\$ 17,566,136	\$ 17,874,350	\$ 308,214
County	180,000	229,745	229,745	-
State	644,000	546,526	616,214	69,688
Federal	2,854,957	6,308,711	4,112,533	(2,196,178)
Total Revenues	20,825,107	24,651,118	22,832,842	(1,818,276)
EXPENDITURES:				
Current:				
Instruction	3,014,656	4,169,042	3,804,252	364,790
Attendance and social work services	1,003,464	843,788	763,971	79,817
Guidance services	189,141	196,992	193,314	3,678
Health services	762,774	823,111	955,473	(132,362)
Improvement of instruction	404,296	582,846	682,520	(99,674)
Professional development	-	14,351	29,893	(15,542)
Educational media services	1,407,716	2,039,620	1,809,159	230,461
Board of Education services	342,930	539,007	526,890	12,117
Executive administration	685,370	786,697	837,006	(50,309)
Building level administration	764,019	748,385	708,982	39,403
Operation and maintenance of plant services	6,781,933	7,029,758	7,391,122	(361,364)
Pupil transportation	1,222,047	1,230,209	1,217,815	12,394
Food services	1,578,000	1,517,561	1,546,720	(29,159)
Business and central services	1,382,972	1,562,199	1,333,482	228,717
Security services	465,049	493,949	434,537	59,412
Adult basic education	56,523	83,573	68,707	14,866
Community services	464,859	506,750	486,165	20,585
Total Expenditures	20,525,749	23,167,838	22,790,008	377,830
NET CHANGE IN FUND BALANCE	\$ 299,358	\$ 1,483,280	42,834	\$ (1,440,446)
FUND BALANCE, BEGINNING OF YEAR			7,223,910	
FUND BALANCE, END OF YEAR			\$ 7,266,744	

See accompanying independent auditors' report and
notes to the budgetary comparison schedules

SCHOOL DISTRICT OF UNIVERSITY CITY

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS
SPECIAL REVENUE FUND - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Local	\$ 16,208,250	\$ 16,312,654	\$ 16,315,655	\$ 3,001
County	200,500	192,887	192,607	(280)
State	6,591,689	6,445,122	6,444,951	(171)
Federal	1,228,043	2,721,705	2,780,143	58,438
Other				
Total Revenues	24,228,482	25,672,368	25,733,356	60,988
EXPENDITURES:				
Current:				
Instruction	19,240,612	19,727,666	19,058,446	669,220
Attendance and social work services	188,167	554,151	491,606	62,545
Guidance services	1,255,298	1,133,768	1,111,703	22,065
Improvement of instruction	886,557	982,158	844,941	137,217
Professional development	5,000	484	24,947	(24,463)
Educational media services	595,398	572,713	507,158	65,555
Executive administration	394,945	520,773	544,766	(23,993)
Building level administration	1,753,095	1,894,307	1,915,839	(21,532)
Business and central services	218,070	301,570	221,838	79,732
Adult basic education	241,647	241,934	176,328	65,606
Community services	473,447	473,454	554,020	(80,566)
Total Expenditures	25,252,236	26,402,978	25,451,592	951,386
NET CHANGE IN FUND BALANCE	\$ (1,023,754)	\$ (730,610)	281,764	\$ 1,012,374
FUND BALANCE, BEGINNING OF YEAR			4,602,123	
FUND BALANCE, END OF YEAR			\$ 4,883,887	

See accompanying independent auditors' report and
notes to the budgetary comparison schedules

SCHOOL DISTRICT OF UNIVERSITY CITY

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS
DEBT SERVICE FUND - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Local	\$ 6,255,000	\$ 7,598,267	\$ 5,881,827	\$ (1,716,440)
County	130,000	132,047	132,047	-
Total Revenues	6,385,000	7,730,314	6,013,874	(1,716,440)
EXPENDITURES:				
Debt service:				
Principal	3,765,000	3,765,000	3,765,000	-
Interest	1,429,987	1,682,859	1,186,581	496,278
Other	10,000	185,000	472,896	(287,896)
Total Expenditures	5,204,987	5,632,859	5,424,477	208,382
EXCESS OF REVENUES OVER EXPENDITURES	1,180,013	2,097,455	589,397	(1,508,058)
OTHER FINANCING SOURCES (USES):				
Bond proceeds	-	13,950,000	12,630,000	(1,320,000)
Bond premium	-	-	1,446,520	1,446,520
Payment to bond refunding escrow agent	-	-	(13,902,872)	(13,902,872)
Total Other Financing Sources (Uses)	-	13,950,000	173,648	(13,776,352)
NET CHANGE IN FUND BALANCE	\$ 1,180,013	\$ 16,047,455	763,045	\$ (15,284,410)
FUND BALANCE, BEGINNING OF YEAR			5,822,597	
FUND BALANCE, END OF YEAR			\$ 6,585,642	

See accompanying independent auditors' report and
notes to the budgetary comparison schedules

SCHOOL DISTRICT OF UNIVERSITY CITY

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS
CAPITAL PROJECTS FUND - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local	\$ 328,700	\$ 817,967	\$ 797,820	\$ (20,147)
County	-	16,712	16,712	-
Total Revenues	328,700	834,679	814,532	(20,147)
EXPENDITURES:				
Current:				
Capital outlay	1,231,657	2,286,854	1,911,496	375,358
Debt service:				
Principal	474,070	674,819	805,649	(130,830)
Interest	106,843	72,137	65,569	6,568
Total Expenditures	1,812,570	3,033,810	2,782,714	251,096
NET CHANGE IN FUND BALANCE	\$ (1,483,870)	\$ (2,199,131)	(1,968,182)	\$ 230,949
FUND BALANCE, BEGINNING OF YEAR			<u>3,463,655</u>	
FUND BALANCE, END OF YEAR			<u><u>\$ 1,495,473</u></u>	

See accompanying independent auditors' report and
notes to the budgetary comparison schedules

SCHOOL DISTRICT OF UNIVERSITY CITY

**NOTES TO THE BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2022**

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 67 RSMo, the District adopts a budget for each fund.
2. Prior to July, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the year beginning July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.

Budgeted amounts are as originally adopted on May 20, 2021, or as amended by the Board of Education on May 19, 2022.

6. Budgets are adopted on a modified cash basis of accounting.

Lapsing of Appropriations - At the close of each year, all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriation.

State Compliance Section

SCHOOL DISTRICT OF UNIVERSITY CITY

**SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2022**

County District Number: 096-112

1. Calendar (Sections 160.041, 171.031 and 171.033 RSMO)

Report each unique calendar the district/charter school has as defined by 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
1050	9	12	-	6.3333	169	1,045.8300
2000	6	8	-	6.4167	168	1,056.2500
4060	K	5	-	6.5833	168	1,086.6700
4100	K	5	-	6.5833	168	1,086.6700
4140	K	5	-	6.5833	168	1,086.6700
4200	K	5	-	6.5833	168	1,086.6700
7500	PK	PK	-	6.5800	168	1,089.5000

Notes:

2. Attendance Hours

Report the total attendance hours of PK-12 students allowed to be claimed for the calculation of Average Daily Attendance.

School Code	Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
1050	9-12	538,795.0169	11,365.9882	-	-	23,492.2600	573,653.2651
2000	6-8	480,775.6035	-	-	-	10,923.3600	491,698.9635
4060	K-5	315,320.1200	-	-	-	-	315,320.1200
4100	K-5	288,465.4499	-	-	-	-	288,465.4499
4140	K-5	258,322.2330	-	-	-	33,517.7300	291,839.9630
4200	K-5	242,015.7473	-	-	-	-	242,015.7473
7500	PK-K	71,478.2168	-	-	-	-	71,478.2168
		2,195,172.3874	11,365.9882	-	-	67,933.3500	2,274,471.7256

Notes:

3. September Membership

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day and in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should only include PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File.

SCHOOL DISTRICT OF UNIVERSITY CITY

School Code	Grade Level	Full-Time	Part-Time	Other	Total
1050	9-12	683.00	12.04	-	695.04
2000	6-8	558.00	-	-	558.00
4060	K-5	324.00	-	-	324.00
4100	K-5	291.00	-	-	291.00
4140	K-5	257.00	-	-	257.00
4200	K-5	254.00	-	-	254.00
		<u>2,367.00</u>	<u>12.04</u>	<u>-</u>	<u>2,379.04</u>

Notes:

4. Free and Reduced Priced Lunch FTE Count (Section 163.011(6), RSMO)

Report the FTE count taken the last Wednesday in January of resident students enrolled in grades K-12 and in attendance at least 1 of the 10 previous school days whose eligibility for free or reduced lunch is documented through the application process using federal eligibility guidelines or through the direct certification process. Desegregation students are considered residents of the district in which the students are educated.

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
N/A	3.00	-	-	-	3.00
1050	677.33	-	-	-	677.33
2000	551.00	-	-	-	551.00
4060	331.00	-	-	-	331.00
4100	290.00	-	-	-	290.00
4140	262.00	-	-	-	262.00
4200	241.00	-	-	-	241.00
	<u>2,355.33</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,355.33</u>

Notes:

5. Finance

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	<u>TRUE</u>

SCHOOL DISTRICT OF UNIVERSITY CITY

Section	Question	Answer
5.2	The district/charter school 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:	TRUE
	Academic Programs Off-Campus	N/A
	Career Exploration Program – Off Campus	N/A
	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	TRUE
	Remediation	N/A
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	TRUE
	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/charter school 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/charter school 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 district's/charter school's treasurer in the total amount of:	\$50,000
5.6	The district's\charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	TRUE
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. (Not applicable to charter schools)	TRUE
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.	TRUE

SCHOOL DISTRICT OF UNIVERSITY CITY

Section	Question	Answer
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 expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
5.10	The district/charter school 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.	TRUE
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. (Not applicable to charter schools.)	TRUE
5.12	The amount spent for approved professional development committee plan activities was:	\$54,840
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	TRUE

Notes:

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

Finding:	
Management Letter Comment:	

SCHOOL DISTRICT OF UNIVERSITY CITY

6. Transportation (Section 163.161, RSMO)

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
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	944.00
	• Ineligible ADT	-
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:	121,354
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and ineligible non-route and disapproved miles (combined) was:	
	• Eligible Miles	112,159
	• Ineligible Miles (Non-Route/Disapproved)	14,275
6.7	Number of days the District operated the school transportation system during the regular school year:	168

Notes:

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

Finding:	
Management Letter Comment:	



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANTS' REPORT ON MANAGEMENT'S ASSERTIONS
ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF
MISSOURI STATE LAWS AND REGULATIONS**

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

Report on Compliance with State Requirements

We have examined management's assertions that the University City School District (District) complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's records of pupil attendance and average daily transportation of pupils, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2022.

Management's Responsibility

Management is responsible for the District's compliance with the aforementioned requirements.

Auditors' Responsibility

Our responsibility is to express an opinion on management's assertions about the District's compliance based on our examination. Our examination was made in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, 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 examination provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the District's compliance with specified requirements.

Opinion on Compliance with State Requirements

In our opinion, management's assertions that the University City School District complied with the aforementioned requirements for the year ended June 30, 2022, 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.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI
December 30, 2022

Federal Compliance Section

SCHOOL DISTRICT OF UNIVERSITY CITY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass - Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Education:</u>				
Passed through Missouri Department of Elementary and Secondary Education:				
Title I	84.010	096-112	\$ -	\$ 745,646
Title I School Improvement 1003(a)	84.010	096-112	-	406,808
Subtotal Assistance Listing 84.010			-	1,152,454
Title II A	84.367	096-112	-	131,853
Title III	84.365	096-112	-	33,042
Title IV	84.424	096-112	-	56,534
Vocational Education Act	84.048	096-112	-	68,651
Adult Education & Literacy	84.002	096-112	-	61,087
AEL Leadership Payment	84.002	096-112	-	1,415
Subtotal Assistance Listing 84.002			-	62,502
Special Education Cluster (IDEA):				
Special Education - Preschool Grants	84.173	096-112	-	43,515
Total Special Education Cluster (IDEA)			-	43,515
<u>COVID-19: Education Stabilization Fund:</u>				
COVID-19: Transportation Supplement (GEER Fund)	84.425C	096-112	-	2,957
COVID-19: CARES Student Connectivity	84.425C	096-112	-	5,389
Subtotal Assistance Listing 84.425C			-	8,346
COVID-19: ESSER I	84.425D	096-112	-	16,445
COVID-19: ESSER III	84.425U	096-112	-	3,253,318
Total COVID-19: Education Stabilization Fund			-	3,278,109
Total U.S. Department of Education			-	4,826,660
<u>U.S. Department of Agriculture:</u>				
Passed through Missouri Department of Health and Senior Services:				
Child and Adult Care Food Program	10.558	21CACFP	-	9,011
Child and Adult Care Food Program	10.558	21CACFP-CIL	-	640
COVID-19: CARES Child and Adult Care Food Program	10.558	21CACFP EMOP	-	2,480
Child and Adult Care Food Program	10.558	22CACFP-CIL	-	2,437
COVID-19: CARES Child and Adult Care Food Program	10.558	22CACFP	-	34,302
Subtotal Assistance Listing 10.558			-	48,870
Child Nutrition Cluster:				
Summer Food Service Program for Children (SFSPC)	10.559	21SFSP	-	84,562
Passed through Missouri Department of Elementary and Secondary Education:				
Child Nutrition Cluster:				
National School Lunch	10.555	096-112	-	1,183,764
Child Nutrition Emergency Operational Costs Reimbursement	10.555	096-112	-	43,208
After School Snack	10.555	096-112	-	8,948
Supply Chain Assistance Funds	10.555	096-112	-	49,298
Commodities	10.555	096-112	-	71,199
Subtotal Assistance Listing 10.555			-	1,356,417
DOD Fresh Fruits and Vegetable Program	10.582	096-112	-	9,540
National School Breakfast	10.553	096-112	-	523,399
Total Child Nutrition Cluster			-	1,973,918
Total U.S. Department of Agriculture			-	2,022,788
<u>U.S. Department of Health and Human Services:</u>				
Passed through Missouri Department of Elementary and Secondary Education:				
MO Healthy Schools Grant				
COVID-19: MO Healthy Schools Grant	93.981	096-112	-	49,944
COVID-19: MO Healthy Schools Grant	93.981	096-112	-	9,300
Subtotal Assistance Listing 93.981			-	59,244
CCDF Cluster				
Childcare Development Grant (School Age Community)	93.575	096-112	-	98,714
Total CCFD Cluster			-	98,714
Passed through Missouri Department of Health and Senior Services:				
Environmental Public Health and Emergency Response	93.070	EH001393-01	-	2,200
Total U.S. Department of Health and Human Services			-	160,158
<u>Federal Communications Commission</u>				
Direct Award:				
COVID-19: Emergency Connectivity Fund	32.009	N/A	-	177,621
Total Federal Communications Commission			-	177,621
TOTAL			\$ -	\$ 7,187,227

See accompanying notes to the schedule of expenditures of federal awards

SCHOOL DISTRICT OF UNIVERSITY CITY

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2022. The information reported in this Schedule is presented in accordance with the 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). 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, changes in net position or cash flows of the District.

Note 2 - Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is a summary of the cash activity of the District's federal award programs and does not present transactions that would be included in financial statements of the District presented on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Note 3 - Indirect Cost Rate

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

Note 4 - Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed by the District during the fiscal year ended June 30, 2022.

Note 5 - Insurance

The District did not have any federal insurance in effect during the fiscal year ended June 30, 2022.

Note 6 - Loan/Loan Guarantees

The District did not have any loans or loan guarantees outstanding as of June 30, 2022.

Note 7 - Subrecipients

The District did not provide federal awards to any subrecipients during the fiscal year ended June 30, 2022.

Note 8 – Donated Personal Protective Equipment (Unaudited)

The District did not receive any donated personal protective equipment during the fiscal year ended June 30, 2022.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Members of the Board of Education
University City 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 (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of University City School District (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 30, 2022. Our report on the basic financial statements disclosed that, as described in Note 1 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.

Report on Internal Control Over Financial Reporting

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

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. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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*.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

December 30, 2022



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited University City School District's (District) compliance with the types of compliance requirements identified as subject to audit in the *OMB 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, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

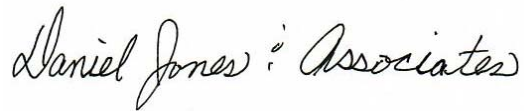
Report On Internal Control Over Compliance

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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

December 30, 2022

SCHOOL DISTRICT OF UNIVERSITY CITY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

1. SUMMARY OF AUDITORS' RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified
2. Internal control over financial reporting:
- a. Material weakness(es) identified? _____ Yes X No
- b. Significant deficiency(ies) identified _____ Yes X None reported
3. Noncompliance material to financial statements noted? _____ Yes X No

B. Federal Awards

1. Internal control over major federal programs:
- a. Material weakness(es) identified? _____ Yes X No
- b. Significant deficiency(ies) identified? _____ Yes X None reported
2. Type of auditor's report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? _____ Yes X No

4. Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425	COVID 19: Education Stabilization Fund
84.010	Title I

5. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000
6. Auditee qualified as low-risk auditee? _____ Yes X No

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended June 30, 2022.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2022.

SCHOOL DISTRICT OF UNIVERSITY CITY

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

I. FINANCIAL STATEMENT AUDIT

There were no financial statement findings for the year ended June 30, 2021.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2021.