

JEFFERSON CITY SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2022

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Independent Auditors' Report

Board of Education
Jefferson City School District

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Jefferson City School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Jefferson City School District's basic financial statements as listed in the table of contents.

In our opinion, the 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 Jefferson City School District as of June 30, 2022, and the respective changes in the modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A.

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 Jefferson City School 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 A 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 A; this includes 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' Responsibility 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 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, 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 Jefferson City School 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 Jefferson City School 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 that collectively comprise Jefferson City School District's basic financial statements. The 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.

The schedule of expenditures of federal awards 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. Such 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 expenditure of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison schedules but does not include the financial statements and our auditors' report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 6, 2022, on our consideration of the Jefferson City School 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 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 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 Jefferson City School District's internal control over financial reporting and compliance.

Kerben, Eck & Braeckel LLP

St. Louis, Missouri
December 6, 2022



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MANAGEMENT'S DISCUSSION AND ANALYSIS **(Unaudited)**

The discussion and analysis of the Jefferson City School District's financial performance provides an overview of the District's financial activity for the fiscal year ending June 30, 2022. Please read it in conjunction with the District's financial statements, notes to the financial statements, and other supplemental information, which immediately follow this section.

Financial Highlights

- The total fund balances of the District's governmental funds increased by \$7,338,631 to \$62,938,209 during the 2022 fiscal year. This fund balance and the change in total balances of each fund are described below:
 - The Operating fund balance increased by \$9,128,043 to \$39,647,686. The district had budgeted to increase the Operating fund balance as the voted tax rate increase has been phased in over a three-year period. At the conclusion of the 2022 fiscal year, the Operating fund balance was 37.27% of annual expenditures, which is above the District's goal of 20%.
 - The Debt Service fund balance increased by \$1,173,215, to \$15,238,028. The District planned to ensure reasonable reserves to service the principal and interest payments on the District outstanding debt. The District refinanced debt in FY 22 in order to decrease the balance in the Debt Service fund. The FY22 ending fund balance is sufficient to pay 147.1% of the District's general obligation debt service requirements for FY23.
 - The Capital Projects fund balance decreased by \$2,962,627 to \$8,052,495. In April 2017, the District passed a \$130 million bond issue. These bonds were issued in FY18 and closeout of the construction has been completed. Since the max transfer to the Capitol Projects fund has been realized the last couple of years due to ESSER funding, additional renovation construction has been done on Moreau Heights and Thorpe Gordon elementary schools. The \$8,052,495 is the unrestricted balance for Capital Projects.
- Revenues of the "operating funds" (General and Teachers Funds) were \$118,839,993 which was an increase of 3.8%, or \$4,359,431, compared to prior year total operating revenue.

Most of the increase across the Operating funds were in County revenues that increased by \$2,556,834 due to an increase in County Stock Insurance and a \$1,645,503 increase in State revenues due to additional funding from the Foundation Formula due to the Pandemic provision being invoked and increased funding for the Transportation categorical.

The District saw a 16.1% increase in Prop C revenue. This amounted to an increase of \$1,497,514. This increase is attributable to increased sales tax collections at the state level.

Expenses for the operating funds decreased \$1,109,046, or 1.03%, less than prior year levels. The overwhelming majority of this was due to less CARES funding for purchased service and supplies. While the district awarded raises of 1.8% for the year, the District's actual salary costs increased by 2.3% (or \$1,430,693). Benefit costs increased by 122,941 (or less than 1%). The increase in benefit costs is relatively low due to the District's continuing efforts to control health insurance costs.

The District's Supplies, excluding utilities, decreased by \$920,036 (9.3%) Most of the decrease was due to extra supply cost due to COVID no longer being necessary. The District's utility expenses increased by 15.7% and were \$296,273 more than FY21. Total utility expenses were \$2,183,143 for the year.

Purchased Services decreased by \$1,618,374 (10.51%). Most of the decrease was the reduction in cost of Tuition to Other Districts due to the decline in Virtual Tuition due to a lessening of concern over COVID (\$1,408,156).

Outlays for new capital assets (excluding bond proceeds) totaled \$9,523,370 during the year, including site improvements and equipment.

Overview of the Financial Statements

The financial section of the annual report consists of three parts:

- Management's discussion and analysis (this section),
- Financial statements (District-wide and fund financial statements), including notes to the financial statements, and
- Supplemental information.

The financial statements consist of two different types of statements that present different views of the District's financial activities.

- "District-wide financial statements" provide both short-term and long-term information about the District's overall financial status. The District-wide statements include the Statement of Net Position and Statement of Activities.
- The remaining financial statements are "fund financial statements" that focus on individual funds of the District, and report the District's operations in more detail than the District-wide financial statements. The fund financial statements present the District's funds in terms of governmental, proprietary and fiduciary activities.

The financial statements also include notes that explain accounting concepts and methodology and provide more detailed data. The basic financial statements are followed by a section of other information that further explains and supports the basic financial statements.

District-wide statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The two District-wide statements report the District's financial position and how it has changed. "Net position" is the difference between the District's assets and liabilities and is one way to measure the District's financial health or position. For example, over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. However, to assess the District's overall health, consideration must also be given to other non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are categorized as governmental activities. The governmental activities include all of the District's basic services, such as regular and special education, transportation, food service, and administration. Property taxes and state aid and grants finance most of these activities. Additionally, the internal service fund activity, accounted for as a separate fund, is included with the governmental fund activity totals to present the account balances and activities of the District as a whole.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

The District maintains three types of funds:

- *Governmental funds*: All of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- *Proprietary Funds*: The District maintains an internal service fund, which is classified as a proprietary fund. This fund is used to collect premiums from the District, employees and retirees, and pay claims and administrative costs of the District's self-insured medical insurance benefits plan.
- *Agency Funds*: The District maintains one agency fund the purpose of which is to account for assets held on a fiduciary basis. The Scholarship Fund is excluded from the district-wide financial statements because the funds' assets are not intended to finance the District's operations.

Financial Analysis of the District as a Whole

The financial position of the District is summarized as follows:

	<u>June 30, 2021</u>	<u>June 30, 2022</u>
Assets:		
Cash and Investments	\$ 71,558,365	\$ 78,934,250
Restricted investments/Other Assets	4,296,325	4,357,218
Total assets	75,854,690	83,291,468
Current Liabilities	<u>(10,026,562)</u>	<u>(10,418,692)</u>
Net Position	<u>\$ 65,828,128</u>	<u>\$ 72,872,776</u>

The District’s total net position was \$72,872,776, as of June 30, 2022. Of this amount, \$57,469,748 is unrestricted.

Total net position increased by \$7,044,648 for the year ended June 30, 2022. The unrestricted net position of the District increased by \$5,871,433. The increase in net position differs from the increase in overall fund balances because of the different measurement focus of the two statements. A complete reconciliation of this difference is included on the basic financial statements.

Governmental Activities

The financial activities of the District for the year ended June 30, 2022 and 2021 are summarized as follows:

June 30, 2022			
	<u>Expenditures</u>	<u>Program Receipts</u>	<u>Net Expenditures</u>
Instruction	\$57,558,367	\$ 16,953,819	\$ (40,604,548)
Support services	15,523,506	461,189	(15,909,769)
Administration	11,733,711	0	(11,733,711)
Operation of plant	9,550,704	0	(9,550,704)
Pupil transportation	4,968,650	1,365,482	(3,603,168)
Food service	6,160,846	6,863,306	702,460
Community service	1,974,215	771,010	(1,203,205)
Facility Acq. & Construction	8,665,222	0	(8,665,222)
Principal Payments	23,107,440	13,065,000	(10,042,440)
Interest/Fees	<u>6,526,257</u>	<u>0</u>	<u>(6,526,257)</u>
Total	<u>\$ 145,768,918</u>	<u>\$ 39,479,806</u>	<u>(\$106,289,112)</u>
		General Revenues	<u>113,333,760</u>
		Change in Net Position	<u>\$7,044,648</u>

June 30, 2021			
	<u>Expenditures</u>	<u>Program Receipts**</u>	<u>Net Expenditures</u>
Instruction	\$57,144,166	\$ 19,990,729	\$ (37,153,437)
Support services	16,398,240	488,471	(15,909,769)
Administration	10,983,142	0	(10,983,142)
Operation of plant	10,468,075	0	(10,468,075)
Pupil transportation	5,540,726	615,078	(4,925,648)
Food service	5,821,342	5,952,282	130,940
Community service	2,757,720	357,002	(2,400,718)
Facility Acq. & Construction	8,774,169	0	(8,774,169)
Principal Payments	5,009,956	0	(5,009,956)
Interest/Fees	<u>5,525,674</u>	<u>0</u>	<u>(5,525,674)</u>
Total	<u>\$ 128,423,210</u>	<u>\$ 27,403,562</u>	<u>(\$101,019,648)</u>
		General Revenues	<u>105,695,228</u>
		Change in Net Position	<u>\$4,675,580</u>

Jefferson City School District primarily relies on local property and sales taxes and state aid and state and federal grants for funding its governmental activities. In 2022 and 2021 respectively, 60.1% and 64.5% of general revenues were derived from local/county sources including sales tax revenues of 7.1% in FY 22 and 7.0% in FY 21, 17.2% and 18.9% from state funds and 13.0% and 16.1% from federal aid.

The following factors contribute to the District's change in net position:

- The District's total revenue in all funds except Medical Trust and Student Activity increased by \$20,030,958 or 15.1%. Total revenues from local and county sources combined increased by \$6,207,473 or 4.7%. The net change for all state revenues increased by \$1,173,426 less than 1% while federal revenues decreased by \$1,504,630 a little over 1.1%. Prop C revenues increased by \$1,497,514 which is an overall revenue increase of 1.1% and an increase over prior year Prop C revenue of 16.1%.
- The District saw an overall increase in total governmental fund expenditures of \$17,345,708 mainly due to the refinancing of bonds to lower the cash in the Debt Service fund.
- The cost of all governmental activities this year was \$145,768,918, compared to \$128,423,210 for the prior year. With \$39,479,806 of the total costs financed by revenues generated by the governmental activities, the net cost of all governmental activities was \$106,289,612.
- Excluding the non-current expenditure lines (facility acquisition & construction, principal payments and interest/fees) from the totals in the table shown on the preceding page, the breakdown of the District's expenses is as follows:
 - For fiscal year 2022, instruction represents 53.6% of the total cost of all governmental activities of the District; compared to 52.3% in the prior year.
 - For fiscal year 2022, Pupil Support Services (includes Professional Development, Technology, Guidance, Library, Health/Psychology/Speech Services and Attendance Services) represents 14.4% of the total costs of all governmental activities of the District; compared to 15.0% in the prior year.

- For fiscal year 2022, Administration (includes Board of Education, District-wide, and Building-level Administrative Services) represents 10.9% of the total costs of all governmental activities of the District; compared to 10.1% in the prior year.
- For fiscal year 2022, the remaining categories (includes Plant Operation, Transportation, Food Service, and Community Services) represents 21.1% of the total costs of all governmental activities; compared to 22.5% in the prior year.

Financial Analysis of the District's Funds

The District's governmental funds reported combined fund balances of \$62,938,209, which is higher than last year's ending fund balances of \$55,599,578. The majority of this change is due to increases in the General and Debt Service fund due to an increase in County Stock Insurance and an increase in State Transportation funding. The fund balance in the District's general fund increased by \$9,128,043 to \$39,647,686. The fund balance in the Debt Service fund increased by \$1,173,215 to \$15,238,028.

The District made three budget amendments during the fiscal year. These amendments occurred in October, January, and June. The District's Business Office has a goal to have the original operating budget fall within 2% of actual revenues and expenditures, while also having the final operating fund balance fall within 2% of the original budgeted balance. On the revenue side, the district missed the goal with actual revenues totaling \$5,888,758 more than the original budget, which is 7.7% above budgeted amounts. County Revenue due to additional County Stock Insurance revenue (additional \$2,556,834) and an unexpected increase in the collection rate of current and delinquent taxes (increase of \$3,650,639) accounted for the overwhelming majority of the change. If you omit those two revenues from the calculation, the revenues were within \$318,715, or less than 1%. Total operating expenditures came within the 2% threshold, as it ended \$226,845 more than the original budget, which is 0.5% higher than the original budget.

The balance of the Capital Projects Fund is \$8,052,495. These fund balances are limited to the stated uses of the fund. These funds are available for other capital improvements at the District's discretion.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the office of the Chief Financial Officer, 315 East Dunklin, Jefferson City, Missouri, 65101.

Jefferson City School District
STATEMENT OF NET POSITION – MODIFIED CASH BASIS
June 30, 2022

	Primary Government	Component Unit
	Governmental Activities	Jefferson City Public Schools Foundation
ASSETS		
Cash and investments	\$ 78,934,250	\$ 2,245,435
Restricted cash and investments	4,357,218	-
Total assets	83,291,468	2,245,435
LIABILITIES		
Payroll liabilities	8,919,065	-
Scholarships payable	1,499,627	-
Total liabilities	10,418,692	-
NET POSITION		
Restricted - nonexpendable endowment	-	26,774
Restricted - expendable		
Student scholarships	-	730,871
Restricted for capital projects	165,000	-
Retirement of long-term debt	15,238,028	-
Unrestricted	57,469,748	1,487,790
Total net position	\$ 72,872,776	\$ 2,245,435

The accompanying notes are an integral part of this statement.

Jefferson City School District
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
Year ended June 30, 2022

Functions/programs	Expenditures	Program revenue			Net (expenses) revenues and changes in net position	
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government	Component unit
					Total governmental activities	Jefferson City Public Schools Foundation
Governmental activities						
Regular instruction	\$ 39,141,751	\$ 61,575	\$ 7,186,214	\$ -	\$ (31,893,962)	\$ -
Special instruction	11,295,280	932,031	6,818,725	-	(3,544,524)	-
Vocational instruction	2,077,023	260,250	562,463	-	(1,254,310)	-
Student activities	3,887,471	1,132,561	-	-	(2,754,910)	-
Tuition paid to other districts	1,156,842	-	-	-	(1,156,842)	-
Student support services	9,944,437	-	-	-	(9,944,437)	-
Instructional staff support	5,579,069	-	461,189	-	(5,117,880)	-
Building administration	4,749,465	-	-	-	(4,749,465)	-
General administration and central services	6,984,246	-	-	-	(6,984,246)	-
Operation of plant	9,550,704	-	-	-	(9,550,704)	-
Transportation	4,968,650	21,000	1,344,482	-	(3,603,168)	-
Food service	6,160,846	271,766	6,591,540	-	702,460	-
Community service	338,213	-	771,010	-	432,797	-
Early childhood	1,636,002	-	-	-	(1,636,002)	-
Facility acquisition and construction	8,665,222	-	-	-	(8,665,222)	-
Principal	22,830,000	-	13,065,000	-	(9,765,000)	-
Interest and other charges	6,803,697	-	-	-	(6,803,697)	-
Total governmental activities	\$ 145,768,918	\$ 2,679,183	\$ 36,800,623	\$ -	(106,289,112)	-
Component unit						
Jefferson City Public Schools Foundation	\$ 233,848	\$ -	\$ 452,485	\$ -	-	218,637
General revenues						
Property taxes					69,874,195	-
County stock insurance fund					6,375,749	-
Sales taxes					10,791,485	-
State aid					21,455,895	-
Fines					240,541	-
Investment income (loss)					1,697,458	(317,781)
Miscellaneous					1,410,820	-
Insurance recovery proceeds					1,363,427	-
Other county					1,021	-
Proceeds from sale of property					123,169	-
Total general revenues					113,333,760	(317,781)
CHANGE IN NET POSITION					7,044,648	(99,144)
Net position at July 1, 2021					65,828,128	2,344,579
Net position at June 30, 2022					\$ 72,872,776	\$ 2,245,435

The accompanying notes are an integral part of this statement.

Jefferson City School District
BALANCE SHEET – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and investments	\$ 42,148,541	\$ 7,917,837	\$ 11,045,810	\$ 7,887,495	\$ 68,999,683
Restricted cash and investments	-	-	4,192,218	165,000	4,357,218
Total assets	<u>\$ 42,148,541</u>	<u>\$ 7,917,837</u>	<u>\$ 15,238,028</u>	<u>\$ 8,052,495</u>	<u>\$ 73,356,901</u>
LIABILITIES					
Payroll liabilities	\$ 1,001,228	\$ 7,917,837	-	-	\$ 8,919,065
Scholarships payable	1,499,627	-	-	-	1,499,627
	2,500,855	7,917,837	-	-	10,418,692
FUND BALANCES					
Fund balances					
Restricted for					
Debt	-	-	15,238,028	-	15,238,028
Capital projects	-	-	-	165,000	165,000
Assigned to					
Capital projects	-	-	-	7,887,495	7,887,495
Student activity accounts	896,381	-	-	-	896,381
Assigned for next year's budget	611,939	-	-	-	611,939
Unassigned	38,139,366	-	-	-	38,139,366
Total fund balances	<u>39,647,686</u>	<u>-</u>	<u>15,238,028</u>	<u>8,052,495</u>	<u>62,938,209</u>
Total liabilities and fund balances	<u>\$ 42,148,541</u>	<u>\$ 7,917,837</u>	<u>\$ 15,238,028</u>	<u>\$ 8,052,495</u>	<u>\$ 73,356,901</u>

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances	\$ 62,938,209
Internal service funds are used by the District to charge the costs of providing employee benefits to individual funds. The assets and liabilities of the internal service fund are reported with the governmental activities.	<u>9,934,567</u>
Net position of governmental activities	<u>\$ 72,872,776</u>

The accompanying notes are an integral part of this statement.

Jefferson City School District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
MODIFIED CASH BASIS – GOVERNMENTAL FUNDS
Year ended June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues					
Local	\$ 56,550,338	\$ 10,798,485	\$ 12,408,700	\$ 1,382,628	\$ 81,140,151
County	7,055,935	240,541	1,658,538	-	8,955,014
State	4,644,792	18,930,028	-	2,681,960	26,256,780
Federal	13,657,156	6,186,997	-	25,588	19,869,741
Investment income	432,007	889	86,783	12,182	531,861
Other	21,000	321,825	-	-	342,825
Total revenues	82,361,228	36,478,765	14,154,021	4,102,358	137,096,372
Expenditures					
Regular instruction	3,532,932	35,463,882	-	15,444	39,012,258
Special instruction	3,454,784	7,796,140	-	-	11,250,924
Vocational instruction	289,456	1,539,966	-	242,465	2,071,887
Student activities	2,683,863	1,198,048	-	4,000	3,885,911
Tuition paid to other districts	-	1,156,842	-	-	1,156,842
Student support services	4,387,447	5,524,689	-	-	9,912,136
Instructional staff support	2,475,758	2,679,776	-	414,489	5,570,023
Building administration	1,360,110	3,375,822	-	45	4,735,977
General administration and central services	5,473,045	1,498,900	-	-	6,971,945
Operation of plant	9,514,650	-	-	14,361	9,529,011
Transportation	4,968,650	-	-	-	4,968,650
Food service	5,978,250	-	-	165,440	6,143,690
Community service	332,014	3,478	-	1,951	337,443
Early childhood	380,257	1,249,062	-	-	1,629,319
Facility acquisition and construction	-	-	-	8,665,222	8,665,222
Debt services					
Principal	-	-	21,590,000	1,240,000	22,830,000
Interest and other charges	-	-	5,621,403	1,182,294	6,803,697
Total expenditures	44,831,216	61,486,605	27,211,403	11,945,711	145,474,935
Revenues over (under) expenditures	37,530,012	(25,007,840)	(13,057,382)	(7,843,353)	(8,378,563)
Other financing sources (uses)					
Proceeds from sale of property	120,697	-	-	2,470	123,167
Insurance recovery proceeds	28,660	-	-	1,334,770	1,363,430
Issuance of refunding bonds	-	-	13,065,000	-	13,065,000
Premium on bond issuance	-	-	1,165,597	-	1,165,597
Transfers in	-	25,007,840	-	3,543,486	28,551,326
Transfers out	(28,551,326)	-	-	-	(28,551,326)
Total other financing sources (uses)	(28,401,969)	25,007,840	14,230,597	4,880,726	15,717,194
CHANGE IN FUND BALANCES	9,128,043	-	1,173,215	(2,962,627)	7,338,631
Fund balance at July 1, 2021	30,519,643	-	14,064,813	11,015,122	55,599,578
Fund balance at June 30, 2022	\$ 39,647,686	\$ -	\$ 15,238,028	\$ 8,052,495	\$ 62,938,209

Amounts reported for governmental activities in the Statement of Activities are different because:

Change in fund balances \$ 7,338,631

Internal service funds are used by the District to charge the cost of providing employee benefits to individual funds. The net income of the internal service fund is reported within governmental funds. (293,983)

Changes in net position of governmental activities \$ 7,044,648

The accompanying notes are an integral part of this statement.

Jefferson City School District
STATEMENT OF NET POSITION - MODIFIED CASH BASIS - PROPRIETARY FUND
June 30, 2022

	Internal Service Fund
ASSETS	
Cash and investments	\$ 9,934,567
NET POSITION	
Unrestricted	\$ 9,934,567

The accompanying notes are an integral part of this statement.

Jefferson City School District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION –
MODIFIED CASH BASIS – PROPRIETARY FUND
Year ended June 30, 2022

	Internal Service Fund
	<u> </u>
Operating revenues	
Premiums	\$ 9,126,077
Operating expenses	
Medical claims paid	7,602,399
Reinsurance	876,657
Administrative	718,033
Other	<u>240,054</u>
Total operating expenses	<u>9,437,143</u>
Operating loss	(311,066)
Non-operating revenues	
Interest income	<u>17,083</u>
CHANGE IN NET POSITION	(293,983)
Net position at July 1, 2021	<u>10,228,550</u>
Net position at June 30, 2022	<u><u>\$ 9,934,567</u></u>

The accompanying notes are an integral part of this statement.

Jefferson City School District
NOTES TO FINANCIAL STATEMENTS

NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Jefferson City School District (the "District") is a political subdivision of the State of Missouri and is governed by an elected seven member board as described in Chapter 162, Missouri Revised Statutes. The Board of Education is the basic level of government that has financial accountability and control over all activities related to public school education in the District.

The District's financial statements are presented on the modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board (GASB).

Principles Determining the Scope of Reporting Entity

Generally accepted accounting principles (GAAP) require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on these criteria, the Jefferson City Public Schools Foundation (the "Foundation") is presented as a discretely presented component unit of the District. Discretely presented component units are reported in a separate column in the Statement of Net Position and Statement of Activities to emphasize that they are legally separate from the District.

The Foundation provides annual program grants to the District from funds raised through its own fundraising efforts. The Foundation is a nonprofit organization and it follows guidance of the Financial Accounting Standards Board for its financial reporting. As such, certain revenue recognition criteria and presentation features are different from the modified cash basis revenue recognition and presentation features. No modifications have been made to the Foundation's audited financial information as it is presented. Complete financial statements for the Foundation can be obtained from the Foundation's Treasurer, PO Box 2152, Jefferson City, MO 65102.

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all nonfiduciary funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

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. The District does not allocate indirect costs. Amounts reported as program revenues include charges paid by the students for goods and

Jefferson City School District
NOTES TO FINANCIAL STATEMENTS

services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as general revenues. 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

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. The emphasis is placed on major funds. Each major fund is presented in a separate column while nonmajor funds, if applicable, are aggregated and presented in a single column.

The major funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the District and is used to account for expenditures for noncertified employees, pupil transportation, operation of plant, student body activities, community services, the food service program, and any expenditures not required or permitted to be accounted for in other funds.

Special Revenue Fund

The Special Revenue Fund is used to account for sales taxes and other revenue sources that are legally restricted for the payment of salaries and certain employee benefits for certified personnel.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for the periodic payment of principal, interest and fiscal charges on general long-term debt.

Capital Projects Fund

The Capital Projects Fund is used to account for resources to be used for the acquisition or construction of major capital assets.

Proprietary Funds

Internal Service Fund

Internal Service Funds account for the financing of services provided by one department or agency to other departments or agencies of the District on a cost-reimbursement basis. The District's Internal Service Fund was established to account for a self-funded employee medical insurance benefits program. The premiums received by the Internal Service Fund are transferred from other funds as an

Jefferson City School District
NOTES TO FINANCIAL STATEMENTS

expense related to employment, amounts withheld from employees and premiums received from retirees. Claims paid, direct insurance payments, and administrative costs are expenses of this fund.

Basis of Accounting

The government-wide financial statements and fund financial statements are prepared using a modified cash basis of accounting. This basis of accounting recognizes assets, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions except that the purchase of investments are recorded as assets and certain payroll liabilities and scholarships payable are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of 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 and general obligation bonds payable) 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 governmental fund financial statements would use the modified accrual basis of accounting, while the government-wide financial statements and proprietary fund 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 payable by December 31. The counties collect the property tax and remit it to the District.

The assessed valuation of the tangible taxable property for the calendar year 2021 for purposes of local taxation was \$1,393,556,137, excluding state assessed railroad and utilities.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2021 for purposes of local taxation was:

	<u>Adjusted</u>	<u>Unadjusted</u>
General Fund	\$ 3.8951	\$ 4.2142
Special Revenue Fund	-	-
Debt Service Fund	0.9028	0.9028
Capital Projects Fund	-	-
	<u> </u>	<u> </u>
Total	<u>\$ 4.7979</u>	<u>\$ 5.1170</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2022, aggregated approximately 99% of the current assessment computed on the basis of the levy as shown above.

Jefferson City School District
NOTES TO FINANCIAL STATEMENTS

Cash and Investments

Cash resources from all funds, except the Debt Service Fund, Internal Service Fund, and Scholarship account, are combined to form a pool of cash and temporary investments which is managed by the District's Chief Financial Officer. State law requires that all deposits of the Debt Service Fund be kept separate from all other funds of the District. Interest income earned is allocated to contributing funds based on each funds' proportionate share of funds invested.

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

Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. The restricted assets primarily consist of deposits escrowed under the Missouri Direct Deposit Program and unspent bond proceeds.

Payroll Liabilities

During the year ended June 30, 2022, the District incurred certain payroll obligations for the 2021-22 fiscal year that were paid after the end of the fiscal year. These obligations are reported as liabilities in the Statement of Net Position and Balance Sheet.

Scholarships Payable

At June 30, 2022, the District held certain funds for current and future scholarship obligations. These obligations are reported as liabilities in the statement of Net Position and Balance Sheet.

Net Position

In the government-wide statements, equity is classified as net position. 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, contributors or laws or regulations of other governments. All other net position is reported as unrestricted. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balances

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources or by constitutional provision or enabling legislation.

Jefferson City School District
NOTES TO FINANCIAL STATEMENTS

Committed – includes amounts that can only be used for specific purposes as determined by a resolution of the Board of Education. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – Amounts constrained by the District’s intent to be used for specific purposes but that are neither restricted nor committed. Intent can be expressed by the District’s Board of Education or by an official body to which the Board of Education delegates authority.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, a negative unassigned fund balance may be reported.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, and investing activities.

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 in the financial statements. Transfers totaling \$25,007,840 were made from the General Fund to the Special Revenue Fund to cover Special Revenue Fund expenditures in excess of revenues. Transfers totaling \$3,543,486 were made from the General Fund to the Capital Projects Fund to build the Capital Projects Fund balance in order to fund future capital needs.

NOTE B | CASH AND INVESTMENTS

The District is governed by the deposit and investment limitations of state law.

The District participates in the Missouri Direct Deposit Program which provides a mechanism for public school bond repayments through the MOHEFA Bond 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 \$4,192,219 in this program, which has been classified as investments.

Jefferson City School District
NOTES TO FINANCIAL STATEMENTS

The cash deposits and temporary investments are reported at cost and are summarized as follows at June 30, 2022:

	Maturities	Credit rating	Cost
Deposits			
Demand deposits	N/A	N/A	\$ 60,593,736
Investments			
External investment pool			
Missouri Direct Deposit Program	Less than 1 year	N/A	4,192,219
US Government	Less than 1 year	A-1	6,509,013
U.S Government agencies	1-3 years	A-1	<u>11,996,500</u>
Total deposits and investments			<u>\$ 83,291,468</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The District has a custodial credit risk policy for repurchase agreement investments and for certificates of deposit which requires these funds to be collateralized at least 100% or greater of the balance plus any demand deposit with the depository, less any insurance (FDIC or NCUSIF), as applicable. The District’s deposits were fully insured or collateralized at June 30, 2022.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. 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 does not have a policy for custodial credit risk for investments. The District’s investments were not exposed to custodial credit risk at year end.

Interest Rate Risk

The District minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities.

Investment Credit Risk

Investment credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. To minimize credit risk, the District prequalifies the institutions, brokers/dealers,

Jefferson City School District
NOTES TO FINANCIAL STATEMENTS

intermediaries and advisors with which the District will do business and by diversifying the portfolio so that potential losses on individual securities will be minimized.

Concentration of Investment Credit Risk

As a means of limiting its exposure to losses arising from concentration of investments, the District's investment policy mandates that the portfolio not have a concentration of assets in specific maturity, specific issuer or specific class of securities. At a minimum, diversification standards by security type and issuer are established as: (a) U.S. treasuries and securities having principal and/or interest guaranteed by the U.S. Government, 100%; (b) collateralized time and demand deposits, 100%; (c) U.S. Government agencies, and government sponsored enterprises, no more than 60%; (d) collateralized repurchase agreements, no more than 50%; (e) U.S. Government agency callable securities, no more than 30%; (f) commercial paper and bankers' acceptances, no more than 75%.

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). At June 30, 2022, the District had the following concentrations of credit risk required to be disclosed:

	Cost	Percentage of Total Investments
Federal Home Loan Bank	\$ 7,000,000	30.8%
Federal National Mortgage Association	4,996,500	22.0%

NOTE C | LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2022:

	General obligation bonds	Certificates of participation
Balance at July 1, 2021	\$ 139,255,000	\$ 30,180,000
Additions	13,065,000	-
Reductions	(21,590,000)	(1,240,000)
Balance at June 30, 2022	<u>\$ 130,730,000</u>	<u>\$ 28,940,000</u>
Amount due within one year	<u>\$ 5,165,000</u>	<u>\$ 1,265,000</u>

Principal and interest on all bonded indebtedness and certificates of participation is paid through the Debt Service Fund.

Jefferson City School District
NOTES TO FINANCIAL STATEMENTS

Bonds Payable

Bonds payable consist of the following at June 30, 2022:

	Maturity date	Rate of interest	Original issue amount	Balance at June 30, 2022
Series 2016	2027	2.0% - 3.0%	\$ 5,915,000	\$ 2,800,000
Series 2017	2037	2.0% - 5.0%	85,000,000	76,850,000
Series 2018	2038	3.0% - 5.0%	45,000,000	40,700,000
Series 2021	2027	4.00%	13,065,000	10,380,000
				<u>\$ 130,730,000</u>

On March 1, 2022, the District issued \$13,065,000 of general obligation refunding bonds. The net proceeds from the refunding, together with other available funds of \$14,075,643 were placed in an irrevocable escrow account to provide resources to purchase U.S. State and Local Government Series securities were used to provide resources to refund the District's Series 2012 general obligation bonds on December 10, 2021 and a portion of the District's Series 2014 general obligation bonds on March 1, 2022. The refunding resulted in cash flow savings of \$589,102 and economic gain of \$512,024 (the difference between the present value of the debt service payments on the refunding bond issue and the refunded bonds after the refunding dates less funds on hand).

The annual requirements to amortize bonds are as follows at June 30, 2022:

Year ending June 30,	Principal	Interest	Total
2023	\$ 5,165,000	\$ 5,315,000	\$ 10,480,000
2024	4,665,000	5,150,600	9,815,600
2025	5,010,000	4,976,100	9,986,100
2026	5,410,000	4,762,150	10,172,150
2027	5,780,000	4,527,300	10,307,300
2028-2032	39,600,000	18,717,500	58,317,500
2033-2037	52,525,000	10,320,625	62,845,625
2038	12,575,000	628,750	13,203,750
	<u>\$ 130,730,000</u>	<u>\$ 54,398,025</u>	<u>\$ 185,128,025</u>

Repayment of the District's series 2016, 2017, and 2018, 2021 bond issues are made through the Missouri School District Direct Deposit Program.

Jefferson City School District
NOTES TO FINANCIAL STATEMENTS

Legal Debt Margin

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

Constitutional debt limit	\$ 209,033,421
General obligation bonds payable	(130,730,000)
Amount available in Debt Service Fund	<u>15,238,028</u>
Legal debt margin	<u><u>\$ 93,541,449</u></u>

Certificates of Participation

In February and June 2021, the District issued \$21,000,000 in Series 2021 and \$9,180,000 in Series 2021A Certificates of Participation, respectively, for the purpose of acquiring, constructing, renovating, improving, furnishing and equipping certain school facilities and sites, including the construction of recreational and athletic facilities on leased Property and acquiring and installing energy conservation improvements. The Certificates bear interest at a rate of 4.00%. The final payment is due March 1, 2040, for the Series 2021 Certificates and March 1, 2036, for the Series 2021A Certificates.

Future minimum payments for the Certificates described above is as follows:

Year ending June 30,	Principal	Interest	Total
2023	\$ 1,265,000	\$ 1,157,600	\$ 2,422,600
2024	1,315,000	1,107,000	2,422,000
2025	1,365,000	1,054,400	2,419,400
2026	1,420,000	999,800	2,419,800
2027	1,480,000	943,000	2,423,000
2028-2032	6,530,000	3,778,600	10,308,600
2033-2037	9,745,000	1,974,200	11,719,200
2038-2040	5,820,000	360,600	6,180,600
	<u>\$ 28,940,000</u>	<u>\$ 11,375,200</u>	<u>\$ 40,315,200</u>

NOTE D | RETIREMENT PLANS

Plan Description. Public School Retirement System of Missouri (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 the Systems, Missouri State Teachers' Association, Missouri State High School Activities Association, and

Jefferson City School District
NOTES TO FINANCIAL STATEMENTS

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 “two-thirds 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.

Public Education Employee Retirement System (PEERS) is a mandatory cost-sharing multiple employer retirement system for all 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 PSRS must contribute to PEERS. Employees of the Systems 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.

A Comprehensive Annual Financial Report (“CAFR”) can be obtained at www.psrs-peers.org.

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 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. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor was used to calculate benefits for members who have 31 or more years of service at retirement. 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 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 age 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with five 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 PLSO payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

Jefferson City School District
NOTES TO FINANCIAL STATEMENTS

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

Cost-of-Living Adjustments ("COLA"). The Board of Trustees has established a policy of providing COLAs to 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 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% of 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%, 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 2019, 2020 and 2021. 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 \$7,386,952 and \$1,201,922 for the year ended June 30, 2022.

NOTE E | POST EMPLOYMENT BENEFITS

The District allows employees who retire from the District to participate in the District's health insurance plans. Upon meeting the retirement requirements per Public School Retirement System of Missouri (PSRS) or Public Education Employee Retirement System of Missouri (PEERS), the employees can elect to participate in the District's plans. The retirees must pay for 100% of their coverage for each plan in which they elect to participate. The premiums are based on a single blended rate 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 a post-employment benefit. The District has not established an irrevocable trust

Jefferson City School District
NOTES TO FINANCIAL STATEMENTS

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 standalone financial report is not available for the plan.

NOTE F | RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruptions; errors and omissions; natural disasters; employee injuries and illnesses; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than employee medical benefits.

The District is covered by an excess loss contract on its employee medical benefits program. This contract provides specific stop-loss coverage for claims in excess of \$250,000 per individual. The District retains the obligation to pay claims below these levels.

NOTE G | COMMITMENTS AND CONTINGENCIES

Grants Audits

The District receives Federal grants and State funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for expenditures disallowed under or other noncompliance with the terms of the grants and funding. The District is not aware of any noncompliance with the Federal or State provisions that might require the District to provide reimbursement.

Litigation

The District may periodically be the defendant in a lawsuit arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded.

Construction Commitments

The District's remaining commitment for uncompleted work under its construction contracts totaled \$15,465,084 as of June 30, 2022.

NOTE H | TAX ABATEMENTS

A tax abatement is a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which the governments promise to forgo tax revenues to which they are otherwise entitled and the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Under Chapter 100 of Missouri's tax code, the Department of Economic Development can provide a state and local tax exemption on tangible personal property leased by a company from a city/county. The tax exemption extends to both state and local sales tax and local property tax.

Jefferson City School District
NOTES TO FINANCIAL STATEMENTS

The District is also subject to one Chapter 353 tax abatement; this is an incentive to help redevelop blighted areas by abating some or all of the property taxes for up to 25 years.

The District does not negotiate tax abatements with entities; however, the District is impacted by tax abatements granted by other governmental jurisdictions within the District's boundaries. For the fiscal year ending June 30, 2022, these abatements total \$1,161,606.

NOTE I | SUBSEQUENT EVENTS

On October 1, 2022, the District authorized the transfer of an amount not to exceed \$6,500,000 from the debt service fund to defease \$5,800,000 of Series 2017 general obligation bonds.

Jefferson City School District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
MODIFIED CASH BASIS – BUDGET TO ACTUAL – UNAUDITED
GENERAL FUND
Year ended June 30, 2022

	Budgeted amounts		Actual	Variances-- positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Local	\$ 55,956,234	\$ 55,810,450	\$ 56,550,338	\$ (145,784)	\$ 739,888
County	4,787,069	7,055,935	7,055,935	2,268,866	-
State	4,820,434	5,116,561	4,644,792	296,127	(471,769)
Federal	11,690,159	13,185,078	13,657,156	1,494,919	472,078
Investment income	-	149,357	432,007	149,357	282,650
Other	-	21,000	21,000	21,000	-
Total revenues	77,253,896	81,338,381	82,361,228	4,084,485	1,022,847
Expenditures					
Regular instruction	3,103,246	3,532,932	3,532,932	(429,686)	-
Special instruction	4,002,564	3,454,784	3,454,784	547,780	-
Vocational instruction	254,096	289,456	289,456	(35,360)	-
Student activities	2,478,405	2,683,863	2,683,863	(205,458)	-
Student support services	3,810,019	4,387,447	4,387,447	(577,428)	-
Instructional staff support	3,138,262	2,475,740	2,475,758	662,522	(18)
Building administration	1,418,490	1,360,110	1,360,110	58,380	-
General administration and central services	5,325,501	5,473,064	5,473,045	(147,563)	19
Operation of plant	9,704,397	9,514,650	9,514,650	189,747	-
Transportation	5,303,908	4,483,636	4,968,650	820,272	(485,014)
Food service	5,807,527	5,978,250	5,978,250	(170,723)	-
Community service	666,609	764,041	332,014	(97,432)	432,027
Early childhood	372,773	485,014	380,257	(112,241)	104,757
Total expenditures	45,385,797	44,882,987	44,831,216	502,810	51,771
Revenues over expenditures	31,868,099	36,455,394	37,530,012	4,587,295	971,076
Other financing sources (uses)					
Proceeds from sale of property	49,206	120,697	120,697	71,491	-
Insurance recovery proceeds	-	28,660	28,660	28,660	-
Transfers out	(30,815,622)	(28,551,326)	(28,551,326)	2,264,296	-
Total other financing sources (uses)	(30,766,416)	(28,401,969)	(28,401,969)	2,364,447	-
NET CHANGE IN FUND BALANCE	\$ 1,101,683	\$ 8,053,425	9,128,043	\$ 6,951,742	\$ 971,076
Fund balance at July 1, 2021			30,519,643		
Fund balance at June 30, 2022			\$ 39,647,686		

Jefferson City School District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
MODIFIED CASH BASIS – BUDGET TO ACTUAL – UNAUDITED
SPECIAL REVENUE FUND
Year ended June 30, 2022

	Budgeted amounts		Actual	Variances-- positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Local	\$ 9,300,000	\$ 10,799,374	\$ 10,798,485	\$ 1,499,374	\$ (889)
County	260,000	240,542	240,541	(19,458)	(1)
State	18,904,013	18,930,028	18,930,028	26,015	-
Federal	6,881,654	6,186,997	6,186,997	(694,657)	-
Investment income	6,755	-	889	(6,755)	889
Other	328,172	321,824	321,825	(6,348)	1
Total revenues	35,680,594	36,478,765	36,478,765	798,171	-
Expenditures					
Regular instruction	35,145,647	35,463,882	35,463,882	(318,235)	-
Special instruction	8,586,668	7,796,140	7,796,140	790,528	-
Vocational instruction	1,660,019	1,539,966	1,539,966	120,053	-
Student activities	1,217,207	1,198,049	1,198,048	19,158	(1)
Tuition paid to other districts	1,777,000	1,156,842	1,156,842	620,158	-
Student support services	5,384,257	5,524,689	5,524,689	(140,432)	-
Instructional staff support	2,587,381	2,679,776	2,679,776	(92,395)	-
Building administration	3,269,602	3,375,820	3,375,822	(106,218)	2
General administration and central services	1,418,807	1,498,897	1,498,900	(80,090)	3
Transportation	164,555	-	-	164,555	-
Community service	1,321,076	3,478	3,478	1,317,598	-
Early childhood	-	1,249,062	1,249,062	(1,249,062)	-
Total expenditures	62,532,219	61,486,601	61,486,605	1,045,618	4
Revenues under expenditures	(26,851,625)	(25,007,836)	(25,007,840)	1,843,789	4
Other financing sources					
Transfers in	26,851,625	25,007,840	25,007,840	(1,843,785)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ 4	-	\$ 4	\$ 4
Fund balance at July 1, 2021			-		
Fund balance at June 30, 2022			\$ -		

Jefferson City School District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
MODIFIED CASH BASIS – BUDGET TO ACTUAL – UNAUDITED
DEBT SERVICE FUND
Year ended June 30, 2022

	Budgeted amounts		Actual	Variances-- positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Local	\$ 12,211,000	\$ 12,495,483	\$ 12,408,700	\$ 284,483	\$ (86,783)
County	1,112,768	1,658,539	1,658,538	545,771	(1)
Investment income	80,000	-	86,783	(80,000)	86,783
Total revenues	13,403,768	14,154,022	14,154,021	750,254	(1)
Expenditures					
Debt services					
Principal	4,950,000	21,590,000	21,590,000	(16,640,000)	-
Interest and other charges	5,383,250	5,621,403	5,621,403	(238,153)	-
Total expenditures	10,333,250	27,211,403	27,211,403	(16,878,153)	-
Revenues over expenditures	3,070,518	(13,057,381)	(13,057,382)	(16,127,899)	(1)
Other financing sources (uses)					
Issuance of refunding bonds	-	13,065,000	13,065,000	13,065,000	-
Premium on bond issuance	-	1,165,597	1,165,597	1,165,597	-
Total other financing sources (uses)	-	14,230,597	14,230,597	14,230,597	-
NET CHANGE IN FUND BALANCE	\$ 3,070,518	\$ 1,173,216	\$ 1,173,215	\$ (1,897,302)	\$ (1)
Fund balance at July 1, 2021			14,064,813		
Fund balance at June 30, 2022			\$ 15,238,028		

Jefferson City School District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
MODIFIED CASH BASIS – BUDGET TO ACTUAL – UNAUDITED
CAPITAL PROJECTS FUND
Year ended June 30, 2022

	Budgeted amounts		Actual	Variations-- positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Local	\$ 1,509,250	\$ 1,382,628	\$ 1,382,628	\$ (126,622)	\$ -
State	2,683,791	2,681,960	2,681,960	(1,831)	-
Federal	-	25,588	25,588	25,588	-
Investment income	105,600	12,182	12,182	(93,418)	-
Total revenues	4,298,641	4,102,358	4,102,358	(196,283)	-
Expenditures					
Regular instruction	30,000	15,444	15,444	14,556	-
Special instruction	10,000	-	-	10,000	-
Vocational instruction	137,578	242,465	242,465	(104,887)	-
Student activities	-	4,000	4,000	(4,000)	-
Student support services	-	-	-	-	-
Instructional staff support	200,000	414,489	414,489	(214,489)	-
Building administration	-	45	45	(45)	-
General administration and central services	-	-	-	-	-
Operation of plant	92,195	14,361	14,361	77,834	-
Food services	115,000	165,440	165,440	(50,440)	-
Community service	23,000	1,951	1,951	21,049	-
Facility acquisition and construction	7,955,781	8,665,222	8,665,222	(709,441)	-
Debt services					
Principal	1,240,000	1,240,000	1,240,000	-	-
Interest and other charges	1,180,894	1,182,295	1,182,294	(1,401)	1
Total expenditures	10,984,448	11,945,712	11,945,711	(961,264)	1
Revenues under expenditures	(6,685,807)	(7,843,354)	(7,843,353)	(1,157,547)	(1)
Other financing sources					
Proceeds from sale of property	126,960	2,470	2,470	(124,490)	-
Insurance recovery proceeds	-	1,334,770	1,334,770	1,334,770	-
Transfers in	3,963,997	3,543,486	3,543,486	(420,511)	-
Total other financing sources	4,090,957	4,880,726	4,880,726	789,769	-
NET CHANGE IN FUND BALANCE	\$ (2,594,850)	\$ (2,962,628)	\$ (2,962,627)	\$ (367,778)	\$ (1)
Fund balance at July 1, 2021			11,015,122		
Fund balance at July 1, 2022			\$ 8,052,495		

Jefferson City School District
NOTES TO SUPPLEMENTARY INFORMATION

NOTE A | 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 of the political subdivision.
2. Prior to July, the Chief Financial Officer, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following 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 the 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 of Education. Adjustments made during the year are reflected in the budget information included in the financial statements.
6. Budgeted amounts are as originally adopted or as amended by the Board of Education.
7. Budgets for District funds are prepared and adopted on the modified cash basis (budget basis), recognizing revenues when collected and expenditures when paid. Budgets lapse at year end.



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St. Louis, MO 63102

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

Board of Education of
Jefferson City School District

We have examined Jefferson City School District's compliance with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures, and accurate disclosure by Jefferson City School District's records of average daily attendance and average daily pupil transportation for the year ended June 30, 2022. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on Jefferson City School District's compliance with the specified requirements based on our examination.

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

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

In our opinion, Jefferson City School District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2022.

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

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
December 6, 2022

Jefferson City School District
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
Year ended June 30, 2022

District Number: 026-006

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

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day	Days	Hours in Session
	K	5	-	6.6500	164	1,072.6000
	6	8	-	6.6667	164	1,075.3388
	9	12	-	6.6000	164	1,064.4000
	PK	PK	-	6.5000	164	1,048.0000

2. Attendance Hours

School Code	Grade Level	Remedial				Summer School	Total
		Full-Time	Part-Time	Hours	Other		
1050	9-12	910,378.0411	165,883.1385	-	-	33,369.8634	1,109,631.0430
1060	9-12	1,141,791.4779	114,950.8605	-	-	40,000.4425	1,296,742.7809
3000	6-8	813,438.4030	27,153.2040	-	-	23,906.5024	864,498.1094
3020	6-8	982,786.6344	14,964.7910	-	-	25,376.3342	1,023,127.7596
4020	K-5	430,954.1383	4,136.1833	-	-	23,071.3309	458,161.6525
4025	K-5	237,488.4919	877.9167	-	-	9,853.0992	248,219.5078
4030	K-5	322,719.8500	3,248.8000	-	-	-	325,968.6500
4040	K-5	281,221.5252	25.5000	-	-	-	281,247.0252
4050	K-5	416,327.3593	1,030.1500	-	-	23,852.3314	441,209.8407
4060	K-5	310,812.0305	2,935.3833	-	-	16,490.1654	330,237.5792
4070	K-5	406,678.5391	2,184.1000	-	-	21,753.9483	430,616.5874
4080	K-5	263,513.5780	844.3000	-	-	29,624.6669	293,982.5449
5010	K-5	491,757.7215	352.5000	-	-	27,042.7135	519,152.9350
5020	K-5	281,279.7504	2,069.2200	-	-	21,972.5816	305,321.5520
5040	K-5	274,209.1948	1,429.5500	-	-	12,051.1658	287,689.9106
7500	PK	97,251.4994	1,923.5000	-	-	-	99,174.9994
Total		7,662,608.2348	344,009.0973	-	-	308,365.1455	8,314,982.4776

Jefferson City School District
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
Year ended June 30, 2022

3. September Membership

School Code	Grade Level	Full-Time	Part-Time	Other	Total
1050	9-12	1,061.00	147.91	-	1,208.91
1060	9-12	1,313.00	88.32	-	1,401.32
3000	6-8	857.00	18.34	-	875.34
3020	6-8	1,028.00	13.80	-	1,041.80
4020	K-5	432.00	2.05	-	434.05
4025	K-5	241.00	0.15	-	241.15
4030	K-5	325.00	2.77	-	327.77
4040	K-5	277.00	0.20	-	277.20
4050	K-5	412.00	1.10	-	413.10
4060	K-5	306.00	1.98	-	307.98
4070	K-5	401.00	0.58	-	401.58
4080	K-5	265.00	0.90	-	265.90
5010	K-5	485.00	1.00	-	486.00
5020	K-5	286.00	0.93	-	286.93
5040	K-5	280.00	1.80	-	281.80
7500	PK	106.00	0.16	-	106.16
Total		8,075.00	281.99	-	8,356.99

Jefferson City School District
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
Year ended June 30, 2022

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
1050	293.34	56.79	N/A	N/A	350.13
1060	314.11	58.57	N/A	N/A	372.68
3000	327.05	35.00	N/A	N/A	362.05
3020	346.83	67.67	N/A	N/A	414.50
4020	145.90	54.00	N/A	N/A	199.90
4025	108.00	17.00	N/A	N/A	125.00
4030	90.35	19.00	N/A	N/A	109.35
4040	286.30	-	N/A	N/A	286.30
4050	156.00	43.00	N/A	N/A	199.00
4060	126.73	13.00	N/A	N/A	139.73
4070	97.10	42.00	N/A	N/A	139.10
4080	270.00	-	N/A	N/A	270.00
5010	147.00	34.00	N/A	N/A	181.00
5020	295.83	-	N/A	N/A	295.83
5040	118.00	35.00	N/A	N/A	153.00
Total	3,122.54	475.03	-	-	3,597.57

Jefferson City School District
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
Year ended June 30, 2022

5. Finance

5.1	The District maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	<u>True</u>
5.2	The District maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	
	Academic Programs Off-Campus	<u>N/A</u>
	Career Exploration Program – Off Campus	<u>N/A</u>
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	<u>True</u>
	Dual enrollment	<u>True</u>
	Homebound instruction	<u>True</u>
	Missouri Options	<u>True</u>
	Prekindergarten eligible to be claimed for state aid	<u>True</u>
	Remediation	<u>N/A</u>
	Sheltered Workshop participation	<u>N/A</u>
	Students participating in the school flex program	<u>True</u>
	Traditional instruction (full and part-time students)	<u>True</u>
	Virtual instruction (MOCAP or other option)	<u>True</u>
	Work Experience for Students with Disabilities	<u>True</u>
5.3	The District maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	<u>True</u>
5.4	The District maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the state FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	<u>True</u>
5.5	As required by Section 162.401, RSMo, a bond was purchased for the District’s treasurer in the total amount of:	<u>\$100,000</u>
5.6	The District’s deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	<u>True</u>
5.7	The District maintained a separate bank account for the Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo.	<u>True</u>
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by payroll and contract records.	<u>True</u>

Jefferson City School District
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
Year ended June 30, 2022

5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected date for the projects to be undertaken.	<u>N/A</u>
5.10	The District published a summary of the prior year’s audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	<u>True</u>
5.11	The District has a professional development committee plan adopted by the Board with professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one-half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost.	<u>True</u>
5.12	The amount spent for approved professional development committee plan activities was:	<u>\$953,554</u>
5.13	The District 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.	<u>True</u>
	All above “False answers must be supported by a finding or management letter comment.	
	Findings #:	<u>N/A</u>
	Management Letter Comment #:	<u>N/A</u>

6. Transportation

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

Jefferson City School District
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
Year ended June 30, 2022

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:	<ul style="list-style-type: none"> <li style="margin-bottom: 10px;">▪ Eligible ADT <u>4050.0</u> ▪ Ineligible ADT <u>0</u>
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.	<u>True</u>
6.5	Actual odometer records show the total district-operated <u>and</u> contracted mileage for the year was:	<u>911,504</u>
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	<ul style="list-style-type: none"> <li style="margin-bottom: 10px;">▪ Eligible Miles <u>739,881</u> ▪ Ineligible Miles (Non-Route/Disapproved) <u>171,623</u>
6.7	Number of days the schools operated the school transportation system during the regular school year:	<u>164</u>
	All above "False" answers <u>must</u> be supported by a finding or management letter comment.	
	Findings #:	<u>N/A</u>
	Management Letter Comment #:	<u>N/A</u>

**Independent Auditors' Report on Internal Control
Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

Board of Education
Jefferson City School District

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Jefferson City School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Jefferson City School District's basic financial statements, and have issued our report thereon dated December 6, 2022. Our report on the basic financial statements disclosed that, as described in Note A to the financial statements, the District prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The financial statements of the Jefferson City Public Schools Foundation were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Jefferson City Public Schools Foundation.

Internal Control over Financial Reporting

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

Compliance and Other Matters

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

Purpose of this Report

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

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
December 6, 2022



**Independent Auditors' Report on Compliance for Each Major
Program and on Internal Control over Compliance
Required by the Uniform Guidance**

Board of Education
Jefferson City School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jefferson City School District's 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 Jefferson City School District's major federal programs for the year ended June 30, 2022. Jefferson City School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Jefferson City School 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 Jefferson City School 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 Jefferson City School 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 Jefferson City School 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 Jefferson City School 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 GAAS, *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 Jefferson City School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Jefferson City School 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 Jefferson City School 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 Jefferson City School 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

Kenner, Eck & Braeckel LLP

St. Louis, Missouri
December 6, 2022

Jefferson City School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2022

Federal Grantor / Pass-Through Grantor / Program Cluster or Title	Federal CFDA Number	Pass- Through Identification Number	Expenditures
U.S. Department of Education			
Passed-through Missouri Department of Elementary and Secondary Education:			
Special Education Cluster:			
Special Education Grants to States	84.027	026-006	\$ 2,623,532
Special Education Preschool Grants	84.173	026-006	<u>61,333</u>
Total Special Education Program Cluster			2,684,865
Career and Technical Education - Basic Grants to States	84.048	026-006	294,121
Title I Grants to Local Educational Agencies	84.010	026-006	2,430,969
Supporting Effective Instruction State Grants	84.367	026-006	351,222
English Language Acquisition State Grants	84.365	026-006	29,618
Student Support and Academic Enrichment Program	84.424	026-006	64,837
COVID-19 - Education Stabilization Fund	84.425C	026-006	90,988
COVID-19 - Education Stabilization Fund	84.425D	026-006	35,594
COVID-19 - Education Stabilization Fund	84.425U	026-006	<u>6,678,246</u>
Total cfda # 84.425			6,804,828
Total U.S. Department of Education			12,660,460
U.S. Department of Agriculture			
Passed-through Missouri Department of Elementary and Secondary Education:			
Child Nutrition Cluster:			
Fresh Fruit and Vegetable Program	10.582	026-006	91,136
School Breakfast Program	10.553	026-006	1,521,258
National School Lunch Program	10.555	026-006	
Cash assistance			4,711,568
Non-cash assistance (food distribution)			<u>406,288</u>
Total cfda # 10.555			5,117,856
Passed-through Missouri Department of Health and Senior Services			
Summer Food Service Program for Children	10.559	ERS0462373S	<u>252,007</u>
Total U.S Department of Agriculture/Child Nutrition Program Cluster			6,982,257
U.S. Department of the Treasury			
Passed-through Missouri Department of Elementary and Secondary Education:			
Coronavirus Relief Fund	21.019	026-006	14,700
U.S. Department of Health and Human Services			
Passed-through Missouri Department of Elementary and Secondary Education:			
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	026-006	500
U.S. Department of Homeland Security			
Passed-through Missouri Department of Public Safety			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-DR-4490-MO	<u>472,077</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 20,129,994</u>

Jefferson City School District
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2022

NOTE A | BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Jefferson City School District (the District) under programs of the federal government for the year ended June 30, 2022. The information 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 and is reported on the modified cash basis of accounting, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain expenditures are not allowable or are limited as to reimbursement.

NOTE C | INDIRECT COST RATE

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

NOTE D | SUBRECIPIENTS

There have been no awards passed through to subrecipients.

NOTE E | FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule of Expenditures of Federal Awards at fair market value of the commodities received and disbursed during the fiscal year ended June 30, 2022.

Jefferson City School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report issued on financial statements: Unmodified opinion

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified that are not considered to be material weaknesses? None noted

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness identified? No

Significant deficiencies identified that are not considered to be material weaknesses? None noted

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

Any audit findings disclosed that are required to be reported under 2 CFR Section 200.516(a) of the Uniform Guidance? No

The programs tested as a major program are as follows:

CFDA number(s)	Name of program or cluster
84.010	Title I Grants to Local Educational Agencies
84.367	Supporting Effective Instruction State Grant
84.425	Education Stabilization Fund
84.027, 84.173	Special Education Cluster (IDEA)

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

Auditee qualified as a low-risk auditee? No

FINANCIAL STATEMENT FINDINGS

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

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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