

**JEFFERSON CITY SCHOOL DISTRICT**

**REPORT TO THE BOARD OF EDUCATION**

**June 30, 2019**



CPAs and  
Management Consultants

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To the Board of Education of  
Jefferson City School District

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jefferson City School District for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 26, 2019. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Jefferson City School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by Jefferson City School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The District's financial statements are prepared on the modified cash basis of accounting and as a result, there are no particularly sensitive accounting estimates included in those statements.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

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

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No misstatements were detected as a result of our audit procedures.

### *Disagreements with Management*

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

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 13, 2019.

### *Management Consultations with Other Independent Accountants*

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

### *Other Audit Findings or Issues*

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

### Other Matters

With respect to the schedule of expenditures of federal awards, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the modified cash basis, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the schedule of expenditures of federal awards to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on management's discussion and analysis, budgetary comparison schedules or schedule of selected statistics, which accompany the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

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

*Kenner, Eck & Braeckel LLP*

St. Louis, Missouri  
December 13, 2019



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To the Board of Education  
Jefferson City School District

In planning and performing our audit of the financial statements of Jefferson City School District as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered Jefferson City School District's internal control over financial reporting and compliance (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

However, during our audit we became aware of an opportunity for strengthening internal over financial reporting and compliance. The memorandum that accompanies this letter presents our comment and suggestion regarding this matter. A separate letter dated December 13, 2019 contains our communication of significant deficiencies or material weaknesses in the District's internal control. This letter does not affect our report dated December 13, 2019, on the financial statements of Jefferson City School District.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with District personnel, and we will be pleased to discuss it in further detail at your convenience.

*Kerber, Eck & Braeckel LLP*

St. Louis, Missouri  
December 13, 2019

## **MEMORANDUM OF ADVISORY COMMENTS**

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### **Purchasing Policy**

District policy requires sealed competitive bids for purchases that exceed \$15,000. During our audit, we noted certain purchases in excess of \$15,000 that were not competitively bid. Management represented that these purchases were exempt from the competitive bid requirements because they were sole source contracts. We recommend the District contemporaneously document the reason for exempting any purchase from the competitive bid requirements. We further recommend that this documentation be presented to the Board of Education for approval.