

**LINDBERGH SCHOOLS**  
**FINANCIAL STATEMENTS**  
**June 30, 2019**

# LINDBERGH SCHOOLS

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## **Independent Auditors' Report**

Board of Education  
Lindbergh Schools

### **Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Lindbergh Schools, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Lindbergh Schools' basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; 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**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

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, each major fund and the aggregate remaining fund information of Lindbergh Schools as of June 30, 2019, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

## **Basis of Accounting**

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

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lindbergh Schools' basic financial statements. The supplementary information and schedule of selected statistics are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information on pages 26-34, and schedule of selected statistics on pages 36-42, have 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.

The schedule of expenditures of federal awards on page 47 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2019, on our consideration of the Lindbergh Schools' 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 Lindbergh Schools' internal control over financial reporting and compliance.

*Keiser, Eck & Braeckel LLP*

St. Louis, Missouri  
December 2, 2019

# LINDBERGH SCHOOLS

## STATEMENT OF NET POSITION - MODIFIED CASH BASIS

June 30, 2019

	<u>Governmental activities</u>
ASSETS	
Cash and investments	\$ 29,530,281
Restricted cash and investments	<u>51,034,025</u>
TOTAL ASSETS	<u><u>\$ 80,564,306</u></u>
LIABILITIES	
Payroll withholdings	\$ 410,338
NET POSITION	
Restricted for:	
Debt service	10,428,237
Capital projects	40,605,788
Unrestricted	<u>29,119,943</u>
Total net position	<u><u>80,153,968</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 80,564,306</u></u>

See notes to financial statements.

# LINDBERGH SCHOOLS

## STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

Year ended June 30, 2019

Function/Program	Expenses	Program revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Total governmental activities
Governmental activities					
Instruction	\$ 39,637,292	\$ 1,070,219	\$ 3,180	\$ -	\$ (38,563,893)
Attendance	196,248	-	-	-	(196,248)
Guidance	1,790,359	532	-	-	(1,789,827)
Health, psych, speech and audio	620,070	-	-	-	(620,070)
Improvement of instruction	829,960	-	-	-	(829,960)
Professional development	115,391	-	-	-	(115,391)
Media services	1,192,133	-	-	-	(1,192,133)
Board of education services	517,656	-	-	-	(517,656)
Executive administration	4,986,446	-	178,101	-	(4,808,345)
Building level administration	3,768,237	145,396	-	-	(3,622,841)
Business central service	749,092	-	-	-	(749,092)
Operation of plant	8,420,927	-	-	-	(8,420,927)
Security services	326,991	-	-	-	(326,991)
Pupil transportation	2,692,232	-	426,036	-	(2,266,196)
Food services	2,700,593	1,940,026	558,490	-	(202,077)
Central office support services	591,500	35,232	-	-	(556,268)
Community services	4,094,322	4,356,737	168,500	-	430,915
Facilities acquisition and construction	4,983,175	-	-	-	(4,983,175)
Debt service:					
Principal	19,725,000	-	-	-	(19,725,000)
Interest and other charges	3,634,709	-	-	-	(3,634,709)
Total governmental activities:	<u>\$ 101,572,333</u>	<u>\$ 7,548,142</u>	<u>\$ 1,334,307</u>	<u>\$ -</u>	<u>(92,689,884)</u>
General revenues					
Taxes					
Property taxes, levied for general purposes					49,027,633
Property taxes, levied for debt service					11,185,642
Other taxes					207,452
Prop C - sales tax					6,380,823
Federal, state and county aid not restricted to specific purposes					9,005,475
Interest and investment earnings					5,807,952
Bond proceeds					40,000,000
Refunding bond proceeds					8,040,000
Miscellaneous					<u>1,247,526</u>
Total general revenues					<u>130,902,503</u>
Change in net position					38,212,619
Net position at July 1, 2018					<u>41,941,349</u>
Net position at June 30, 2019					\$ 80,153,968

See notes to financial statements.



## LINDBERGH SCHOOLS

### BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

June 30, 2019

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 23,308,440	\$ -	\$ -	\$ 2,923,904	\$ 26,232,344
Restricted cash and investments	-	-	10,428,237	40,605,788	51,034,025
<b>TOTAL ASSETS</b>	<u>\$ 23,308,440</u>	<u>\$ -</u>	<u>\$ 10,428,237</u>	<u>\$ 43,529,692</u>	<u>\$ 77,266,369</u>
<b>LIABILITIES</b>					
Payroll withholdings	\$ 410,338	\$ -	\$ -	\$ -	\$ 410,338
<b>FUND BALANCES</b>					
Restricted for:					
Debt service	-	-	10,428,237	-	10,428,237
Prop G capital projects	-	-	-	40,605,788	40,605,788
Assigned:					
Other capital projects	-	-	-	2,923,904	2,923,904
Unassigned	22,898,102	-	-	-	22,898,102
Total fund balances	<u>22,898,102</u>	<u>-</u>	<u>10,428,237</u>	<u>43,529,692</u>	<u>76,856,031</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 23,308,440</u>	<u>\$ -</u>	<u>\$ 10,428,237</u>	<u>\$ 43,529,692</u>	<u>\$ 77,266,369</u>

#### Reconciliation to Statement of Net Position

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

Fund balances of governmental funds	\$ 76,856,031
Internal service funds are used by the District to charge the cost of insurance activities to individual funds. The net position of the internal service fund are included in governmental activities in the Statement of Net Position.	<u>3,297,937</u>
Net position of governmental activities	<u>\$ 80,153,968</u>

See notes to financial statements.

# LINDBERGH SCHOOLS

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS Year ended June 30, 2019

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenues					
Local sources	\$ 28,753,946	\$ 36,096,114	\$ 6,880,347	\$ 3,407,574	\$ 75,137,981
County sources	330,086	680,061	263,150	-	1,273,297
State sources	1,768,946	4,650,639	-	1,436,900	7,856,485
Federal sources	986,765	41,953	-	-	1,028,718
Other sources	-	275,100	-	-	275,100
Total revenues	31,839,743	41,743,867	7,143,497	4,844,474	85,571,581
Expenditures					
Instruction	4,456,520	34,967,343	-	222,801	39,646,664
Attendance	196,248	-	-	-	196,248
Guidance	354,131	1,436,228	-	-	1,790,359
Health, psych speech and audio	620,070	-	-	-	620,070
Improvement of instruction	247,064	582,896	-	-	829,960
Professional development	115,391	-	-	-	115,391
Media services	169,233	986,284	-	36,616	1,192,133
Board of education services	517,656	-	-	-	517,656
Executive administration	3,117,843	1,844,070	-	24,533	4,986,446
Building level administration	1,194,788	2,572,224	-	1,225	3,768,237
Business central services	749,092	-	-	-	749,092
Operation of plant	7,983,549	-	-	437,378	8,420,927
Security services	326,991	-	-	-	326,991
Pupil transportation	2,692,232	-	-	-	2,692,232
Food service	2,696,184	-	-	4,409	2,700,593
Central office support services	574,100	-	-	17,400	591,500
Community services	4,074,408	775	-	19,139	4,094,322
Facilities acquisition and construction	-	-	-	4,983,175	4,983,175
Debt service:					
Principal	-	-	6,295,000	-	6,295,000
Interest and other charges	-	-	2,957,115	227,647	3,184,762
Total expenditures	30,085,500	42,389,820	9,252,115	5,974,323	87,701,758
Revenues over (under) expenditures	1,754,243	(645,953)	(2,108,618)	(1,129,849)	(2,130,177)
Other financing sources (uses)					
Transfers	(645,953)	645,953	-	-	-
Proceeds from sale of other property	-	-	-	10,377	10,377
Sale of general obligation bonds	-	-	-	40,000,000	40,000,000
Proceeds from refunding bonds issued	-	-	8,040,000	-	8,040,000
Premium on issuance of refunding bonds	-	-	6,115,914	-	6,115,914
Payments to escrow agent	-	-	(13,879,947)	-	(13,879,947)
Total other financing sources (uses)	(645,953)	645,953	275,967	40,010,377	40,286,344
NET CHANGE IN FUND BALANCES	1,108,290	-	(1,832,651)	38,880,528	38,156,167
Fund balance at July 1, 2018	21,789,812	-	12,260,888	4,649,164	38,699,864
Fund balance at June 30, 2019	\$ 22,898,102	\$ -	\$ 10,428,237	\$ 43,529,692	\$ 76,856,031

### Reconciliation to Statement of Activities

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

Net change in fund balances for governmental funds	\$ 38,156,167
Internal service funds are used by the District to charge the cost of insurance activities to	56,452
Change in net position of governmental activities	\$ 38,212,619

See notes to financial statements.

# LINDBERGH SCHOOLS

## STATEMENT OF NET POSITION - MODIFIED CASH BASIS - PROPRIETARY FUND

June 30, 2019

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	Governmental Activities - Internal Service Fund
ASSETS	
Cash	<u>\$ 3,297,937</u>
NET POSITION	
Unrestricted	<u>\$ 3,297,937</u>

See notes to financial statements.

# LINDBERGH SCHOOLS

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - MODIFIED CASH BASIS - PROPRIETARY FUND

Year ended June 30, 2019

	Governmental Activities - Internal Service Fund
Revenues	
Insurance premiums	\$ 7,722,677
Interest income	47,080
Total revenues	<u>7,769,757</u>
Operating expenditures	
Medical and dental claims	<u>7,713,305</u>
CHANGE IN NET POSITION	56,452
Net position at July 1, 2018	<u>3,241,485</u>
Net position at June 30, 2019	<u><u>\$ 3,297,937</u></u>

See notes to financial statements.

# **LINDBERGH SCHOOLS**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

These financial statements are presented on the modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP) as further described in this footnote under Basis of Accounting. Generally accepted accounting principles include relevant Governmental Accounting Standards Board (GASB) pronouncements.

#### **Principles Determining the Scope of Reporting Entity**

Generally accepted accounting principles 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. The criteria provided in the applicable GASB statements have been considered and there are no other agencies or entities that should be presented with the District.

While parent-teacher organizations of the District's schools provide financial support exclusively to the District, they are not included as a component unit because the amount of financial support provided is of a de minimus nature.

#### **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 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. Amounts reported as program revenues include charges paid by the students for goods and 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.

# **LINDBERGH SCHOOLS**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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### **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, fringe benefits, 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 specific revenue sources that are restricted, committed or assigned for the payment of salaries and certain employee benefits for certified personnel.

#### **Debt Service Fund**

The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned 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 and report financial resources that are restricted, committed or assigned for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

### **Proprietary Fund**

#### **Internal Service Fund**

The Internal Service Fund accounts for premiums collected for the payment of claims associated with the District's self insurance activities (primarily medical and dental benefits). Expenses consist of claims paid.

# LINDBERGH SCHOOLS

## NOTES TO BASIC FINANCIAL STATEMENTS

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### **Net Position**

In the government-wide and proprietary fund financial 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. The remaining balance of net position is reported as unrestricted. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

### **Fund Balances – Governmental Funds**

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 (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's adopted policy, amounts may be assigned by the Chief Financial Officer.

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 for 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. The District has not reported any nonspendable or committed fund balances.

The details of the fund balances are included in the Governmental Funds Balance Sheet.

# **LINDBERGH SCHOOLS**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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

If the District utilized the basis of accounting recognized as generally accepted, the governmental fund financial statements would use the modified accrual basis of accounting, while the government-wide and proprietary fund financial statements would be presented on the accrual basis of accounting.

### **Cash and Investments**

Cash resources from all funds, except the Debt Service Fund, 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 fund's 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, time certificates of deposit and A1-P1 commercial paper.

### **Restricted Assets**

Restricted assets include cash and investments that are legally restricted as to their use. The restricted assets consist of amounts restricted for renovation of the high school.

### **Interfund Activity**

Interfund transfers are reported as other financing sources (uses) in governmental funds. During the year the District transferred \$645,953 from the General Fund to the Special Revenue Fund. Transfers are made to the Special Revenue Fund in order to achieve a zero balance in this Fund.



# LINDBERGH SCHOOLS

## NOTES TO BASIC FINANCIAL STATEMENTS

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### Teachers' Salaries

The salary payment schedule of the District for the year ended June 30, 2019 requires the payment of salaries over a twelve month period. Consequently, the July 2019 payroll checks are included in the accompanying financial statements as an expenditure paid in the month of June.

### NOTE 2 – CASH AND INVESTMENTS

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

The District participates in the Missouri Security Investment Program (MoSIP). All funds of these programs are invested in accordance with Section 165.051 of the Missouri Revised Statutes. Each school district owns a pro rata share of money market funds which is held in the name of the Fund. The District had \$81,174,517 invested through MoSIP at June 30, 2019.

The deposits and investments held at June 30, 2019 and reported at cost are as follows:

	Cost	Investment maturities 0 to 1 year
Deposits		
Cash on hand	\$ 2,950	N/A
Demand deposits	(613,158)	N/A
	<u>(610,208)</u>	
Investments - external investment pools		
Missouri Security Investment Program		
Money market funds	71,188,517	71,188,517
Term investments	9,500,000	9,500,000
Certificates of deposit	486,000	486,000
	<u>81,174,517</u>	<u>\$ 81,174,517</u>
Total deposits and investments	<u>\$80,564,309</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 certificate of deposits 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 not exposed to custodial credit risk at year end.

# LINDBERGH SCHOOLS

## NOTES TO BASIC FINANCIAL STATEMENTS

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### **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.

### **Investment Interest Rate Risk**

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

### **Credit Risk**

The District has policies in place to minimize credit risk, the risk of loss due to the failure of the security issuer or backer by pre-qualifying the institution with which the District will do business and by diversifying the portfolio so that potential losses on individual securities will be minimized.

The credit ratings of the District's investments at June 30, 2019, are summarized in the schedule below.

	<u>Cost</u>	<u>rating</u>
Investments		
Missouri Security Investment Program		
Money market funds	\$71,188,517	AAAm
Term investments	9,500,000	AAAf
Certificates of deposit	486,000	Unrated
	<u>\$81,174,517</u>	

# LINDBERGH SCHOOLS

## NOTES TO BASIC FINANCIAL STATEMENTS

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### Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the District for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The District has policies in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities by requiring a periodic review of diversification strategies. The District's investments were not exposed to concentration credit risk at year end.

### NOTE 3 – TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. All unpaid taxes become delinquent January 1 of the following year. The county collects the property taxes and remits them to the District on a monthly basis.

The District also receives sales tax collected by the State and remitted based on a prior year average daily attendance.

The assessed valuation of the tangible taxable property (excluding state assessed railroad and utilities) for the calendar year 2018 for the purposes of local taxation was:

Real estate	
Residential	\$ 859,557,180
Agricultural	296,250
Commercial	350,224,530
Personal property	<u>162,660,780</u>
Total	<u><u>\$ 1,372,738,740</u></u>

# LINDBERGH SCHOOLS

## NOTES TO BASIC FINANCIAL STATEMENTS

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The tax levy per \$100 of the assessed valuation of tangible taxable property for the fiscal year 2019 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 1.2000	\$ 1.2000
Special Revenue Fund	2.3025	2.3025
Debt Service Fund	0.8330	0.8330
Capital Projects Fund	<u>0.0000</u>	<u>0.0000</u>
Total	<u>\$ 4.3355</u>	<u>\$ 4.3355</u>

The receipts of current property taxes during the fiscal year ended June 30, 2019, aggregated approximately 94.32 percent of the current assessment computed on the basis of the levy as shown above.

### NOTE 4 – LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2019:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Amounts due within one year</u>
Bonds payable	\$ 99,933,954	\$48,040,000	\$ (19,725,000)	\$ 128,248,954	\$ 6,675,000
Certificates of participation	<u>7,060,000</u>	<u>-</u>	<u>-</u>	<u>7,060,000</u>	<u>-</u>
	<u>\$ 106,993,954</u>	<u>\$48,040,000</u>	<u>\$ (19,725,000)</u>	<u>\$ 135,308,954</u>	<u>\$ 6,675,000</u>

Principal and interest on all bonded indebtedness is paid through the Debt Service Fund. The principal and interest on the certificates of participation are paid by the Capital Projects Fund.

# LINDBERGH SCHOOLS

## NOTES TO BASIC FINANCIAL STATEMENTS

Bonds payable consists of the following at June 30, 2019,:

	Original issue amount	Maturity date	Interest rates	Balance at June 30, 2019
Series 2009B	\$ 7,165,000	2024	1.00%	\$ 6,215,000
Series 2010A	4,833,954	2029	0.00%	4,833,954
Series 2010C	6,055,000	2020	2.35% - 2.85%	2,635,000
Series 2012	9,070,000	2023	1.00% - 2.00%	3,425,000
Series 2014 Refunding	32,060,000	2027	2.00% - 3.00%	30,910,000
Series 2014	34,035,000	2034	2.00% - 4.00%	22,885,000
Series 2015 Refunding	9,865,000	2029	2.00% - 3.00%	9,305,000
Series 2019	40,000,000	2039	3.00%-5.00%	40,000,000
Series 2019 Refunding	8,040,000	2030	4.00%	8,040,000
				<u>\$128,248,954</u>

The annual requirements to amortize general obligation bonds are as follows at June 30, 2019:

Year ending June 30,	Principal	Interest	Total
2020	\$ 6,675,000	\$ 2,333,350	\$ 9,008,350
2021	7,005,000	2,164,401	9,169,401
2022	7,240,000	1,946,202	9,186,202
2023	7,445,000	1,725,096	9,170,096
2024	7,655,000	1,534,207	9,189,207
2025-2029	35,308,954	4,435,036	39,743,990
2030-2034	25,195,000	1,829,374	27,024,374
2035-2039	31,725,000	1,124,550	32,849,550
Total	<u>\$128,248,954</u>	<u>\$17,092,216</u>	<u>\$145,341,170</u>

# LINDBERGH SCHOOLS

## NOTES TO BASIC FINANCIAL STATEMENTS

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### Early Extinguishment and Advanced Refunding

On September 19, 2018, the District defeased \$4,430,000 of outstanding Series 2014 general obligation bonds. \$4,500,000 was placed in an irrevocable trust fund to purchase government obligations. The principal and interest to be earned on the government obligations will be in an amount sufficient for the payment of the principal and interest on the call date of March 1, 2022. The defeasance was undertaken to reduce total debt service payments by \$717,100 which resulted in an economic gain of \$18,455 (the difference between the present value of the debt service payments on the original amount of debt and the new value of debt).

On June 13, 2019, the District issued \$8,040,000 in Series 2019 general obligation refunding bonds to advance refund and defease \$9,000,000 of outstanding Series 2010 general obligation bonds and pay certain costs of issuance. A deposit of \$9,379,947 was placed in an irrevocable trust fund to purchase government obligations. The principal and interest to be earned on the government obligations will be in an amount sufficient for the payment of the principal and interest on the call date on March 1, 2030. The refunding was undertaken to reduce total debt service payments by \$1,226,274 which resulted in an economic gain of \$210,740 (the difference between the present value of the debt service payments on the Series 2010 general obligation bonds and the refunding issues after the refunding date through March 1, 2030. As of June 30, 2019, the total debt outstanding that is considered to be defeased is \$13,500,000.

### Certificates of Participation

The following is a schedule of the future minimum lease payments required under these certificates of participation and the present value of the net minimum lease payments as of June 30, 2019:

Year ending June 30,	Principal	Interest	Total
2020	\$ -	\$ 185,005	\$ 185,005
2021	-	185,005	185,005
2022	400,000	185,005	585,005
2023	405,000	178,135	583,135
2024	415,000	170,665	585,665
2025-2029	2,215,000	716,782	2,931,782
2030-2034	2,510,000	413,420	2,923,420
2035-2036	1,115,000	53,685	1,168,685
Total	<u>\$ 7,060,000</u>	<u>\$ 2,087,702</u>	<u>\$ 9,147,702</u>

# LINDBERGH SCHOOLS

## NOTES TO BASIC FINANCIAL STATEMENTS

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### Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized Article VI general obligation bonds of a District to fifteen (15%) percent 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, 2019, was:

Constitutional debt limit	\$ 205,910,811
General obligation bonds payable	(128,248,954)
Amount available in Debt Service Fund	<u>10,428,237</u>
Legal debt margin	<u>\$ 88,090,094</u>

### NOTE 5 – TAX ABATEMENTS

The City of Crestwood granted \$25 million in tax incentives for UrbanStreet Group to redevelop the former Crestwood Plaza – a 47 acre site in the heart of the District at Watson and Sappington Roads.

The \$25 million in tax incentives include \$15 million in tax-increment financing; \$5 million in Community Improvement District funds; and \$5 million in Transportation Development District funds.

Under the redevelopment agreement, if non-senior housing is constructed, the tax revenue will pass through to the District.

For 2018, the total amount of tax abated was \$293,170.

### NOTE 6 – PENSION PLANS

The Lindbergh Schools contributes to The Public School Retirement System of Missouri (PSRS), a cost-sharing multiple-employer defined benefit pension plan. PSRS provides retirement and disability benefits to certificated employees and death benefits to members and beneficiaries. Positions covered by The Public School Retirement System are not covered by Social Security. PSRS benefit provisions are set forth in Chapter 169.010-.141 of the Missouri Revised Statutes.

The statutes assign responsibility for the administration of the system to a seven member Board of Trustees. PSRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public School Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102, or by calling 1-800-392-6848.

# **LINDBERGH SCHOOLS**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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PSRS members are required to contribute 14.5% of their annual covered salary and the Lindbergh Schools are required to contribute a matching amount. The contribution requirements of members and the Lindbergh Schools are established and may be amended by the PSRS Board of Trustees. The District's contributions to PSRS for the year ending June 30, 2019, 2018 and 2017 were \$5,190,657, \$5,004,685 and \$4,861,267, respectively, equal to the required contributions.

The Lindbergh Schools also contributes to The Public Education Employee Retirement System of Missouri (PEERS), a cost-sharing multiple-employer defined benefit pension plan. PEERS provides retirement and disability benefits to employees of the district who work 20 or more hours per week and who do not contribute to The Public School Retirement System of Missouri. Positions covered by The Public Education Employee Retirement System of Missouri are also covered by Social Security. Benefit provisions are set forth in Chapter 169.600-.715 of the Missouri Revised Statutes. The statutes assign responsibility for the administration of the system to the Board of Trustees of The Public School Retirement System of Missouri. PEERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public Education Employee Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

PEERS members are required to contribute 6.86% of their annual covered salary and the Lindbergh Schools are required to contribute a matching amount. The contribution requirements of members and the Lindbergh Schools are established and may be amended by the Board of Trustees. The District's contributions to PEERS for the year ending June 30, 2019, 2018 and 2017 were \$696,975, \$680,803 and \$635,307, respectively, equal to the required contributions.

### **NOTE 7 – CONTINGENCIES**

#### **Grant 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 reimbursements or to withholding of future funding for expenditures disallowed under, or other noncompliance with terms of the grants and funding. The District is not aware of any noncompliance with Federal or State provisions that might require the District to provide reimbursement.

#### **Litigation**

Various claims and lawsuits are pending against the District. In the opinion of District management and legal counsel, the potential loss on all claims and lawsuits will not be significant to the District's financial statements.



# **LINDBERGH SCHOOLS**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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### **NOTE 8 – POST EMPLOYMENT BENEFITS**

The District allows employees who retire from the District to participate in the District's health, dental and life insurance plans. Upon meeting the retirement requirements per PSRS and 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 used for both active employees and retirees. The difference between the amount the retiree is required to pay and the actual cost to the District is considered to be a post employment benefit. The District has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay as you go basis. A stand alone financial report is not available for the plan. During the year ended June 30, 2019, 313 retirees participated in the District's insurance plans and paid premiums totaling \$1,403,209.

### **NOTE 9 – SELF-INSURANCE PLAN**

The District has a self-insurance plan which covers participating employees' and retirees' medical coverage. Both the members and the District contribute to a reserve maintained by an insurance administrator, which is used to pay claims. The District utilizes an internal service fund to account for the activity of the plan. A premium is charged to each fund that accounts for employees' salaries based on past trends and experience. Provisions are also made for unexpected and unusual claims. The District purchases stop loss insurance coverage to limit its exposure to catastrophic claims in excess of \$175,000 per individual.

The District has a self-insurance plan which covers participating employees' and retirees' dental coverage that began January 1, 2016. Both the members and the District contribute to a reserve maintained by an insurance administrator, which is used to pay claims. The District utilizes an internal service fund to account for the activity of the plan. A premium is charged to each fund that accounts for employees' salaries based on past trends and experience.

### **NOTE 10 – COST SAVINGS REDUCTION PROGRAM**

On June 30, 1982, the District approved an early retirement incentive program. Eligible teachers and administrators are those with 10 years experience with the District that meets one of the PSRS retirement criteria. A teacher who retires when first eligible is entitled to 55 percent of their prior year's salary per the District salary schedule, payable in equal annual installments over the following three years. Eligible participants are also provided District paid medical, dental, vision and life insurance over the three year period.

In the fiscal year ended June 30, 2019, the District paid approximately \$1,188,000 under the plan. Based upon participants at June 30, 2019, the District will be liable for approximately \$2,600,000 in additional benefits through the year ending June 30, 2021. Of this amount, approximately \$1,194,000 will be payable by the year ending June 30, 2020.

# LINDBERGH SCHOOLS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET TO ACTUAL - GENERAL FUND - UNAUDITED Year ended June 30, 2019

	Budgeted amounts			Variances - positive (negative)	
	Original	Final	Actual	Original to final	Final to actual
Revenues					
Local sources	\$ 28,415,907	\$ 28,838,391	\$ 28,753,946	\$ 422,484	\$ (84,445)
County sources	302,767	302,767	330,086	-	27,319
State sources	1,665,450	1,713,207	1,768,946	47,757	55,739
Federal sources	1,201,233	1,185,928	986,765	(15,305)	(199,163)
Total revenues	31,585,357	32,040,293	31,839,743	454,936	(200,550)
Expenditures					
Instruction	4,038,308	4,113,803	4,456,520	(75,495)	(342,717)
Attendance	173,727	193,901	196,248	(20,174)	(2,347)
Guidance	304,535	318,755	354,131	(14,220)	(35,376)
Health, psych, speech and audio	668,227	660,154	620,070	8,073	40,084
Improvement of instruction	210,331	226,225	247,064	(15,894)	(20,839)
Professional development	108,488	133,213	115,391	(24,725)	17,822
Media services	184,054	168,317	169,233	15,737	(916)
Board of education services	502,196	548,421	517,656	(46,225)	30,765
Executive administration	3,282,482	4,022,612	3,117,843	(740,130)	904,769
Building level administration	1,139,351	1,158,680	1,194,788	(19,329)	(36,108)
Business central services	1,397,516	1,283,815	749,092	113,701	534,723
Operation of plant	8,149,023	8,134,758	7,983,549	14,265	151,209
Security services	298,302	290,674	326,991	7,628	(36,317)
Pupil transportation	2,705,993	2,709,105	2,692,232	(3,112)	16,873
Food service	2,452,473	2,452,473	2,696,184	-	(243,711)
Central office support services	85,922	126,298	574,100	(40,376)	(447,802)
Community services	3,979,323	4,161,123	4,074,408	(181,800)	86,715
Total expenditures	29,680,251	30,702,327	30,085,500	(1,022,076)	616,827
Revenues over (under) expenditures	1,905,106	1,337,966	1,754,243	(567,140)	416,277
Other financing uses					
Transfers	(1,820,519)	(1,745,204)	(645,953)	75,315	1,099,251
NET CHANGE IN FUND BALANCE	\$ 84,587	\$ (407,238)	1,108,290	\$ (491,825)	\$ 1,515,528
Fund balance at July 1, 2018			21,789,812		
Fund balance at June 30, 2019			\$ 22,898,102		

See notes to supplementary information.

# LINDBERGH SCHOOLS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET TO ACTUAL - SPECIAL REVENUE FUND - UNAUDITED Year ended June 30, 2019

	Budgeted amounts		Actual	Variances - positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Local sources	\$ 35,895,894	\$ 35,355,281	\$ 36,096,114	\$ (540,613)	\$ 740,833
County sources	623,533	623,533	680,061	-	56,528
State sources	3,912,900	4,600,053	4,650,639	687,153	50,586
Federal sources	-	44,061	41,953	44,061	(2,108)
Other sources	297,825	271,075	275,100	(26,750)	4,025
Total revenues	40,730,152	40,894,003	41,743,867	163,851	849,864
Expenditures					
Instruction	35,096,241	35,224,829	34,967,343	(128,588)	257,486
Guidance	1,363,667	1,421,933	1,436,228	(58,266)	(14,295)
Improvement of instruction	659,523	568,839	582,896	90,684	(14,057)
Media services	995,043	1,006,841	986,284	(11,798)	20,557
Executive administration	1,842,352	1,859,665	1,844,070	(17,313)	15,595
Building level administration	2,593,395	2,585,941	2,572,224	7,454	13,717
Community services	450	2,000	775	(1,550)	1,225
Total expenditures	42,550,671	42,670,048	42,389,820	(119,377)	280,228
Revenues under expenditures	(1,820,519)	(1,776,045)	(645,953)	44,474	1,130,092
Other financing sources					
Transfers	1,820,519	1,745,204	645,953	(75,315)	(1,099,251)
NET CHANGE IN FUND BALANCE	\$ -	\$ (30,841)	-	\$ (30,841)	\$ 30,841
Fund balance at July 1, 2018			-		
Fund balance at June 30, 2019			\$ -		

See notes to supplementary information.

# LINDBERGH SCHOOLS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET TO ACTUAL - DEBT SERVICE FUND - UNAUDITED Year ended June 30, 2019

	Budgeted amounts		Actual	Variances - positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Local sources	\$ 11,130,000	\$ 11,130,000	\$ 6,880,347	\$ -	\$ (4,249,653)
County sources	230,000	230,000	263,150	-	33,150
Other sources	-	-	-	-	-
Total revenues	11,360,000	11,360,000	7,143,497	-	(4,216,503)
Expenditures					
Debt service:					
Principal	6,295,000	19,795,000	6,295,000	(13,500,000)	13,500,000
Interest and other charges	2,997,200	3,456,200	2,957,115	(459,000)	499,085
Total expenditures	9,292,200	23,251,200	9,252,115	(13,959,000)	13,999,085
Revenues over (under) expenditures	2,067,800	(11,891,200)	(2,108,618)	(13,959,000)	9,782,582
Other financing sources (uses)					
Proceeds from refunding bonds issued	-	8,040,000	8,040,000	(8,040,000)	-
Premium on issuance of refunding bonds	-	-	6,115,914	-	6,115,914
Payments to escrow agent	-	-	(13,879,947)	-	(13,879,947)
Total other financing uses	-	8,040,000	275,967	(8,040,000)	(7,764,033)
NET CHANGE IN FUND BALANCE	<u>\$ 2,067,800</u>	<u>\$ (3,851,200)</u>	(1,832,651)	<u>\$ (21,999,000)</u>	<u>\$ 2,018,549</u>
Fund balance at July 1, 2018			12,260,888		
Fund balance at June 30, 2019			<u>\$ 10,428,237</u>		

See notes to supplementary information.

# LINDBERGH SCHOOLS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET TO ACTUAL - CAPITAL PROJECTS FUND - UNAUDITED Year ended June 30, 2019

	Budgeted amounts		Actual	Variances - positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Local sources	\$ 65,675	\$ 55,675	\$ 3,407,574	\$ (10,000)	\$ 3,351,899
State sources	1,436,900	1,436,900	1,436,900	-	-
Other sources	15,000	15,000	-	-	(15,000)
Total revenues	1,517,575	1,507,575	4,844,474	(10,000)	3,336,899
Expenditures					
Instruction	122,629	67,379	222,801	55,250	(155,422)
Media services	5,600	5,600	36,616	-	(31,016)
Executive administration	669,319	269,319	24,533	400,000	244,786
Building level administration	11,059	11,059	1,225	-	9,834
Business central services	245,000	245,000	-	-	245,000
Operation of plant	356,868	476,121	437,378	(119,253)	38,743
Food service	-	-	4,409	-	(4,409)
Central office support services	-	-	17,400	-	(17,400)
Community services	-	-	19,139	-	(19,139)
Facilities acquisition and construction	900,000	1,775,679	4,983,175	(875,679)	(3,207,496)
Debt service:					
Interest and other charges	186,805	186,805	227,647	-	(40,842)
Total expenditures	2,497,280	3,036,962	5,974,323	(539,682)	(2,937,361)
Revenues over (under) expenditures	(979,705)	(1,529,387)	(1,129,849)	(549,682)	399,538
Other financing sources					
Proceeds from sale of other property	-	-	10,377	-	10,377
Sale of general obligation bonds	-	40,000,000	40,000,000	-	-
Total other financing sources	-	40,000,000	40,010,377	-	10,377
NET CHANGE IN FUND BALANCE	\$ (979,705)	\$ 38,470,613	38,880,528	\$ (549,682)	\$ 399,538
Fund balance at July 1, 2018			4,649,164		
Fund balance at June 30, 2019			\$ 43,529,692		

See notes to supplementary information.

# LINDBERGH SCHOOLS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET TO ACTUAL - ALL GOVERNMENTAL FUNDS - UNAUDITED Year ended June 30, 2019

	Budgeted amounts		Actual	Variances - positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Local sources	\$ 75,507,476	\$ 75,379,347	\$ 75,137,981	\$ (128,129)	\$ (241,366)
County sources	1,156,300	1,156,300	1,273,297	-	116,997
State sources	7,015,250	7,750,160	7,856,485	734,910	106,325
Federal sources	1,201,233	1,229,989	1,028,718	28,756	(201,271)
Other sources	312,825	286,075	275,100	(26,750)	(10,975)
Total revenues	85,193,084	85,801,871	85,571,581	608,787	(230,290)
Expenditures					
Instruction	39,257,178	39,406,011	39,646,664	(148,833)	(240,653)
Attendance	173,727	193,901	196,248	(20,174)	(2,347)
Guidance	1,668,202	1,740,688	1,790,359	(72,486)	(49,671)
Health, psych, speech and audio	668,227	660,154	620,070	8,073	40,084
Improvement of instruction	869,854	795,064	829,960	74,790	(34,896)
Professional development	108,488	133,213	115,391	(24,725)	17,822
Media services	1,184,697	1,180,758	1,192,133	3,939	(11,375)
Board of education services	502,196	548,421	517,656	(46,225)	30,765
Executive administration	5,794,153	6,151,596	4,986,446	(357,443)	1,165,150
Building level administration	3,743,805	3,755,680	3,768,237	(11,875)	(12,557)
Business central services	1,642,516	1,528,815	749,092	113,701	779,723
Operation of plant	8,505,891	8,610,879	8,420,927	(104,988)	189,952
Security services	298,302	290,674	326,991	7,628	(36,317)
Pupil transportation	2,705,993	2,709,105	2,692,232	(3,112)	16,873
Food service	2,452,473	2,452,473	2,700,593	-	(248,120)
Central office support services	85,922	126,298	591,500	(40,376)	(465,202)
Community services	3,979,773	4,163,123	4,094,322	(183,350)	68,801
Facilities acquisition and construction	900,000	1,775,679	4,983,175	(875,679)	(3,207,496)
Debt service:					
Principal	6,295,000	19,795,000	6,295,000	(13,500,000)	13,500,000
Interest and other charges	3,184,005	3,643,005	3,184,762	(459,000)	458,243
Total expenditures	84,020,402	99,660,537	87,701,758	(15,640,135)	11,958,779
Revenues under (over) expenditures	1,172,682	(13,858,666)	(2,130,177)	(15,031,348)	11,728,489
Other financing sources					
Proceeds from sale of other property	-	-	10,377	-	10,377
Sale of general obligation bonds	-	40,000,000	40,000,000	40,000,000	-
Proceeds from refunding bonds issued	-	8,040,000	8,040,000	8,040,000	-
Premium on issuance of refunding bonds	-	-	6,115,914	-	6,115,914
Payments to escrow agent	-	-	(13,879,947)	-	(13,879,947)
Total other financing sources	-	48,040,000	40,286,344	48,040,000	(7,753,656)
NET CHANGE IN FUND BALANCE	\$ 1,172,682	\$ (5,818,666)	38,156,167	\$ (6,991,348)	\$ 3,974,833
Fund balance at July 1, 2018			38,699,864		
Fund balance at June 30, 2019			\$ 76,856,031		

See notes to supplementary information.

# **LINDBERGH SCHOOLS**

## **NOTES TO SUPPLEMENTARY INFORMATION**

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### **NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING**

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

1. In accordance with Chapter 67 RSMo, the District adopts a budget for each fund.
2. Prior to July, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the 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 its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board.
6. Budgets are adopted on the modified cash basis of accounting for all governmental funds.
7. Capital outlay acquired through certificates of participation are not reported as an expenditure and the proceeds are not reported as another financing source for budgetary purposes.

**LINDBERGH SCHOOLS**
**SCHEDULE OF REVENUES COLLECTED BY SOURCE**
**ALL GOVERNMENTAL FUNDS - MODIFIED CASH BASIS - UNAUDITED**
**Year ended June 30, 2019**

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
<b>Local</b>					
Current taxes	\$ 16,049,480	\$ 30,795,426	\$ 11,141,510	\$ -	\$ 57,986,416
Delinquent taxes	64,279	122,660	44,132	-	231,071
School district trust fund (Prop C)	3,190,411	3,190,411	-	-	6,380,822
Financial institution tax	71,073	136,379	-	-	207,452
M&M surtax	683,707	1,312,081	-	-	1,995,788
Tuition from individuals (K-12)	-	392,957	-	-	392,957
Earnings from temporary deposits	431,712	110,967	(4,305,295)	3,407,574	(355,042)
Food service program	994,593	-	-	-	994,593
Food service non-program	945,433	-	-	-	945,433
Student activities	677,261	-	-	-	677,261
Community services	4,356,737	-	-	-	4,356,737
Other local sources	1,289,260	35,233	-	-	1,324,493
	<u>28,753,946</u>	<u>36,096,114</u>	<u>6,880,347</u>	<u>3,407,574</u>	<u>75,137,981</u>
<b>County</b>					
Fines, escheat, etc.	-	54,154	-	-	54,154
State assessed utilities	330,086	625,907	263,150	-	1,219,143
	<u>330,086</u>	<u>680,061</u>	<u>263,150</u>	<u>-</u>	<u>1,273,297</u>
<b>State</b>					
Basic formula	-	4,640,947	-	-	4,640,947
Transportation	426,036	-	-	-	426,036
Classroom trust fund	1,150,020	-	-	1,436,900	2,586,920
Educational screening prog/PAT	168,500	-	-	-	168,500
Career education	3,662	9,692	-	-	13,354
Food service - state	15,186	-	-	-	15,186
Residential placement/excess cost	4,815	-	-	-	4,815
Other state revenue	727	-	-	-	727
	<u>1,768,946</u>	<u>4,650,639</u>	<u>-</u>	<u>1,436,900</u>	<u>7,856,485</u>
<b>Federal</b>					
Medicaid	40,888	-	-	-	40,888
Perkins basic grant	-	41,953	-	-	41,953
School lunch program	453,544	-	-	-	453,544
School breakfast program	89,759	-	-	-	89,759
Title I -ESEA	301,625	-	-	-	301,625
Title IV, Drug Free Schools	1,168	-	-	-	1,168
Title III, ESEA-English language acquisition	34,467	-	-	-	34,467
Title II, Part A, ESEA-teacher & principal quality	65,292	-	-	-	65,292
Other federal revenue	22	-	-	-	22
	<u>986,765</u>	<u>41,953</u>	<u>-</u>	<u>-</u>	<u>1,028,718</u>
<b>Other financing sources</b>					
Proceeds from sale of other property	-	-	-	10,377	10,377
Sale of general obligation bonds	-	-	-	40,000,000	40,000,000
Proceeds from refunding bonds issued	-	-	8,040,000	-	8,040,000
Premium on issuance of refunding bonds	-	-	6,115,914	-	6,115,914
Contracted educational services	-	275,100	-	-	275,100
	<u>-</u>	<u>275,100</u>	<u>14,155,914</u>	<u>40,010,377</u>	<u>54,441,391</u>
	<u>\$ 31,839,743</u>	<u>\$ 41,743,867</u>	<u>\$ 21,299,411</u>	<u>\$ 44,854,851</u>	<u>\$ 139,737,872</u>
<b>Total revenues</b>					\$ 139,737,872
<b>Less debt service revenue</b>					(21,299,411)
<b>Total operating revenue</b>					<u>\$ 118,438,461</u>



## LINDBERGH SCHOOLS

### SCHEDULE OF EXPENDITURES PAID BY OBJECT

#### ALL GOVERNMENTAL FUNDS - MODIFIED CASH BASIS - UNAUDITED

Year ended June 30, 2019

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Salaries	\$ 10,470,245	\$ 32,597,268	\$ -	\$ -	\$ 43,067,513
Employee benefits	3,417,467	9,792,552	-	-	13,210,019
Purchased services	10,500,866	-	-	-	10,500,866
Supplies	5,696,922	-	-	-	5,696,922
Capital outlay	-	-	-	5,746,675	5,746,675
Other objects	<u>-</u>	<u>-</u>	<u>23,132,062</u>	<u>227,648</u>	<u>23,359,710</u>
	<u>\$ 30,085,500</u>	<u>\$ 42,389,820</u>	<u>\$ 23,132,062</u>	<u>\$ 5,974,323</u>	<u>\$ 101,581,705</u>
Total expenditures					\$ 101,581,705
Less debt service expenditures					<u>(23,132,062)</u>
Total operating expenditures					<u>\$ 78,449,643</u>

**LINDBERGH SCHOOLS****SCHEDULE OF REVENUES COLLECTED, EXPENDITURES****PAID AND CHANGES IN FUND BALANCE****ALL GOVERNMENTAL FUNDS - MODIFIED CASH BASIS - UNAUDITED****Year ended June 30, 2019**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues collected	\$ 31,839,743	\$ 41,743,867	\$ 7,143,497	\$ 4,844,474	\$ 85,571,581
Expenditures paid	<u>30,085,500</u>	<u>42,389,820</u>	<u>9,252,115</u>	<u>5,974,323</u>	<u>87,701,758</u>
Revenues over (under) expenditures	1,754,243	(645,953)	(2,108,618)	(1,129,849)	(2,130,177)
Other financing sources (uses)	<u>(645,953)</u>	<u>645,953</u>	<u>275,967</u>	<u>40,010,377</u>	<u>40,286,344</u>
NET CHANGE IN FUND BALANCE	1,108,290	-	(1,832,651)	38,880,528	38,156,167
Fund balance at July 1, 2018	<u>21,789,812</u>	<u>-</u>	<u>12,260,888</u>	<u>4,649,164</u>	<u>38,699,864</u>
Fund balance at June 30, 2019	<u>\$ 22,898,102</u>	<u>\$ -</u>	<u>\$ 10,428,237</u>	<u>\$ 43,529,692</u>	<u>\$ 76,856,031</u>

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

Board of Education  
Lindbergh Schools

We have examined Lindbergh Schools' compliance with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures, accurate disclosure of the Lindbergh Schools' records of average daily attendance and average daily transportation of pupils and other statutory requirements as listed in the schedule of selected statistics for the year ended June 30, 2019. Management is responsible for the Lindbergh Schools' compliance with the aforementioned requirements.

Our examination was conducted in accordance with 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 Lindbergh Schools complied in all material respects, with the specific requirements above. An examination involves performing procedures to obtain evidence about whether Lindbergh Schools complied with the specific requirements, in all material respects. 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 the Lindbergh Schools' compliance with specified requirements.

In our opinion, Lindbergh Schools complied, in all material respects, with the aforementioned requirements included in the accompanying schedule of selected statistics.

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 2, 2019

# LINDBERGH SCHOOLS

## SCHEDULE OF SELECTED STATISTICS – UNAUDITED

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Entity Number: 096-093

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

Report each unique calendar the district/charter school has as defined by Sections 160.041, 171.029, 171.031, and 171.033, RSMo.

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
4040	K	K	AM	3.1000	174	536.4000
4040	K	5	-	6.3500	174	1,077.9000
4060	K	K	AM	3.1000	174	536.4000
4060	K	K	PM	3.1000	172	533.7000
4060	K	5	-	6.3500	174	1,077.9000
5020	K	K	AM	3.1000	174	536.4000
5020	K	K	PM	3.1000	172	533.7000
5020	K	5	-	6.3500	174	1,077.9000
5040	K	K	AM	3.1000	174	536.4000
5040	K	K	PM	3.1000	172	533.7000
5040	K	5	-	6.3500	174	1,077.9000
5060	K	K	AM	3.1000	174	536.4000
5060	K	K	PM	3.1000	172	533.7000
5060	K	5	-	6.3500	174	1,077.9000
5070	K	K	AM	3.1000	174	536.4000
5070	K	5	-	6.3500	174	1,077.9000
3070	6	8	-	6.5000	175	1,108.7000
3080	6	8	-	6.5000	175	1,108.7000
1050	9	12	-	6.5000	175	1,074.7000

# LINDBERGH SCHOOLS

## SCHEDULE OF SELECTED STATISTICS – UNAUDITED

### 2. Average Daily Attendance (ADA)

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

School Code	Grade Level	Full-Time	Part- Time	Remedial Hours	Other	Summer School	Total
4040	KA-KA	4.6974	-	-	-	-	4.6974
4040	K-5	426.1056	0.2887	-	-	-	426.3943
4060	KA-KA	4.4691	-	-	-	-	4.4691
4060	KP-KP	3.6483	-	-	-	-	3.6483
4060	K-5	641.7260	-	-	-	-	641.7260
5020	KA-KA	2.3076	-	-	-	-	2.3076
5020	KP-KP	2.4308	-	-	-	-	2.4308
5020	K-5	415.7780	-	-	-	-	415.7780
5040	KA-KA	6.4819	-	-	-	-	6.4819
5040	KP-KP	3.1594	-	-	-	-	3.1594
5040	K-5	477.0316	0.9315	-	-	-	477.9631
5060	KA-KA	6.4743	-	-	-	-	6.4743
5060	KP-KP	2.3118	-	-	-	-	2.3118
5060	K-5	463.5355	0.1944	-	-	-	463.7299
5070	KA-KA	5.3613	-	-	-	-	5.3613
5070	K-5	607.7559	0.9828	-	-	-	608.7387
3070	6-8	855.4077	-	-	-	-	855.4077
3080	6-8	694.0520	0.3309	-	-	-	694.3829
1050	9-12	1908.5048	76.0854	-	-	29.7523	2,014.3425
Total		6,531.2390	78.8137	-	-	29.7523	6,639.8050

# LINDBERGH SCHOOLS

## SCHEDULE OF SELECTED STATISTICS – UNAUDITED

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### 3. September Membership

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day and in attendance at least 1 of the 10 previous school days, by grade at each attendance center.

School Code	Grade Level	Full-Time	Part- Time	Other	Total
4040	KA-KA	20.0000	-	-	20.0000
4040	K-5	421.0000	0.8000	-	421.8000
4060	KA-KA	14.0000	-	-	14.0000
4060	KP-KP	12.0000	-	-	12.0000
4060	K-5	629.0000	-	-	629.0000
5020	KA-KA	9.0000	-	-	9.0000
5020	KP-KP	10.0000	-	-	10.0000
5020	K-5	405.0000	0.6000	-	405.6000
5040	KA-KA	16.0000	-	-	16.0000
5040	KP-KP	13.0000	-	-	13.0000
5040	K-5	470.0000	0.4000	-	470.4000
5060	KA-KA	12.0000	-	-	12.0000
5060	KP-KP	9.0000	-	-	9.0000
5060	K-5	453.0000	1.2000	-	454.2000
5070	KA-KA	19.0000	-	-	19.0000
5070	K-5	590.0000	0.6000	-	590.6000
3070	6-8	890.0000	-	-	890.0000
3080	6-8	729.0000	0.6700	-	729.6700
1050	9-12	2062.0000	75.3900	-	2,137.3900
Total		6,783.0000	79.6600	-	6,862.6600

# LINDBERGH SCHOOLS

## SCHEDULE OF SELECTED STATISTICS – UNAUDITED

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### 4. Free and Reduced Priced Lunch FTE Count

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
4040	68.00	26.00	N/A	N/A	94.00
4060	107.50	30.00	N/A	N/A	137.50
5020	36.00	6.00	N/A	N/A	42.00
5040	40.50	9.00	N/A	N/A	49.50
5060	70.00	15.50	N/A	N/A	85.50
5070	46.00	18.00	N/A	N/A	64.00
3070	102.00	23.00	N/A	N/A	125.00
3080	80.14	22.00	N/A	N/A	102.14
1050	184.06	60.57	N/A	N/A	244.63
Total	734.20	210.07	-	-	944.27

# LINDBERGH SCHOOLS

## SCHEDULE OF SELECTED STATISTICS – UNAUDITED

### 5. Finance

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	TRUE
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	
	Academic Programs Off-Campus	TRUE
	Career Exploration Program – Off Campus	TRUE
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	TRUE
	Dual enrollment	TRUE
	Homebound instruction	TRUE
	Missouri Options	TRUE
	Prekindergarten eligible to be claimed for state aid	TRUE
	Remediation	TRUE
	Sheltered Workshop participation	TRUE
	Students participating in the school flex program	TRUE
	Traditional instruction (full and part-time students)	TRUE
	Virtual instruction (MOCAP or other option)	TRUE
	Work Experience for Students with Disabilities	TRUE
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	TRUE
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the state FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	TRUE
5.5	As required by Section 162.401, RSMo, a bond was purchased for the schools' treasurer in the total amount of:	\$ 50,000
5.6	The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
5.7	The District maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo.	True



# LINDBERGH SCHOOLS

## SCHEDULE OF SELECTED STATISTICS – UNAUDITED

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5.8	Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records.	<u>True</u>
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>True</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 the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment.	<u>True</u>
5.12	The amount spent for approved professional development committee plan activities was:	<u>\$105,551</u>

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

Findings #: N/A

Management Letter Comment #: N/A

# LINDBERGH SCHOOLS

## SCHEDULE OF SELECTED STATISTICS – UNAUDITED

### 6. Transportation

Section	Question	Answer
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 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>
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:	
	▪ <b>Eligible ADT</b>	<u>2,939.5</u>
	▪ <b>Ineligible ADT</b>	<u>1,075.0</u>
6.4	The schools' 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>436,897</u>
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route <u>and</u> disapproved miles (combined) was:	
	▪ <b>Eligible Miles</b>	<u>404,271</u>
	▪ <b>Ineligible Miles (Non-Route/Disapproved)</b>	<u>32,626</u>
6.7	Number of days the schools operated the school transportation system during the regular school year:	<u>175</u>

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

Findings #: N/A

Management Letter Comment #: N/A

**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  
Lindbergh Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Lindbergh Schools as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Lindbergh Schools' basic financial statements, and have issued our report thereon dated December 2, 2019. Our report on the basic financial statements disclosed that, as described in Note 1 to the financial statements, Lindbergh Schools 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Lindbergh Schools' 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 the Lindbergh Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Lindbergh Schools' 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 the Lindbergh Schools' 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.

*Keiser, Eck & Braeckel LLP*

St. Louis, Missouri  
December 2, 2019

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

Board of Education  
Lindbergh Schools

**Report on Compliance for Each Major Federal Program**

We have audited the Lindbergh Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Lindbergh Schools' major federal programs for the year ended June 30, 2019. The Lindbergh Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Lindbergh Schools' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Lindbergh Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Lindbergh Schools' compliance.

## **Opinion on Each Major Federal Program**

In our opinion, the Lindbergh Schools complied, in all material respects, with the types of 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, 2019.

## **Report on Internal Control over Compliance**

Management of the Lindbergh Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Lindbergh Schools' internal control over compliance with types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lindbergh Schools' internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 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.

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.

*Keiser, Eck & Braeckel LLP*

St. Louis, Missouri  
December 2, 2019

**LINDBERGH SCHOOLS****SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS****For the year ended June 30, 2019**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Number</u>	<u>Expenditures</u>
U.S. Department of Education			
Passed-through Missouri Department of Elementary and Secondary Education:			
Title I Part A, Grants to Local Educational Agencies	84.010	096-093	\$ 330,524
Title II Part A, Supporting Effective Instruction State Grants	84.367	096-093	96,481
Student Support and Academic Enrichment Program	84.424	096-093	12,749
English Language Acquisition Grants	84.365	096-093	<u>34,137</u>
Total U.S. Department of Education			<u>473,891</u>
U.S. Department of Agriculture			
Passed-through Missouri Department of Elementary and Secondary Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	096-093	89,759
National School Lunch Program			
Cash assistance	10.555	096-093	453,544
Non-cash assistance (food distribution)	10.555	096-093	<u>124,164</u>
Total National School Lunch Program			<u>577,708</u>
Total U.S. Department of Agriculture			<u>667,467</u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS			 <u><u>\$ 1,141,358</u></u>

The accompanying notes are an integral part of this schedule.

# LINDBERGH SCHOOLS

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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### NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2018. 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 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule 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 3 – 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 4 – SUBRECIPIENTS

There have been no awards passed through to subrecipients.



# LINDBERGH SCHOOLS

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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### SECTION I – 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 deficiency identified that is not considered to be material weaknesses? No

Noncompliance material to the financial statements noted? No

#### Federal Awards

Internal control over major programs:

Material weakness identified? No

Significant deficiency identified that is not considered to be material weaknesses? No

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:

<u>CFDA Number(s)</u>	<u>Name of Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster

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

Auditee qualified as a low-risk auditee? No

# **LINDBERGH SCHOOLS**

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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### **SECTION II – FINANCIAL STATEMENT FINDINGS**

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

### **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

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

# LINDBERGH SCHOOLS

## SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

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### **Finding 2018-001**

**Condition:** We noted that free and reduced school meal applications were not consistently approved. Under provisions of the reduced-price and free benefit policy, the determining official will review and sign applications to verify eligibility.

**Recommendation:** We recommend the District consistently follow the provision of the policy requiring the determining official's signature as proof of review of the approval of free and reduced school meal applications.

**Current Status:** The District appears to be complying with the policy requiring the determining official's signature as proof of review. No similar findings were noted in the 2019 audit.