

Lindbergh Schools
Saint Louis, Missouri

Annual Financial Statements

For The Year Ended June 30, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Education of
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 the aggregate remaining fund information of Lindbergh Schools, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's 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 error or fraud.

Auditor's 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 from 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 auditor's 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 the Lindbergh Schools, as of June 30, 2020, 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 as described in Note

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 opinion is 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 budgetary comparison information and related noted 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 U.S. *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 schedule of federal expenditures 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 federal expenditures is fairly stated in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison information and related notes, and schedule of selected statistics 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lindbergh Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lindbergh Schools' internal control over financial reporting and compliance.

Fick, Eggemeyer & Williamson

Fick, Eggemeyer & Williamson, CPA's
Saint Louis, Missouri
September 29, 2020

LINDBERGH SCHOOLS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 26,834,509
Certificates of deposit	496,000
Restricted cash and cash equivalents	123,460,998
TOTAL ASSETS	<u><u>\$ 150,791,507</u></u>
LIABILITIES	
Payroll withholdings	\$ 395,619
TOTAL LIABILITIES	<u><u>\$ 395,619</u></u>
NET POSITION	
Restricted for:	
Capital projects	\$ 109,769,922
Debt service	13,691,076
Unrestricted	26,934,890
TOTAL NET POSITION	<u><u>\$ 150,395,888</u></u>

The notes to the financial statements are an integral part of this statement

LINDBERGH SCHOOLS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2020

FUNCTIONS/PROGRAMS	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 40,793,740	\$ 599,790	\$ -	\$ -	\$ (40,193,950)
Student services	2,730,771	-	-	-	(2,730,771)
Instructional staff support	3,179,029	-	-	-	(3,179,029)
Building administration	3,932,120	68,948	-	-	(3,863,172)
General administration and central services	6,747,214	-	-	-	(6,747,214)
Operations of plant	9,265,732	-	-	-	(9,265,732)
Transportation	2,223,096	-	365,015	-	(1,858,081)
Food service	1,959,372	1,173,731	477,910	-	(307,731)
Community services	3,794,640	3,301,363	207,670	-	(285,607)
Facility acquisition and construction	8,591,726	-	-	-	(8,591,726)
Debt service					
Interest and fiscal charges	3,946,392	-	-	-	(3,946,392)
Principal	6,675,000	-	-	-	(6,675,000)
Total governmental activities	<u>\$ 93,838,832</u>	<u>\$ 5,143,832</u>	<u>\$ 1,050,595</u>	<u>\$ -</u>	<u>(87,644,405)</u>
General revenues:					
Property taxes levied					64,465,011
Other taxes					439,195
Prop C - sales tax					6,610,554
Federal and State aid not restricted to specific purposes					10,880,469
Miscellaneous					967,179
Investment earnings					1,631,209
Bond proceeds and premium					71,825,047
Capital lease proceeds					1,067,661
Total general and other revenues					<u>157,886,325</u>
Changes in net position					70,241,920
Net position - beginning					80,153,968
Net position - ending					<u>\$ 150,395,888</u>

The notes to the financial statements are an integral part of this statement

LINDBERGH SCHOOLS
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 23,673,618	\$ -	\$ -	\$ -	\$ 23,673,618
Restricted cash and cash equivalents	-	-	13,691,076	109,769,922	123,460,998
TOTAL ASSETS	<u>\$ 23,673,618</u>	<u>\$ -</u>	<u>\$ 13,691,076</u>	<u>\$ 109,769,922</u>	<u>\$ 147,134,616</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Payroll withholding	\$ 395,619	\$ -	\$ -	\$ -	\$ 395,619
TOTAL LIABILITIES	<u>395,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>395,619</u>
FUND BALANCES					
Restricted	-	-	13,691,076	109,769,922	123,460,998
Unassigned	23,277,999	-	-	-	23,277,999
TOTAL FUND BALANCES	<u>23,277,999</u>	<u>-</u>	<u>13,691,076</u>	<u>109,769,922</u>	<u>146,738,997</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 23,673,618</u>	<u>\$ -</u>	<u>\$ 13,691,076</u>	<u>\$ 109,769,922</u>	<u>\$ 147,134,616</u>

The notes to the financial statements are an integral part of this statement

LINDBERGH SCHOOLS
RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCE - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2020

Total fund balance - governmental funds	\$ 146,738,997
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Amounts reported for *governmental activities* in the statement of net position are different than amounts reported in the balance sheet for governmental funds due to the following items:

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 funds are included in the governmental activities in the Statement of Net Position.

3,656,891

Net position of governmental activities	<u>\$ 150,395,888</u>
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The notes to the financial statements are an integral part of this statement

LINDBERGH SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues collected:					
Local	\$ 28,855,993	\$ 35,905,064	\$ 13,146,404	\$ 778,465	\$ 78,685,926
County	361,594	704,424	282,410	-	1,348,428
State	2,750,041	6,917,112	-	55,565	9,722,718
Federal	819,986	39,932	-	-	859,918
Other	11,105	194,721	-	6,274	212,100
Total revenues collected	32,798,719	43,761,253	13,428,814	840,304	90,829,090
Expenditures paid:					
Current:					
Instruction	4,394,949	36,223,418	-	175,373	40,793,740
Student services	1,132,716	1,594,453	-	3,602	2,730,771
Instructional staff support	952,339	2,226,690	-	-	3,179,029
Building administration	1,199,706	2,732,414	-	-	3,932,120
General administration and central services	4,622,368	1,994,127	-	130,719	6,747,214
Operations of plant	7,991,266	-	-	1,274,466	9,265,732
Transportation	2,223,096	-	-	-	2,223,096
Food service	1,959,372	-	-	-	1,959,372
Community services	3,794,640	-	-	-	3,794,640
Facility acquisition and construction	-	-	-	8,591,726	8,591,726
Principal, interest and fiscal charges	-	-	10,165,975	455,417	10,621,392
Total expenditures paid	28,270,452	44,771,102	10,165,975	10,631,303	93,838,832
Excess (deficiency) of revenues collected over expenditures paid	4,528,267	(1,009,849)	3,262,839	(9,790,999)	(3,009,742)
Other financing sources (uses)					
Bond proceeds	-	-	-	71,825,047	71,825,047
Capital lease proceeds	-	-	-	1,067,661	1,067,661
Transfers to (from)	(4,147,288)	1,009,849	-	3,137,439	-
Net change in fund balances	380,979	-	3,262,839	66,239,148	69,882,966
Fund balance - beginning	22,897,020	-	10,428,237	43,530,774	76,856,031
Fund balance - ending	\$ 23,277,999	\$ -	\$ 13,691,076	\$ 109,769,922	\$ 146,738,997

The notes to the financial statements are an integral part of this statement

LINDBERGH SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2020

Net change in fund balances - governmental funds	\$ 69,882,966
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Amounts reported for *governmental activities* in the statement of activities are different because:

Internal service funds are used by the District to charge the cost of insurance activities to individual funds. The change in net position of the internal service funds are included in the governmental activities in the Statement of Activities.	<u>358,954</u>
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Change in net position of governmental activities	<u><u>\$ 70,241,920</u></u>
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The notes to the financial statements are an integral part of this statement

LINDBERGH SCHOOLS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND
JUNE 30, 2020

	<u>Governmental Activities - Internal Service Fund</u>
ASSETS	
Cash and cash equivalents	\$ 3,160,891
Certificates of deposit	496,000
TOTAL ASSETS	<u>\$ 3,656,891</u>
LIABILITIES	
None	\$ -
TOTAL LIABILITIES	<u>\$ -</u>
NET POSITION	
Unrestricted	3,656,891
TOTAL NET POSITION	<u>\$ 3,656,891</u>

The notes to the financial statements are an integral part of this statement

LINDBERGH SCHOOLS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
MODIFIED CASH BASIS - PROPRIETARY FUND
JUNE 30, 2020

	Governmental Activities - Internal Service Fund
Revenues	
Insurance premiums	\$ 7,890,228
Interest income	37,146
	<hr/>
Total revenues	7,927,374
Operating expenditures	
Medical and dental claims	7,568,420
	<hr/>
CHANGE IN NET POSITION	358,954
Net position at beginning of year	3,297,937
	<hr/>
Net position at end of year	\$ 3,656,891
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The notes to the financial statements are an integral part of this statement

LINDBERGH SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lindbergh Schools (the District) is a political subdivision of the State of Missouri and 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.

As discussed further in Note 1, 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). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Financial Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying criteria set forth in GAAP. The basic but not the only criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the District's reporting entity.

The District's financial reporting entity is comprised of the following:

Primary Government:	Lindbergh Schools
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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.

The Public School Retirement System of Missouri and the Public Education Employee Retirement System Retirement System were excluded from the reporting entity. These potential component units have been appointed jointly by the participating school district's governing bodies. These are independent units that select management staff, set user charges, establish budgets and control all aspects of its daily activity.

Fund Accounting

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

Governmental Funds

Governmental Funds are those through which most functions of the District are financed. The District's expendable financial resources are accounted for through Governmental Funds. The measurement focus is upon determination of changes in the financial position rather than upon net income determination.

Governmental Funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various Governmental Funds according to the purposes for which they may or must be used. The difference between Governmental Fund assets and liabilities is reported as fund balance. The following are the District's Governmental Fund types, each of which the District considers to be a major fund:

LINDBERGH SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General Fund - Used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Fund - Used to account for proceeds of specific revenue sources that are committed or restricted to expenditures for specific purposes other than debt service or capital projects. Accounts for expenditures for certified employees involved in administration and instruction.

Debt Service Fund - Accounts for the accumulation of resources for, and the payment of principal, interest and fiscal charges on general long-term debt.

Capital Projects Fund - Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District reports the following major 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.

Basis of Presentation

Government-wide Financial Statements

The statement of net position and the statement of activities present financial information about the District as a whole. 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 transactions. 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 government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation between the government-wide statements and the statements for governmental funds.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. 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 School District.

Fund Financial Statements

The fund financial statements provide detailed information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are the statement of assets, liabilities and fund balances arising from cash transactions, which generally includes only current assets and current liabilities, and a statement of revenues collected, expenditures paid and changes in fund balances, which reports on the sources and uses of current financial resources.

LINDBERGH SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the financial statements, the “current financial resources” measurement focus is used:

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available expendable financial resources at the end of the period.

Basis of Accounting

In the financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes cash and cash equivalents, certificates of deposit, payroll withholding, fund balance, revenues, and expenditures when they result from cash transactions. Accordingly, the District does not record property and equipment, loans payable, or bonds payable on the books. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting used by the District requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash, Cash Equivalents and Investments

For the purpose of financial reporting, “cash and cash equivalents” includes all demand and savings accounts, and certificates of deposit with an original maturity of three months or less. 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 or P1 commercial paper.

Certificates of deposit are carried cost and labeled as certificates of deposit in the financial statements.

Common Bank Account

Separate bank accounts are not maintained for all District funds, instead, certain funds maintain their uninvested cash balances in a common account with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally, certain funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures, which have been approved by the School Board. As of June 30, 2020, the Special Revenue fund had an overdraft in the amount of \$19,269,196.

Teachers Salaries

The salary payment schedule of the District for the 2019 - 20 school year requires the payment of salaries over a twelve - month period. Consequently, the July and August 2020 payroll checks are included in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

LINDBERGH SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Activity

Interfund transfers are reported as other financing sources/uses in governmental funds. All transfers are eliminated within the government-wide financial statements.

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

When restricted sources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Government Fund Type Definitions, the School District classifies governmental fund balances as follows:

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.

The School District uses restricted amounts first when both restricted and unrestricted fund balances are available, unless there are legal contracts that prohibit doing this.

NOTE 2 – CASH AND CASH EQUIVALENTS

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

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2020, the carrying amount of the District's deposits was \$150,791,507 (including certificates of deposit) and the total bank balance was \$153,418,432.

At year-end, included in the total above, the District held certificates of deposit with a total carrying amount, which approximates fair value, of \$496,000. These are shown as certificates of deposit due to their original maturity dates.

LINDBERGH SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

Missouri Securities Investment Program (MOSIP) - The District has \$300,889 invested in the MOSIP money market as of June 30, 2020. All funds in the program are invested in accordance with Section 165.051 Missouri Revised Statutes. Each school district owns a pro-rata share of each investment or deposit which is held in the name of the Fund. Since the Fund has the characteristics of a mutual fund, it is not reported by risk category in accordance with the Governmental Accounting Standards Board.

Custodial Credit Risk – Deposits - For a deposit, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy does not include custodial credit risk requirements. The deposits were not exposed to custodial credit risk for the year ended June 30, 2020. Of the bank balance, \$1,917,587 was covered by federal depository insurance, and \$4,509,638 was covered by collateral held at the Federal Reserve Bank and the District's safekeeping bank agent in the District's name. Also, \$146,991,207 was held in the Missouri Securities Investment Program (MOSIP).

Custodial Credit Risk – Investments - Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the District or its agent but not in the government's name. The District does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the District or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk - The District has no policy in place to minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities.

Investment Credit Risk - The District has no policy in place to minimize credit risk, the risk of loss due to the failure of the security issuer or backer.

NOTE 3 - CONTINGENCIES

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

Risk Management - The District is a member of the Missouri School Insurance Council (MUSIC), a protected, self-insurance program of approximately 475 Missouri Public School Districts and Junior College Districts. The District does not pay premiums to purchase insurance policies, but it does pay assessments to be a member of a self-sustaining risk-sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole. The District paid \$917,401 in annual assessments for this insurance. Settled claims have not exceeded coverage in any of the past three years.

The District is not involved in any pending litigation as of the audit report date.

LINDBERGH SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 4 - TAXES

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

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

The assessed valuation of the tangible taxable property for the calendar year 2019 for the purposes of local taxation was:

Residential	\$ 1,002,704,630
Agricultural	338,620
Commercial	385,291,440
Personal Property	166,701,590
TOTAL	<u><u>\$ 1,555,036,280</u></u>

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

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 1.2000	\$ 1.2000
Special Revenue Fund	1.9892	1.9892
Debt Service Fund	0.8330	0.8330
Capital Projects Fund	-	-
TOTAL	<u><u>\$ 4.0222</u></u>	<u><u>\$ 4.0222</u></u>

The receipts of current property taxes during the fiscal year ended June 30, 2020 comprised approximately 97.76% of the current assessment computed on the basis of the levy shown above.

NOTE 5 - PENSION PLANS

The District 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 PSRS 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.

PSRS members are required to contribute 14.5% of their annual covered salary and the District is required to contribute a matching amount. The contribution requirements of members and the District are established and may be amended by the PSRS Board of Trustees. The District's contributions to PSRS for the year ending June 30, 2020, 2019, and 2018 were \$5,481,194, \$5,190,657, and \$5,004,685, respectively, equal to the required contributions.

LINDBERGH SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 5 - PENSION PLANS (continued)

The District 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 PSRS. Positions covered by PEERS 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 PSRS. 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 District is required to contribute a matching amount. The contribution requirements of members and the District are established and may be amended by the Board of Trustees. The District's contributions to PEERS for the year ending June 30, 2020, 2019 and 2018 were \$715,047, \$696,975, and \$680,803, respectively, equal to the required contributions.

NOTE 6 - LONG-TERM DEBT OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Due Within One Year
Bonds payable	\$ 128,248,954	\$ 65,000,000	\$ (6,675,000)	\$ 186,573,954	\$ 7,005,000
Certificates of participation	7,060,000	-	-	7,060,000	-
Finance leases	-	1,067,662	-	1,067,662	264,524
	<u>\$ 135,308,954</u>	<u>\$ 66,067,662</u>	<u>\$ (6,675,000)</u>	<u>\$ 194,701,616</u>	<u>\$ 7,269,524</u>

Principal and interest on all bonded indebtedness is paid through the Debt Service Fund and principal and interest on capital leasehold revenue bonds are paid through the Capital Projects Fund.

Bond payable consists of the following at June 30, 2020:

	Original Issue Amount	Maturity Date	Interest Rates	Balance at June 30, 2020
Series 2009B	\$ 7,165,000	2024	1.00%	\$ 5,640,000
Series 2010A	4,833,954	2029	0	4,833,954
Series 2010C	6,055,000	2020	2.35% - 2.85%	-
Series 2012	9,070,000	2023	1.00% - 2.00%	2,415,000
Series 2014 refunding	32,060,000	2027	2.00% - 3.00%	30,210,000
Series 2014	34,035,000	2034	2.00% - 4.00%	21,430,000
Series 2015 refunding	9,865,000	2029	2.00% - 3.00%	9,005,000
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
Series 2020	65,000,000	2040	2.25% - 4.00%	65,000,000
				<u>\$ 186,573,954</u>

LINDBERGH SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 6 - LONG-TERM DEBT OBLIGATIONS (continued)

The annual requirements to amortize general obligation bonds are as follows as of June 30, 2020:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 7,005,000	\$ 6,007,155	\$ 13,012,155
2022	7,240,000	5,812,720	13,052,720
2023	7,445,000	5,597,415	13,042,415
2024	7,655,000	5,411,725	13,066,725
2025	7,289,770	5,754,893	13,044,663
2026-2030	36,359,184	27,951,142	64,310,326
2031-2035	51,520,000	15,848,293	67,368,293
2036-2040	62,060,000	5,151,706	67,211,706
	<u>\$ 186,573,954</u>	<u>\$ 77,535,049</u>	<u>\$ 264,109,003</u>

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.

Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri limits the outstanding amount of authorized general obligation bonds of a district to 15 percent of the assessed valuation of the district (excluding state-assessed railroad and utilities). The legal debt limit and debt margin of the District at June 30, 2020, was:

Constitutional debt limit	\$ 233,255,442
General obligation bond payable	<u>(186,573,954)</u>
Legal debt margin	<u>\$ 46,681,488</u>

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, 2020:

LINDBERGH SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 6 - LONG-TERM DEBT OBLIGATIONS (continued)

Year Ending June 30,	Principal	Interest	Total
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	420,000	162,480	582,480
2026-2030	2,265,000	665,068	2,930,068
2031-2035	2,590,000	338,288	2,928,288
2036-2040	565,000	18,052	583,052
	<u>\$ 7,060,000</u>	<u>\$ 1,902,698</u>	<u>\$ 8,962,698</u>

Finance Leases

Clayton Holdings, LLC - In May 2020 the District entered into a finance lease agreement with Clayton Holdings, LLC for copiers. The lease calls for five annual payments of \$43,226 starting on July 1, 2020 with annual interest of 2.45%. The funding finalized during fiscal 2020, and the balance at June 30, 2020 was \$223,245

Clayton Holdings, LLC - In June 2020 the District entered into a finance lease agreement with Clayton Holdings, LLC for computers. The lease calls for four annual payments of \$223,245 starting on July 1, 2020 with annual interest of 2.26%. The funding finalized during fiscal 2020, and the balance at June 30, 2020 was \$862,088.

Apple Inc. - In April 2020 the District entered into a finance lease agreement with Apple, Inc. for computer equipment. The lease calls for four annual payments of \$57,703 starting on July 10, 2020 with annual interest of 0.00%. The equipment funding was finalized during fiscal year 2021, subsequent to year end.

Apple Inc. - In May 2020 the District entered into a finance lease agreement with Apple, Inc. for computer equipment. The lease calls for four annual payments of \$212,906 starting on July 5, 2020 with annual interest of 0.56%. The equipment funding was finalized during fiscal year 2021, subsequent to year end.

The following is a schedule of the future minimum lease payments required under the finance leases that funded during fiscal 2020 and the present value of the net minimum lease payments as of June 30, 2020:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 264,524	\$ 1,950	\$ 266,474
2022	247,886	18,588	266,474
2023	253,604	12,869	266,473
2024	259,454	7,020	266,474
2025	42,194	1,034	43,228
	<u>\$ 1,067,662</u>	<u>\$ 41,461</u>	<u>\$ 1,109,123</u>

NOTE 7 - FUND BALANCE TRANSFERS

During fiscal year 2020, the general fund transferred \$1,009,849 to the special revenue fund. The general fund also transferred \$3,137,439 to the capital projects fund. The purposes of the transfers were to fund current operations and current and future capital projects.

LINDBERGH SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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, 2020, 326 retirees participated in the District's insurance plans and paid premiums totaling \$1,096,908.

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, 2020, the District paid approximately \$1,176,000 under the plan. Based upon participants at June 30, 2020, the District will be liable for approximately \$1,300,000 in additional benefits through the year ending June 30, 2021.

NOTE 11 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 20, 2020, the date which the financial statements were available for issue, and the following events were noted. The District entered into two finance lease agreements with Apple, Inc., which are described in Note 6. In July 2020 the District issued \$9,500,000 in certificates of participation.

The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the District, COVID-19 may impact various parts of fiscal year 2021 operations and financial results. Management believes the District is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

SUPPLEMENTARY INFORMATION

LINDBERGH SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues collected:				
Local	\$ 29,221,454	\$ 29,532,374	\$ 28,855,993	\$ (676,381)
County	302,767	302,767	361,594	58,827
State	3,205,500	3,298,498	2,750,041	(548,457)
Federal	1,046,648	1,046,648	819,986	(226,662)
Other	-	-	11,105	11,105
Total revenues collected	<u>33,776,369</u>	<u>34,180,287</u>	<u>32,798,719</u>	<u>(1,381,568)</u>
Expenditures paid:				
Instruction	4,156,177	4,353,653	4,394,949	(41,296)
Student services	1,220,332	1,240,536	1,132,716	107,820
Instructional staff support	993,806	1,070,077	952,339	117,738
Building administration	1,186,243	1,176,775	1,199,706	(22,931)
General administration and central services	5,082,303	5,953,166	4,622,368	1,330,798
Operations of plant	8,532,342	8,717,330	7,991,266	726,064
Transportation	2,604,996	2,611,476	2,223,096	388,380
Food service	2,640,000	2,640,000	1,959,372	680,628
Community services	4,260,252	4,261,813	3,794,640	467,173
Total expenditures paid	<u>30,676,451</u>	<u>32,024,826</u>	<u>28,270,452</u>	<u>3,754,374</u>
Excess (deficiency) of revenues collected over expenditures paid	3,099,918	2,155,461	4,528,267	2,372,806
Other financing sources (uses)				
Transfers to (from)	<u>(4,147,288)</u>	<u>(4,147,288)</u>	<u>(4,147,288)</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,047,370)</u>	<u>\$ (1,991,827)</u>	<u>380,979</u>	<u>\$ 2,372,806</u>
Fund balance, beginning			<u>22,897,020</u>	
Fund balance, ending			<u>\$ 23,277,999</u>	

LINDBERGH SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues collected:				
Local	\$ 35,951,226	\$ 35,986,901	\$ 35,905,064	\$ (81,837)
County	623,533	623,533	704,424	80,891
State	6,644,661	6,644,661	6,917,112	272,451
Federal	-	44,176	39,932	(4,244)
Other	271,075	271,075	194,721	(76,354)
Total revenues collected	43,490,495	43,570,346	43,761,253	190,907
Expenditures paid:				
Instruction	36,746,299	36,758,407	36,223,418	534,989
Student services	1,481,779	1,482,516	1,594,453	(111,937)
Instructional staff support	2,300,694	2,245,348	2,226,690	18,658
Building administration	2,711,134	2,711,134	2,732,414	(21,280)
General administration and central services	1,995,343	1,995,343	1,994,127	1,216
Community services	450	6,068	-	6,068
Total expenditures paid	45,235,699	45,198,816	44,771,102	427,714
Excess (deficiency) of revenues collected over expenditures paid	(1,745,204)	(1,628,470)	(1,009,849)	618,621
Other financing sources (uses)				
Transfers to (from)	1,009,849	1,009,849	1,009,849	-
Net change in fund balances	<u>\$ (735,355)</u>	<u>\$ (618,621)</u>	<u>-</u>	<u>\$ 618,621</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

LINDERBERGH SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -
DEBT SERVICE
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues collected:				
Local	\$ 13,445,000	\$ 13,445,000	\$ 13,146,404	\$ (298,596)
County	245,000	245,000	282,410	37,410
Total revenues collected	13,690,000	13,690,000	13,428,814	(261,186)
Expenditures paid:				
Principal, interest and fiscal charges	9,382,712	10,432,335	10,165,975	266,360
Total expenditures paid	9,382,712	10,432,335	10,165,975	266,360
Excess (deficiency) of revenues collected over expenditures paid	<u>\$ 4,307,288</u>	<u>\$ 3,257,665</u>	3,262,839	<u>\$ 5,174</u>
Fund balance, beginning			<u>10,428,237</u>	
Fund balance, ending			<u>\$ 13,691,076</u>	

LINDBERGH SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -
CAPITAL PROJECTS
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues collected:				
Local	\$ 35,675	\$ 6,825,047	\$ 778,465	\$ (6,046,582)
County	-	-	-	-
State	-	-	55,565	55,565
Other	15,000	15,000	6,274	(8,726)
Total revenues collected	50,675	6,840,047	840,304	(5,999,743)
Expenditures paid:				
Instruction	38,436	164,794	175,373	(10,579)
Student services	-	1,110	3,602	(2,492)
Building administration	3,000	3,944	-	3,944
General administration and central services	785,785	943,802	130,719	813,083
Operations of plant	603,220	2,823,161	1,274,466	1,548,695
Community services	-	1,500	-	1,500
Facility acquisition and construction	39,883,350	109,240,705	8,591,726	100,648,979
Principal, interest and fiscal charges	186,805	456,617	455,417	1,200
Total expenditures paid	41,500,596	113,635,633	10,631,303	103,004,330
Excess (deficiency) of revenues collected over expenditures paid	(41,449,921)	(106,795,586)	(9,790,999)	97,004,587
Other financing sources (uses)				
Bond proceeds and premium	-	65,000,000	71,825,047	(6,825,047)
Capital lease proceeds	-	-	1,067,661	(1,067,661)
Transfers to (from)	3,137,439	3,137,439	3,137,439	-
Net change in fund balances	\$ (38,312,482)	\$ (38,658,147)	66,239,148	\$ 89,111,879
Fund balance, beginning			43,530,774	
Fund balance, ending			\$ 109,769,922	

LINDBERGH SCHOOLS
NOTES TO BUDGETARY COMPARISON INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020

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, RSM, 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. Adjustments made during the year are reflected in the budget information included in the financial statements.
6. Budgets for District funds are prepared and adopted on the modified cash basis (budgetary basis), recognizing revenues when collected and expenditures when paid. Budgeted amounts lapse at year-end.

LINDBERGH SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL PROGRAM EXPENDITURES
US DEPARTMENT OF AGRICULTURE:			
Passed-through-Missouri Department of Elementary and Secondary Education			
School Breakfast Program (m)	10.553	096-093	\$ 61,543
National School Lunch Program (m)	10.555	096-093	399,631
National School Lunch Program - noncash (m)	10.555	096-093	142,553
TOTAL CHILD NUTRITION CLUSTER			<u>603,727</u>
TOTAL US DEPARTMENT OF AGRICULTURE			<u>603,727</u>
US DEPARTMENT OF EDUCATION:			
Passed-through-Missouri Department of Elementary and Secondary Education			
Title I Grants to Local Educational Agencies	84.010	096-093	183,007
English Language Acquisition	84.365	096-093	39,459
Title II - Improving Teacher Quality	84.367	096-093	73,472
Student Support and Academic Enrichment Program	84.424	096-093	11,156
TOTAL OTHER US DEPARTMENT OF EDUCATION			<u>307,094</u>
TOTAL US DEPARTMENT OF EDUCATION			<u>307,094</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 910,821</u></u>

(m) - Program audited as a major program.

LINDBERGH SCHOOLS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR JUNE 30, 2020

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Lindbergh Schools and is presented on the modified cash basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUBRECIPIENTS

None of the federal expenditures presented in the schedule were provided to sub-recipients.

NOTE 3 - DESCRIPTIONS OF MAJOR FEDERAL PROGRAM

The Child Nutrition Cluster programs provide funds for nutritious and well balanced lunches and breakfasts to children.

NOTE 4 - NON-CASH ASSISTANCE

The District received and distributed commodities through the National School Lunch Program. The value of commodities as determined by the Food Service Section of the Department of Elementary and Secondary Education was \$142,553.

NOTE 5 - INSURANCE

The federal programs presented in the previous schedule did not have separate program specific insurance policies.

NOTE 6 - LOANS/LOAN GUARANTEES/INTEREST SUBSIDIES

The federal programs presented in the previous schedule did not have any loans, loan guarantees, or interest subsidies associated with them.

NOTE 7 - DE MINIMIS COST RATE

The District has not elected to use the 10% de minimis indirect cost rate.

State Compliance
Section



**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS**

We have examined management's assertions, that Lindbergh Schools (the District) complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures, accurate disclosure by the District's attendance records of average daily attendance and average daily pupil transportation and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2020. As discussed in that representation letter, management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the District's compliance based on our examination.

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 the Schedule of Selected Statistics is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule of Selected Statistics. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule of Selected Statistics, 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.

In our opinion, management's assertions that the District complied with the aforementioned requirements for the year ended June 30, 2020 are fairly stated in all material respects.

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

Fick, Eggemeyer & Williamson

Fick, Eggemeyer & Williamson, CPA's
Saint Louis, Missouri
October 20, 2020

LINDBERGH SCHOOLS
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2020

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
	K	5		6.35	125	788.7500
	6	8		6.5	126	813.8500
	9	12		6.45	126	801.0500

Notes:	
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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. Include only PK students allowed to be claimed for state aid in the calculation.

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
1050	9-12	1,501,488.5294	74,480.6442	-	-	31,591.4433	1,607,560.6169
3070	6-8	732,571.9233	-	-	-	1,071.0000	733,642.9233
3080	6-8	548,108.9476	-	-	-	28.0000	548,136.9476
4040	K-5	344,813.9829	-	-	-	-	344,813.9829
4060	K-5	509,525.1167	-	-	-	861.0000	510,386.1167
5020	K-5	338,063.6006	-	-	-	-	338,063.6006
5040	K-5	392,715.5007	-	-	-	28.0000	392,743.5007
5060	K-5	398,451.0161	-	-	-	-	398,451.0161
5070	K-5	459,507.9989	712.5500	-	-	-	460,220.5489
Grand Total		5,225,246.6162	75,193.1942	-	-	33,579.4433	5,334,019.2537

Notes:	

3. SEPTEMBER MEMBERSHIP

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

LINDBERGH SCHOOLS
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2020

School Code	Grade Level	Full-Time	Part-Time	Other	Total
	K	556.00	0.00	0	556.00
	1	503.00	0.00	0	503.00
	2	533.00	0.70	0	533.70
	3	567.00	0.00	0	567.00
	4	519.00	0.00	0	519.00
	5	562.00	0.00	0	562.00
	6	539.00	0.00	0	539.00
	7	580.00	0.00	0	580.00
	8	538.00	0.00	0	538.00
	9	543.00	0.16	0	543.16
	10	549.00	6.53	0	555.53
	11	477.00	46.32	0	523.32
	12	461.00	45.88	0	506.88
Grand Total		6927.00	99.59	0.00	7026.59

Notes:	
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4. FREE AND REDUCED PRICED LUNCH FTE COUNT (SECTION 163.011(6), RSMO)

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
1050	211.90	42.88	-	-	254.78
3070	108.00	19.00	-	-	127.00
3080	86.00	20.00	-	-	106.00
4040	73.00	26.00	-	-	99.00
4060	103.00	19.00	-	-	122.00
5020	26.00	9.00	-	-	35.00
5040	33.00	5.00	-	-	38.00
5060	77.00	10.00	-	-	87.00
5070	44.00	14.00	-	-	58.00
Grand Total	761.90	164.88	-	-	926.78

Notes:	

LINDBERGH SCHOOLS
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2020

5. FINANCE

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

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	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:	True
	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 district's/charter school's treasurer in the total amount of:	\$50,000
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	True
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	True
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True

**LINDBERGH SCHOOLS
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2020**

5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$136,311
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

Notes:	
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6. TRANSPORTATION (SECTION 163.161, RSMO)

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	#2,956.5
	Ineligible ADT	#902.5
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	#294,411
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles	#269,645
	Ineligible Miles (Non-Route/Disapproved)	#24,766
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	127

Notes:	

Federal Compliance
Section



**INDEPENDENT AUDITOR'S 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**

To the 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, 2020, and the related notes to the financial statements, which collectively comprise the Lindbergh Schools' basic financial statements, and have issued our report thereon dated October 20, 2020.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fick, Eggemeyer & Williamson

Fick, Eggemeyer & Williamson, CPA's
Saint Louis, Missouri
October 20, 2020



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

To the 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, 2020. The Lindbergh Schools' major federal programs are identified in the summary of auditor's 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.

Auditor's 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 Lindbergh Schools' compliance.

Opinion on Each Major Federal Program

In our opinion, 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, 2020.

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 the 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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first 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.

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.

Fick, Eggemeyer & Williamson

Fick, Eggemeyer & Williamson, CPA's
Saint Louis, Missouri
October 20, 2020

LINDBERGH SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified _____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses _____ Yes X No

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weaknesses identified? _____ Yes X No

Reportable conditions identified that are not considered to be material weaknesses _____ Yes X No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance _____ Yes X No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
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10.553	School Breakfast Program
10.555	National School Lunch Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low risk auditee? X Yes _____ No

**LINDBERGH SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

Section II - Financial Statement Findings

There are no reportable conditions to disclose.

Section III - Federal Award Findings

There are no federal award findings to disclose.

**LINDBERGH SCHOOLS
SCHEDULE OF RESOLUTION OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

There were no prior year audit findings.