LINDBERGH SCHOOLS

FINANCIAL STATEMENTS

June 30, 2015

LINDBERGH SCHOOLS

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Kerber, Eck & Braeckel LLP

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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 (the District), as of and for the year ended June 30, 2015, 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 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 statement 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, 2015, and the respective changes in modified cash basis financial positions 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 an opinion on the financial statements that collectively comprise the Lindbergh Schools' basic financial statements. The management's discussion and analysis, supplementary information, 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 on page 53 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The management's discussion and analysis on pages 7-16, supplementary information on pages 36-44, schedule of selected statistics on pages 46-48, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing standards 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 September 18, 2015, 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.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
September 18, 2015

The Management's Discussion and Analysis (MD&A) of Lindbergh Schools (the District) provides an overview and analysis of the District's financial activities for the fiscal year ended June 30, 2015. The intent of the MD&A is to look at the District's financial performance as a whole. Readers should also review the financial statements found in the financial section and the notes thereto to enhance their understanding of the District's financial performance.

The financial statements of the District have been prepared on the modified cash basis of accounting, as applied to local governmental units, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Differences in the modified cash basis of accounting and accounting principles generally accepted in the United States of America arise in the recognition of revenue when received, rather than when earned, and the presentation of expenditures/expenses when paid rather than when incurred. Additional information on the District's modified cash basis of accounting can be found in the notes to basic financial statements.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2015, include the following:

- The governmental activities net position (modified cash basis) was $66,039,573 as compared to $36,271,075 the previous year. The governmental funds ending fund balances (modified cash basis) were $62,599,106 as compared to $32,839,522 the previous year.

- Program revenues collected made up 8.2% of the total revenues collected for the year ended June 30, 2015 as compared to 8.1% the previous year. These program revenues collected covered 11.3% of the program expenditures paid leaving 88.7%, to be covered by general revenues collected and fund balances, as compared to 8.4% of the program expenditures paid leaving 91.6%, to be covered by general revenues collected and fund balances the previous year. The increase in the percentages that program revenues cover and the decrease in program expenditures covered by general revenues is due to the large dollar of refunded bond revenue and expense ($32 million) that was part of each total in the prior year.

Using the Basic Financial Statements

The District's basic financial statements consist of a series of financial statements and the associated notes to those statements. The statements are organized so the reader can understand the operations of the District as a whole (i.e., an entire operating entity). The "Basic Financial Statements" section includes government-wide financial statements, fund financial statements and notes to financial statements.

The government-wide financial statements, consisting of the Statement of Net Position (modified cash basis) and the Statement of Activities (modified cash basis), provide highly consolidated financial information and render a government-wide perspective of the District's financial condition. They present an aggregate view of the District's finances. These statements seek to answer the question, "How did the District do financially during the 2014-15 fiscal year?" These statements include all cash and investments using the modified cash basis of accounting.

By showing the change in net position (modified cash basis) for the year, the reader may ascertain whether the District's financial condition has improved or deteriorated. The changes which are discussed in this MD&A may be financial or non-financial in nature. Non-financial factors which may have an impact on the District's financial condition include increases in or erosion of the property tax base within the District, facilities maintenance and condition, mandated educational programs for which little or no funding is provided, or other external factors.

To provide more in depth reporting of the District's financial position and changes in financial position, fund financial information is presented in the "Fund Financial Statements". These fund financial statements, which should be familiar to those who have read previous governmental financial statements, report governmental fund activities on a modified cash basis, indicating modified cash basis sources and uses of funding.

Fund financial statements also provide more in-depth data on the District's most significant funds, its General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund. These funds are considered "major funds" by the Missouri Department of Elementary and Secondary Education. The relationship between governmental activities reported in the government-wide financial statements and the governmental funds reported in the fund financial statements are reconciled in the financial statements.

Government-Wide Financial Analysis

Net position of the District at June 30, 2015, of $66,039,573 reflects the District's total assets of cash and investments less payroll withholdings compared to net position at June 30, 2014, of $36,271,075. Net position of the District consists of the following as of June 30,:

	2015	2014
Restricted	$40,448,109	$ 9,754,217
Unrestricted	25,591,464	26,516,858
	$66,039,573	$36,271,075

The restricted net position is restricted for payment of principal and interest on general obligation bonds, student scholarships and capital projects.

Governmental Activities

Net position at June 30, 2015, reflects an increase of $29,768,498 from the net position balance at June 30, 2014. The primary factor of this increase was the issuance of Series 2014 general obligation bonds for the construction of a new elementary school and renovations at the high school.

Other key elements of this increase consist of the following:

CHANGES IN NET POSITION
Years ended June 30,

	2015	2014
Program revenues		
Charges for services	$ 7,610,498	$ 7,163,494
Operating grants and contributions	1,346,390	1,217,969
Capital grants and contributions	143,451	-
General revenues		
Taxes	59,678,476	56,190,506
Federal, state and county aid not restricted to specific purposes	5,775,730	5,288,463
Interest and investment earnings	1,582,649	1,602,389
Bond proceeds	34,035,000	32,060,000
Other	288,143	557,995
Total revenues	110,460,337	104,080,816
Function/Program expenses		
Instruction	37,156,826	34,114,744
Capital outlay	4,456,511	841,615
Debt service		
Principal	8,050,000	35,025,000
Interest and other charges	3,376,253	4,349,010
Other	27,652,249	25,859,155
Total functional/program expenses	80,691,839	100,189,524
Change in net position	29,768,498	3,891,292
Net position at beginning of year	36,271,075	32,379,783
Net position at end of year	$66,039,573	$36,271,075

As reflected above, the expenses paid for the District's governmental activities for the years ended June 30, 2015 and 2014, of $80,691,839 and $100,189,524, respectively, are not all borne by the taxpayers of the District. Of these amounts $7,610,498 and $7,163,494 were paid by those who benefited from the services rendered (i.e., charges for school lunches) and $1,489,841 and $1,217,969 were paid through federal and state grants and contributions for the years ending June 30, 2015 and 2014, respectively.

Consequently, for the years ending June 30, 2015 and 2014, respectively, the net costs of $71,591,500 and $91,808,061, after taking into consideration these fees and grants, were paid from other general revenues, which include property taxes paid by the taxpayers of the District as well as other taxes, additional state funding and fund balances. The primary reason for the large reduction in expenditures is due to the refunding bond principal of $32 million that is included in the prior year total governmental activities expenses.

The next table shows the total cost of programs and the net cost of these programs (after deducting charges for services and grants and contributions revenue collected for the various categories of expenses paid) for the years ended June 30, 2015 and 2014. The net cost presentation allows the taxpayers of the District to determine the remaining cost of the various categories which were borne by them or paid from other general revenues and fund balances, and allows them the opportunity to assess the cost of these functions in comparison to the benefits received.

	2015		2014	
	Total cost of programs	Net cost of programs	Total cost of programs	Net cost of programs
Instruction	$ 37,156,826	$34,308,396	$ 34,114,744	$31,709,952
Guidance/Attendance	1,542,342	1,541,710	1,417,491	1,417,189
Health, psych, speech and audio	550,490	550,490	559,829	557,740
Improvement of instruction	987,386	937,702	886,803	873,303
Professional development	96,255	96,255	84,865	84,865
Media services	656,378	652,969	706,199	702,899
Board of education services	337,264	337,264	238,930	238,930
Executive administration	3,446,574	3,446,574	3,313,976	3,313,976
Building administration	3,367,187	3,205,639	3,056,869	2,840,480
Central services	13,508,631	10,761,976	12,659,467	10,039,851
Community services	3,159,742	(130,239)	2,934,726	(186,749)
Capital outlay	4,456,511	4,456,511	841,615	841,615
Debt service				
Principal	8,050,000	8,050,000	35,025,000	35,025,000
Interest and other charges	3,376,253	3,376,253	4,349,010	4,349,010
Total	$ 80,691,839	$71,591,500	$100,189,524	$91,808,061

Governmental Funds Financial Analysis

The District uses funds to control and manage money for particular purposes (i.e., dedicated taxes and bond proceeds). The fund financial statements allow the District to demonstrate its stewardship over and accountability for modified cash basis resources provided by the taxpayers and other entities. These statements also allow the reader to obtain more insight into the modified cash basis financial workings of the District and assess further the District's financial health.

The District completed the fiscal year ended June 30, 2015 with a combined fund balance for Governmental funds (Balance Sheet - modified cash basis) of $62,599,106, as compared to a combined fund balance of $32,839,522 at June 30, 2014 for an increase of $29,759,584.

The fund balance of the operating funds (General and Special Revenue) decreased by $930,522 as compared to an increase of $3,924,477 the previous year. This is primarily due to the construction of the new early childhood education building, the purchase of property for the construction of the new elementary school and the field improvements at Long and Sappington elementary schools.

The fund balance of the Debt Service Fund increased by $1,018,651. The $7,465,151 fund balance of the Debt Service Fund is legally restricted for payment of bond principal, interest and related fees.

The fund balance of the Capital Projects Fund increased by $29,671,455 as a result of the sale of Prop G general obligation bonds for the construction of the new elementary building and renovations at the high school.

The major source of revenue for operations and debt service is current local property taxes amounting to $54,458,491. This is derived from the District's operating levy of $3.81 (blended rate) and the debt service levy of $.6830 for a total levy of $4.4930. Other significant local revenues are $5,176,148 from sales tax, $4,238,695 from early childhood education and full day kindergarten tuition, $1,853,323 from merchants and manufacturer's surtax, $1,569,897 from food service locally and $1,510,901 from student activities.

County revenues of $1,076,267 are derived from state assessed utility property of $1,010,313 and county fines of $65,954.

State funding which makes up 4.1% of total revenues collected, including other sources, increased $518,741 from the previous year for a total of $4,562,522.

State revenues collected are as follows for the year ended June 30,:

	2015	2014
Basic formula and classroom trust	$ 3,579,192	$ 3,286,274
Transportation	421,919	341,823
Early childhood education	151,785	133,965
Other	409,626	281,719
Total state revenue	$ 4,562,522	$ 4,043,781

Federal funding which makes up 1.2% of total revenues collected, including other financing sources, increased by $1,138 from the previous year. Federal revenues collected are as follows for the year ended June 30,:

	2015	2014
Medicaid	$ 44,251	$ 39,518
School lunch and breakfast	616,237	609,803
Title I	485,537	432,465
Title II A and D	121,195	189,423
Other	73,217	68,090
Total federal revenue	$ 1,340,437	$ 1,339,299

Overall, the combination of state and federal funds increased from the previous year by $519,879. Of this amount, $79,691 was due to a career education grant and $40,767 was an anti-trust lawsuit settlement from the Attorney General's office.

Total governmental funds expenditures and other financial uses paid were $80,697,607 for the year compared to $100,893,018 the previous year. The General Fund accounts for $25,729,616 or 31.9% of the total expenditures. The Special Revenue (Teachers) Fund accounts for $37,302,064 or 46.2% of total expenditures and consists of salaries and certain benefits of certificated staff. Debt Service Fund expenditures of $7,637,953 or 9.5% of total expenditures are for principal and interest on general obligation bonds. Capital Projects Fund expenditures, including other financing uses, of $10,027,974 or 12.4% of total expenditures are for construction projects, facility repairs and capital equipment. This amount includes $2,387,672 in Prop G expenditures for the new elementary school and renovations of the high school; $1,259,725 for the construction of the new early childhood education building and $3,574,200 for the retirement of capital leases.

The following tables summarize the governmental fund revenues collected and expenditures paid, including other financial sources and uses for the years ended June 30,:

REVENUES
Years ended June 30,

	2015	%	2014	%
Local	$ 68,130,628	61.7%	$ 64,091,973	61.6%
County	1,076,267	1.0%	1,003,401	1.0%
State	4,562,522	4.1%	4,043,781	3.9%
Federal	1,340,437	1.2%	1,339,299	1.3%
Other	35,347,337	32.0%	33,601,816	32.2%
Total revenues collected	$ 110,457,191	100.0%	$104,080,270	100.0%

EXPENDITURES
Years ended June 30,

	2015	%	2014	%
Instruction	$ 37,162,594	46.1%	$ 34,818,237	34.5%
Support services	24,492,507	30.4%	22,924,429	22.7%
Debt services	11,426,253	14.2%	39,374,011	39.0%
Facilities acquisition and construction	4,456,511	5.4%	841,615	0.8%
Community services and other	3,159,742	3.9%	2,934,726	3.0%
Total expenditures	$ 80,697,607	100.0%	$100,893,018	100.0%

Budgetary Highlights

Over the course of the year, the Board of Education revised the District's budget to take into consideration expected changes in revenues collected or expenditures paid. Missouri Statutes for Public School Finance, Section 67.010, RSMo requires a budget amendment if anticipated expenditures are in excess of budgetary goals. The original budget was adopted on June 10, 2014, and the final budget amendment was adopted on June 09, 2015.

Statements comparing fund modified cash basis revenues and expenditures to the original and final budgets are provided in this report.

Capital Assets and Debt Administration

Capital Assets

The District operates under the modified cash basis of accounting, therefore, capital asset purchases are recorded as expenditures and depreciation is not recognized. Fixed assets are not reflected in the financial statements.

Long-Term Obligations

At June 30, 2015, the District had outstanding general obligation bonds of $112,806,756 reflecting principal payments of $4,685,000 made during the year and issuance of $34,035,000 in new bonds.

State statutes limit the amount of general obligation debt a school district may issue to 15% of the assessed valuation. The debt limitation is $179,953,314 at June 30, 2015, based on the December 31, 2014 assessed values.

In 2011, the District purchased the Dressel property on Musick Road and in 2013, purchased a residential property near Long Elementary School. Both purchases were funded through the issuance of Lease Participation Certificates in the amount of $2,090,000 and $1,355,000, respectively. The certificates were advance refunded and defeased with the issuance of the $34,035,000 of new general obligation bonds in September 2014.

The District operates on the modified cash basis of accounting, therefore, payments on long-term obligations are recorded as expenditures. Long-term obligations are not reflected in the financial statements. Commitments for long-term obligations are disclosed in the notes to the financial statements.

Economic Factors

The fiscal year 2012-13 was supposed to be the full implementation of the new state funding formula. However, the state of Missouri's economic woes have not allowed full funding of the formula for several years. Lindbergh is a hold harmless district and does not receive any additional state revenue per child under the new formula. State formula revenue for FY15 is $638 per weighted average daily attendance (WADA) based on the current dollar value modifier. However, since FY10, the state has been withholding state aid payments to all districts as a result of state revenue shortfalls. The following table shows the fiscal year, percentage of withholding and resulting effect on the per WADA payment to Lindbergh.

Years ended June 30,	% withholding	Formula WADA	Payment per WADA
2010	2 %	$ 646	$ 633
2011	4	646	626
2012	6	646	607
2013	7.5	639	591
2014	6.7	637	594
2015	3.1	638	618

The estimated withholding for the 2015-16 fiscal year is projected by the state to be approximately the same as 2014-15. State funding for transportation aid has not been fully funded for some time. Transportation aid is supposed to cover 75% of eligible costs but currently covers approximately 38%. For Lindbergh this represents a loss of funding of over $640,000 for FY15.

As a result of the Missouri Supreme Court ruling on student transfers from unaccredited school districts, Lindbergh received 8 students from two unaccredited districts in St. Louis County. The tuition rate calculated using the Department of Elementary and Secondary Education's formula was paid by the sending districts to Lindbergh for the 2014-15 school year. For 2015-16, Lindbergh expects to have a similar number of students return at a similar tuition rate.

Voter approval of a $.21 tax levy for debt service occurred in April 2014. $34 million in general obligation bonds were sold in September 2014 for the construction of a new elementary building on the Dressel campus, enhancements on the high school campus and to retire existing lease participation certificates.

The District has been decreasing its participation in the Voluntary Interdistrict Choice Corporation (VICC) for a number of years and revenue from that program continues to rapidly decline. At the same time, the district resident enrollment has been rapidly increasing. For the FY15 school year, enrollment increased 292 students and is projected to increase another 300 students for FY16. This trend is expected to continue for a number of years and requires more teachers, classrooms, transportation services and instructional supplies. Existing expenditures have been reviewed and trimmed to accommodate and support this growth to the point that further reductions are likely to directly impact students.

Calendar year 2015 is a reassessment year and the District's assessed values as of September 10, 2015, have increased just over 4.6%. This is great news for Lindbergh Schools with housing prices continuing to rebound and housing sales continuing to occur quickly. However, the consumer price index (CPI) reflects economic growth of only .8%, the lowest CPI in over 20 years. Lindbergh relies heavily on local revenues and is limited in calculating its property tax rates based on assessed value increase or CPI, whichever is lower.

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the Lindbergh Schools finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report please contact Charles L. Triplett, Assistant Superintendent-Finance.

LINDBERGH SCHOOLS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS
June 30, 2015

	Governmental activities
ASSETS	
Cash and investments	$ 31,492,261
Restricted cash and investments	36,886,547
TOTAL ASSETS	$ 68,378,808
LIABILITIES	
Payroll withholdings	$ 2,339,235
NET POSITION	
Restricted for:	
Scholarships	54,439
Debt service	7,465,151
Capital projects	32,928,519
Unrestricted	25,591,464
Total net position	66,039,573
TOTAL LIABILITIES AND NET POSITION	$ 68,378,808

See notes to financial statements.

LINDBERGH SCHOOLS

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
Year ended June 30, 2015

Function/Program	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Program revenues: Capital grants and contributions	Net (expense) revenue and changes in net position: Total governmental activities
Governmental activities					
Instruction	$ 37,156,826	$ 2,640,213	$ 64,766	$ 143,451	$ (34,308,396)
Attendance	135,729	-	-	-	(135,729)
Guidance	1,406,613	632	-	-	(1,405,981)
Health, psych, speech and audio	550,490	-	-	-	(550,490)
Improvement of instruction	987,386	-	49,684	-	(937,702)
Professional development	96,255	-	-	-	(96,255)
Media services	656,378	3,409	-	-	(652,969)
Board of education services	337,264	-	-	-	(337,264)
Executive administration	3,446,574	-	-	-	(3,446,574)
Building level administration	3,367,187	150,306	11,242	-	(3,205,639)
Business central service	1,253,401	9,776	7,260	-	(1,236,365)
Operation of plant	7,347,199	99,996	-	-	(7,247,203)
Security services	232,563	-	-	-	(232,563)
Pupil transportation	2,360,397	-	421,919	-	(1,938,478)
Food services	2,199,088	1,569,897	629,792	-	601
Central office support services	115,983	8,015	-	-	(107,968)
Community services	3,159,742	3,128,254	161,727	-	130,239
Facilities acquisition and construction	4,456,511		-	-	(4,456,511)
Debt service:					
Principal	8,050,000	-	-	-	(8,050,000)
Interest and other charges	3,376,253	-	-	-	(3,376,253)
Total governmental activities	$ 80,691,839	$ 7,610,498	$ 1,346,390	$ 143,451	(71,591,500)

General revenues	
Taxes	
Property taxes, levied for general purposes	46,179,711
Property taxes, levied for debt service	8,278,780
Other taxes	43,837
Prop C - sales tax	5,176,148
Federal, state and county aid not restricted to specific purposes	5,775,730
Interest and investment earnings	1,582,649
Bond proceeds	34,035,000
Miscellaneous	288,143
Total general revenues	101,359,998
Increase in net position	29,768,498
Net position at July 1, 2014	36,271,075
Net position at June 30, 2015	$ 66,039,573

See notes to financial statements.

BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
June 30, 2015

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and investments	$ 24,490,232	$ -	$ -	$ 3,561,562	$ 28,051,794
Restricted cash and investments	54,439	-	7,465,151	29,366,957	36,886,547
TOTAL ASSETS	$ 24,544,671	$ -	$ 7,465,151	$ 32,928,519	$ 64,938,341
LIABILITIES					
Payroll withholdings	$ 2,339,235	$ -	$ -	$ -	$ 2,339,235
FUND BALANCES					
Restricted for:					
Scholarships	54,439	-	-	-	54,439
Debt service	-	-	7,465,151	-	7,465,151
Prop G capital projects				29,366,957	29,366,957
Assigned:					
Other capital projects	-	-	-	3,561,562	3,561,562
Unassigned	22,150,997	-	-	-	22,150,997
Total fund balances	22,205,436	-	7,465,151	32,928,519	62,599,106
TOTAL LIABILITIES AND FUND BALANCES	$ 24,544,671	$ -	$ 7,465,151	$ 32,928,519	$ 64,938,341

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	$ 62,599,106
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.	3,440,467
Net position of governmental activities	$ 66,039,573

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, 2015

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenues					
Local sources	$ 27,436,036	$ 32,047,221	$ 8,451,831	$ 195,540	$ 68,130,628
County sources	317,141	554,353	204,773	-	1,076,267
State sources	1,257,389	1,518,070	-	1,787,063	4,562,522
Federal sources	1,301,798	-	-	38,639	1,340,437
Other sources	-	80,678	-	-	80,678
Total revenues	30,312,364	34,200,322	8,656,604	2,021,242	75,190,532
Expenditures					
Instruction	4,765,261	31,758,736	-	638,597	37,162,594
Attendance	135,729	-	-	-	135,729
Guidance	279,761	1,126,147	-	705	1,406,613
Health, psych speech and audio	550,490	-	-	-	550,490
Improvement of instruction	226,616	744,020	-	16,750	987,386
Professional development	96,255	-	-	-	96,255
Media services	120,320	536,058	-	-	656,378
Board of education services	337,264	-	-	-	337,264
Executive administration	2,106,156	691,738	-	648,680	3,446,574
Building level administration	1,076,076	2,268,231	-	22,880	3,367,187
Business central services	1,067,992	177,134	-	8,275	1,253,401
Operation of plant	6,980,261	-	-	366,938	7,347,199
Security services	232,563	-	-	-	232,563
Pupil transportation	2,360,397	-	-	-	2,360,397
Food service	2,197,218	-	-	1,870	2,199,088
Central office support services	115,983	-	-	-	115,983
Community services	3,081,274	-	-	78,468	3,159,742
Facilities acquisition and construction	-	-	-	4,456,511	4,456,511
Debt service:					
Principal	-	-	4,685,000	-	4,685,000
Interest and other charges	-	-	2,952,953	214,100	3,167,053
Total expenditures	25,729,616	37,302,064	7,637,953	6,453,774	77,123,407
Revenues over (under) expenditures	4,582,748	(3,101,742)	1,018,651	(4,432,532)	(1,932,875)
Other financing sources (uses)					
Transfers	(5,513,270)	3,101,742	-	2,411,528	-
Proceeds from sale of other property	-	-	-	6,865	6,865
Proceeds from sale of bonds	-	-	-	34,035,000	34,035,000
Premium on issuance of bonds	-	-	-	1,224,794	1,224,794
Payments to refunded lease escrow agent	-	-	-	(3,574,200)	(3,574,200)
Total other financing sources (uses)	(5,513,270)	3,101,742	-	34,103,987	31,692,459
NET CHANGE IN FUND BALANCES	(930,522)	-	1,018,651	29,671,455	29,759,584
Fund balance at July 1, 2014	23,135,958	-	6,446,500	3,257,064	32,839,522
Fund balance at June 30, 2015	$ 22,205,436	$ -	$ 7,465,151	$ 32,928,519	$ 62,599,106

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	$ 29,759,584
Internal service funds are used by the District to charge the cost of insurance activities	8,914
Change in net position of governmental activities	$ 29,768,498

See notes to financial statements.

LINDBERGH SCHOOLS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS - PROPRIETARY FUND
June 30, 2015

	Governmental Activities - Internal Service Fund
ASSETS	
Cash	$ 3,440,467
NET POSITION	
Unrestricted	$ 3,440,467

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, 2015

	Governmental Activities - Internal Service Fund
Revenues	
Insurance premiums	$ 6,154,653
Interest income	3,146
Total revenues	6,157,799
Operating expenditures	
Medical claims	6,148,885
CHANGE IN NET POSITION	8,914
Net position at July 1, 2014	3,431,553
Net position at June 30, 2015	$ 3,440,467

See notes to financial statements.

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). 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.

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 or committed 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 benefits). Expenses consist of claims paid.

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.

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.

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 funds' proportionate share of funds invested.

The District may invest in United States Treasury-bills, notes, bonds, government agency and instrumentality obligations, repurchase agreements collateralized by government securities, 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 escrowed for future general obligation bond principal and interest payments included in the Missouri Security Investment Program.

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.

Interfund Activity

Interfund transfers are reported as other financing sources (uses) in governmental funds. During the year the District transferred $3,101,742 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.

The District also transferred $2,411,528 from the General Fund to the Capital Projects Fund. This transfer was to facilitate certain construction and to purchase certain properties.

Teachers' Salaries

The salary payment schedule of the District for the year ended June 30, 2015 requires the payment of salaries over a twelve month period. Consequently, the July 2015 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 has investments managed by Wells Fargo in conjunction with the Missouri Direct Deposit Program. These investments are restricted for payment of interest and retirement of general obligation bonds issued through the MOHEFA Bond Program. The District also 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 each investment or deposit which is held in the name of the Fund. The District had $176,000 and $66,300,446 invested through MOHEFA and MoSIP at June 30, 2015.

The deposits and investments held at June 30, 2015 and reported at cost are as follows:

		Investment Maturities	
	Cost	0 to 1 year	1 to 5 years
Deposits			
Cash on hand	$ 2,750	N/A	N/A
Demand deposits	1,899,612	N/A	N/A
	1,902,362		
Investments - external investment pools			
Missouri Direct Deposit Program	176,000	$ 176,000	$ -
Missouri Security Investment Program			
Money market funds	36,066,086	36,066,086	-
Term investments	1,000,000	1,000,000	-
US Government investments	18,657,360	8,552,525	10,104,835
Certificates of deposit	10,577,000	6,687,000	3,890,000
	66,476,446	$ 52,481,611	$ 13,994,835
Total deposits and investments	$ 68,378,808		

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.

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, 2015 are summarized in the schedule below.

	Cost	Credit Rating
Missouri Direct Deposit Program	$ 176,000	Unrated
Missouri Security Investment Program		
Money market funds	36,066,086	AAAm
Term investments	1,000,000	Unrated
Federal agency bonds	3,189,018	AA+
Federal agency notes	15,468,342	AA+
Certificates of deposit	10,577,000	Unrated
	$66,476,446	

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 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 weighted average attendance.

The assessed valuation of the tangible taxable property (excluding state assessed railroad and utilities) for the calendar year 2014 for the purposes of local taxation was:

Real estate	
Residential	$ 728,833,650
Agricultural	184,620
Commercial	321,707,090
Personal property	148,963,400
Total	$1,199,688,760

The tax levy per $100 of the assessed valuation of tangible taxable property for the fiscal year 2015 for purposes of local taxation was:

	Unadjusted	Adjusted
General Fund	$ 1.5000	$ 1.5000
Special Revenue Fund	2.3100	2.3100
Debt Service Fund	0.6830	0.6830
Capital Projects Fund	0.0000	0.0000
Total	$ 4.4930	$ 4.4930

The receipts of current property taxes during the fiscal year ended June 30, 2015, aggregated approximately 97.10 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, 2015:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Amounts Due Within One Year
Bonds payable	$ 83,456,756	$34,035,000	$ (4,685,000)	$112,806,756	$ 4,728,640
Obligation under capital leases	3,365,000	-	(3,365,000)	-	-
	$ 86,821,756	$34,035,000	$ (8,050,000)	$112,806,756	$ 4,728,640

Principal and interest on all bonded indebtedness is paid through the Debt Service Fund. The obligation under the capital leases are paid by the Capital Projects Fund.

Bonds payable consists of the following at June 30, 2015,:

	Original Issue Amount	Maturity Date	Interest Rates	Balance at June 30, 2015
Series 2000	$ 9,499,874	2018	5.72% - 5.90%	$ 2,252,802
Series 2009A	10,000,000	2029	3.50% - 4.60%	10,000,000
Series 2009B	7,165,000	2024	1.00%	7,040,000
Series 2010A	4,833,954	2029	0.00%	4,833,954
Series 2010B	9,000,000	2030	5.50% - 5.60%	9,000,000
Series 2010C	6,055,000	2020	2.35% - 2.85%	5,975,000
Series 2012	9,070,000	2023	1.00% - 2.00%	7,165,000
Series 2013	3,585,000	2016	1.00% - 2.00%	1,985,000
Series 2014 Refunding	32,060,000	2027	2.00% - 3.00%	31,835,000
Series 2014	34,035,000	2034	2.00% - 4.00%	32,720,000
	$125,303,828			$112,806,756

The annual requirements to amortize general obligation bonds are as follows at June 30, 2015:

Year ending June 30,	Principal	Interest	Total
2016	$ 4,728,640	$ 3,420,541	$ 8,149,181
2017	3,724,299	3,324,677	7,048,976
2018	3,864,863	3,265,890	7,130,753
2019	6,155,000	3,200,302	9,355,302
2020	6,600,000	3,047,331	9,647,331
2021-2025	37,669,770	12,226,705	49,896,475
2026-2030	41,484,184	6,590,487	48,074,671
2031-2034	8,580,000	758,787	9,338,787
Total	$112,806,756	$35,834,720	$148,641,476

Bond Issuance and Advanced Refunding

On September 22, 2014, the District issued $34,035,000 in Series 2014 general obligation bonds. A portion of the proceeds of the bonds will be used for construction and renovations. A deposit of $31,285,374 was placed in the District's Missouri Security Investment Program account. A portion of the proceeds were used to advance refund and defease $2,065,000 of outstanding Series 2011 lease participation certificates and $1,300,000 of outstanding Series 2013 lease participation certificates and pay certain costs of issuance. A deposit of $3,574,200 was placed in an irrevocable trust fund to purchase government obligations. The initial debt and the interest to be earned on the government obligations was an amount sufficient for the payment of the principal and interest on the call dates on March 1, 2017 and March 1, 2018, respectively, for the refunded lease participation certificates. The refunding was undertaken to reduce total debt service payments by $897,981 which resulted in an economic gain of $129,828 (the difference between the present value of the debt service payments on the Series 2011 and Series 2013 lease participation certificates and the refunding issue after the refunding date through March 1, 2017 and March 1, 2018). As of June 30, 2015, the total debt outstanding from current and prior years that is considered to be defeased (refunded bonds and refunded lease participation certificates) is $10,010,000.

Capital Lease

The District has separate lease agreements with Cooperating School Districts of Greater St. Louis, Inc. (CSD). CSD issued $1,355,000 and $2,090,000 of Lease Participation Certificates Series 2013 and Series 2011, respectively. The proceeds were used to acquire two pieces of real estate. CSD is leasing the real estate to the District for the required amount of principal and interest due on the Lease Participation Certificates. As noted above, both Series 2011 and Series 2013 lease participation certificates were advance refunded during 2015.

Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a District to fifteen (15%) percent of the assessed valuation of the District (including state-assessed railroad and utilities). The legal debt margin, computed excluding the assessed valuation of State assessed railroad and utilities, of the District at June 30, 2015, was:

Constitutional debt limit	$ 179,953,314
General obligation bonds payable	(112,806,756)
Amount available in Debt Service Fund	7,465,151
Legal debt margin	$ 74,611,709

NOTE 5 – 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.

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, 2015, 2014 and 2013 were $4,609,010, $4,335,365 and $4,226,069, 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, 2015, 2014 and 2013 were $608,641, $583,371 and $566,814, respectively, equal to the required contributions.

NOTE 6 – RESTRICTED FUND BALANCE

The District has a restricted balance in the General Fund for scholarships in the amount of $54,439.

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.

NOTE 8 – ST. LOUIS DESEGREGATION PROGRAM

The District was party to, and bound by, the terms of the Settlement Agreement negotiated in 1983 regarding the St. Louis desegregation case. On October 1, 1991, the District filed a motion for final judgment notifying the court that it met the required plan ration in September 1991. On November 4, 1991, the District received a final judgment from the U.S. District Court stating that the District had satisfied its inter-district pupil desegregation obligation. The District remains under a voluntary obligation to comply with all terms of the new settlement agreement negotiated in 1999. The Voluntary Interdistrict Choice Corporation (VICC) currently administers the St. Louis interdistrict transfer program. The District has approved a plan to gradually reduce its desegregation student enrollment due to increased resident enrollment. The 2008 – 2009 school year was the last year the District accepted new transfer students and those new students were in grade five only. Desegregation aid received for the year ended June 30, 2015 was $257,125.

NOTE 9 – 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, 2015, 258 retirees participated in the District's insurance plans and paid premiums totaling $950,959.

NOTE 10 – 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 $150,000 per individual.

NOTE 11 – EARLY RETIREMENT PLAN

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.

On May 15, 2013, the District approved a Classified Cost Reduction Plan. Eligible classified employees qualify if they retire by June 30, 2013, have completed at least twenty years of service to the District by June 30, 2013, are eligible for retirement in accordance with PEERS guidelines and currently receive district-paid insurance benefits. Eligible employees choosing to participate in this plan will receive two years of District-paid insurance after retirement or a one-time payment of $8,000 in lieu of insurance.

On February 11, 2014, the District approved a Classified Cost Reduction Plan. Eligible classified employees qualify if they retire by June 30, 2014, have completed at least twenty years of service to the District by June 30, 2014, are eligible for retirement in accordance with PEERS guidelines and currently receive district-paid insurance benefits. Eligible employees choosing to participate in this plan will receive three years of District-paid insurance after retirement or a one-time payment of $10,000 in lieu of insurance.

In the fiscal year ended June 30, 2015, the District paid approximately $830,000 under the plans. Based upon participants at June 30, 2015, the District will be liable for approximately $2,121,000 in additional benefits through the year ending June 30, 2017. Of this amount, approximately $982,000 will be payable by the year ending June 30, 2016.

NOTE 12 – SUBSEQUENT EVENTS

On September 8, 2015, the Board of Education approved $9,995,000 in General Obligation Bonds, Series 2015. The Bonds together with certain other funds will be used to refund, in advance-of maturity, $10 million principal amount of the District's outstanding general obligation bonds, Series 2009.

LINDBERGH SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET TO ACTUAL - GENERAL FUND - UNAUDITED
Year ended June 30, 2015

	Budgeted amounts			Variances - positive (negative)	
	Original	Final	Actual	Original to final	Final to actual
Revenues					
Local sources	$ 26,979,999	$ 27,580,044	$ 27,436,036	$ 600,045	$ (144,008)
County sources	287,400	287,400	317,141	-	29,741
State sources	1,525,635	1,091,794	1,257,389	(433,841)	165,595
Federal sources	1,193,504	1,295,473	1,301,798	101,969	6,325
Total revenues	29,986,538	30,254,711	30,312,364	268,173	57,653
Expenditures					
Current:					
Instruction	4,811,210	5,154,164	4,765,261	(342,954)	388,903
Attendance	127,929	136,098	135,729	(8,169)	369
Guidance	320,944	281,079	279,761	39,865	1,318
Health, psych, speech and audio	610,094	607,653	550,490	2,441	57,163
Improvement of instruction	227,258	261,769	226,616	(34,511)	35,153
Professional development	91,908	104,376	96,255	(12,468)	8,121
Media services	140,583	141,326	120,320	(743)	21,006
Board of education services	281,192	347,923	337,264	(66,731)	10,659
Executive administration	1,211,298	2,062,930	2,106,156	(851,632)	(43,226)
Building level administration	1,044,526	990,225	1,076,076	54,301	(85,851)
Business central services	1,222,546	1,180,350	1,067,992	42,196	112,358
Operation of plant	6,768,928	7,001,608	6,980,261	(232,680)	21,347
Security services	237,428	237,049	232,563	379	4,486
Pupil transportation	2,028,087	2,065,555	2,360,397	(37,468)	(294,842)
Food service	2,185,735	2,260,065	2,197,218	(74,330)	62,847
Central office support services	945,422	102,288	115,983	843,134	(13,695)
Community services	3,022,233	3,080,327	3,081,274	(58,094)	(947)
Total expenditures	25,277,321	26,014,785	25,729,616	(737,464)	285,169
Revenues over (under) expenditures	4,709,217	4,239,926	4,582,748	(469,291)	342,822
Other financing uses					
Transfers	(4,345,057)	(5,680,852)	(5,513,270)	(1,335,795)	167,582
NET CHANGE IN FUND BALANCE	$ 364,160	$ (1,440,926)	(930,522)	$ (1,805,086)	$ 510,404
Fund balance at July 1, 2014			23,135,958		
Fund balance at June 30, 2015			$ 22,205,436		

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, 2015

	Budgeted amounts			Variances - positive (negative)	
	Original	Final	Actual	Original to final	Final to actual
Revenues					
Local sources	$ 31,137,888	$ 32,104,909	$ 32,047,221	$ 967,021	$ (57,688)
County sources	502,900	502,900	554,353	-	51,453
State sources	1,132,665	1,555,354	1,518,070	422,689	(37,284)
Other sources	64,750	72,360	80,678	7,610	8,318
Total revenues	32,838,203	34,235,523	34,200,322	1,397,320	(35,201)
Expenditures					
Current:					
Instruction	31,895,863	31,958,823	31,758,736	(62,960)	200,087
Guidance	1,033,217	1,126,089	1,126,147	(92,872)	(58)
Improvement of instruction	697,402	747,202	744,020	(49,800)	3,182
Media services	552,925	533,026	536,058	19,899	(3,032)
Executive administration	679,621	691,566	691,738	(11,945)	(172)
Building level administration	2,149,837	2,272,308	2,268,231	(122,471)	4,077
Business central services	174,395	177,361	177,134	(2,966)	227
Total expenditures	37,183,260	37,506,375	37,302,064	(323,115)	204,311
Revenues over (under) expenditures	(4,345,057)	(3,270,852)	(3,101,742)	1,074,205	169,110
Other financing sources					
Transfers	4,345,057	3,270,852	3,101,742	(1,074,205)	(169,110)
NET CHANGE IN FUND BALANCE	$ -	$ -	-	$ -	$ -
Fund balance at July 1, 2014			-		
Fund balance at June 30, 2015			$ -		

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, 2015

	Budgeted amounts			Variances - positive (negative)	
	Original	Final	Actual	Original to final	Final to actual
Revenues					
Local sources	$ 8,352,700	$ 8,445,700	$ 8,451,831	$ 93,000	$ 6,131
County sources	135,000	135,000	204,773	-	69,773
Total revenues	8,487,700	8,580,700	8,656,604	93,000	75,904
Expenditures					
Debt service:					
Principal	4,220,000	4,685,000	4,685,000	(465,000)	-
Interest and other charges	3,003,750	3,003,750	2,952,953	-	50,797
Total expenditures	7,223,750	7,688,750	7,637,953	(465,000)	50,797
NET CHANGE IN FUND BALANCE	$ 1,263,950	$ 891,950	1,018,651	$ (372,000)	$ 126,701
Fund balance at July 1, 2014			6,446,500		
Fund balance at June 30, 2015			$ 7,465,151		

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, 2015

	Budgeted amounts			Variances - positive (negative)	
	Original	Final	Actual	Original to final	Final to actual
Revenues					
Local sources	$ 1,375	$ 65,135	$ 195,540	$ 63,760	$ 130,405
State sources	1,313,750	1,804,980	1,787,063	491,230	(17,917)
Federal sources	-	-	38,639	-	38,639
Total revenues	1,315,125	1,870,115	2,021,242	554,990	151,127
Expenditures					
Instruction	87,469	657,159	638,597	(569,690)	18,562
Guidance	-	-	705	-	(705)
Improvement of instruction	-	22,990	16,750	(22,990)	6,240
Media services	4,825	4,825	-	-	4,825
Executive administration	748,434	770,858	648,680	(22,424)	122,178
Building level administration	10,899	22,507	22,880	(11,608)	(373)
Business central services	255,000	5,739	8,275	249,261	(2,536)
Operation of plant	349,500	453,500	366,938	(104,000)	86,562
Food service	-	1,870	1,870	(1,870)	-
Community services	5,000	95,000	78,468	(90,000)	16,532
Facilities acquisition and construction	-	6,213,777	4,456,511	(6,213,777)	1,757,266
Debt service:					
Interest and other charges	156,130	156,130	214,100	-	(57,970)
Total expenditures	1,617,257	8,404,355	6,453,774	(6,787,098)	1,950,581
Revenues over (under) expenditures	(302,132)	(6,534,240)	(4,432,532)	(6,232,108)	2,101,708
Other financing sources (uses)					
Transfers	-	2,410,000	2,411,528	2,410,000	1,528
Proceeds from sale of other property	15,000	15,000	6,865	-	(8,135)
Proceeds from sale of bonds	-	31,626,725	34,035,000	31,626,725	2,408,275
Premium on issuance of bonds	-	-	1,224,794	-	1,224,794
Payments to refunded lease escrow agent	-	-	(3,574,200)	-	(3,574,200)
Total other financing sources (uses)	15,000	34,051,725	34,103,987	34,036,725	52,262
NET CHANGE IN FUND BALANCE	$ (287,132)	$ 27,517,485	29,671,455	$ 27,804,617	$ 2,153,970
Fund balance at July 1, 2014			3,257,064		
Fund balance at June 30, 2015			$ 32,928,519		

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, 2015

	Budgeted amounts			Variances - positive (negative)	
	Original	Final	Actual	Original to final	Final to actual
Revenues					
Local sources	$ 66,471,962	$ 68,195,788	$ 68,130,628	$ 1,723,826	$ (65,160)
County sources	925,300	925,300	1,076,267	-	150,967
State sources	3,972,050	4,452,128	4,562,522	480,078	110,394
Federal sources	1,193,504	1,295,473	1,340,437	101,969	44,964
Other sources	64,750	72,360	80,678	7,610	8,318
Total revenues	72,627,566	74,941,049	75,190,532	2,313,483	249,483
Expenditures					
Instruction	36,794,542	37,770,146	37,162,594	(975,604)	607,552
Attendance	127,929	136,098	135,729	(8,169)	369
Guidance	1,354,161	1,407,168	1,406,613	(53,007)	555
Health, psych, speech and audio	610,094	607,653	550,490	2,441	57,163
Improvement of instruction	924,660	1,031,961	987,386	(107,301)	44,575
Professional development	91,908	104,376	96,255	(12,468)	8,121
Media services	698,333	679,177	656,378	19,156	22,799
Board of education services	281,192	347,923	337,264	(66,731)	10,659
Executive administration	2,639,353	3,525,354	3,446,574	(886,001)	78,780
Building level administration	3,205,262	3,285,040	3,367,187	(79,778)	(82,147)
Business central services	1,651,941	1,363,450	1,253,401	288,491	110,049
Operation of plant	7,118,428	7,455,108	7,347,199	(336,680)	107,909
Security services	237,428	237,049	232,563	379	4,486
Pupil transportation	2,028,087	2,065,555	2,360,397	(37,468)	(294,842)
Food service	2,185,735	2,261,935	2,199,088	(76,200)	62,847
Central office support services	945,422	102,288	115,983	843,134	(13,695)
Community services	3,027,233	3,175,327	3,159,742	(148,094)	15,585
Facilities acquisition and construction	-	6,213,777	4,456,511	(6,213,777)	1,757,266
Debt service:					
Principal	4,220,000	4,685,000	4,685,000	(465,000)	-
Interest and other charges	3,159,880	3,159,880	3,167,053	-	(7,173)
Total expenditures	71,301,588	79,614,265	77,123,407	(8,312,677)	2,490,858
Revenues over (under) expenditures	1,325,978	(4,673,216)	(1,932,875)	(5,999,194)	2,740,341
Other financing sources (uses)					
Proceeds from sale of other property	-	-	6,865	-	6,865
Proceeds from sale of bonds	15,000	15,000	34,035,000	-	34,020,000
Premium on issuance of bonds	-	31,626,725	1,224,794	31,626,725	(30,401,931)
Payments to refunded lease escrow agent	-	-	(3,574,200)	-	(3,574,200)
Total financing sources (uses)	15,000	31,641,725	31,692,459	31,626,725	50,734
NET CHANGE IN FUND BALANCE	$ 1,340,978	$ 26,968,509	29,759,584	$ 25,627,531	$ 2,791,075
Fund balance at July 1, 2014			32,839,522		
Fund balance at June 30, 2015			$62,599,106		

See notes to supplementary information.

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.

LINDBERGH SCHOOLS

SCHEDULE OF REVENUES COLLECTED BY SOURCE
ALL GOVERNMENTAL FUNDS - MODIFIED CASH BASIS - UNAUDITED
Year ended June 30, 2015

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Local					
Current taxes	$17,472,206	$26,907,249	$ 7,956,042	$ -	$ 52,335,497
Delinquent taxes	90,029	138,646	40,996	-	269,671
School district trust fund (Prop C)	2,588,074	2,588,074	-	-	5,176,148
Financial institution tax	14,635	22,538	6,664	-	43,837
M&M surtax	618,732	952,849	281,742	-	1,853,323
Tuition from individuals (K-12)	-	1,114,161	-	-	1,114,161
Earnings on investments	47,864	8,678	166,387	131,780	354,709
Food service program	817,362	-	-	-	817,362
Food service non-program	752,535	-	-	-	752,535
Student activities	1,510,901	-	-	-	1,510,901
Community services	3,124,534	-	-	-	3,124,534
Other local sources	399,164	315,026	-	63,760	777,950
	27,436,036	32,047,221	8,451,831	195,540	68,130,628
County					
Fines, escheat, etc.	-	65,954	-	-	65,954
State assessed utilities	317,141	488,399	204,773	-	1,010,313
	317,141	554,353	204,773	-	1,076,267
State					
Basic formula	-	1,429,447	-	-	1,429,447
Transportation	421,919	-	-	-	421,919
Early childhood special education	-	-	-	270,472	270,472
Classroom Trust Fund	712,845	-	-	1,436,900	2,149,745
Educational Screening Prog/PAT	68,303	83,482	-	-	151,785
Career Education	-	5,141	-	79,691	84,832
Food Service - State	13,555	-	-	-	13,555
Other State revenue	40,767	-	-	-	40,767
	1,257,389	1,518,070	-	1,787,063	4,562,522
Federal					
Medicaid	44,251	-	-	-	44,251
Early childhood special education	-	-	-	38,639	38,639
School lunch program	492,168	-	-	-	492,168
School breakfast program	124,069	-	-	-	124,069
Title I -ESEA	485,537	-	-	-	485,537
Title III, ESEA-English language acquisition	34,578	-	-	-	34,578
Title II, Part A, ESEA-teacher & principal quality	121,195	-	-	-	121,195
	1,301,798	-	-	38,639	1,340,437
Other financing sources					
Proceeds from sale of bonds	-	-	-	34,035,000	34,035,000
Premium on issuance of bonds	-	-	-	1,224,794	1,224,794
Sale of other property	-	-	-	6,865	6,865
Contracted educational services	-	80,678	-	-	80,678
	-	80,678	-	35,266,659	35,347,337
	$ 30,312,364	$ 34,200,322	$ 8,656,604	$ 37,287,901	$ 110,457,191

Total revenues	$ 110,457,191
Less Prop G revenue	(34,163,904)
Less premium on issuance of bonds	(1,224,794)
Less Debt Service revenue	(8,656,604)
Total operating revenue	$ 66,411,889

LINDBERGH SCHOOLS

SCHEDULE OF EXPENDITURES PAID BY OBJECT
ALL GOVERNMENTAL FUNDS - MODIFIED CASH BASIS - UNAUDITED
Year ended June 30, 2015

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Salaries	$ 9,445,653	$ 28,880,916	$ -	$ -	$ 38,326,569
Employee benefits	2,907,571	8,421,148	-	-	11,328,719
Purchased services	8,839,894	-	-	-	8,839,894
Supplies	4,536,498	-	-	-	4,536,498
Capital outlay	-	-	-	6,239,674	6,239,674
Other objects	-	-	7,637,953	3,788,300	11,426,253
	$ 25,729,616	$ 37,302,064	$ 7,637,953	$ 10,027,974	$ 80,697,607

Total expenditures	$ 80,697,607
Less Prop G expenditures	(2,387,672)
Less discount on issuance of bonds	(59,870)
Less payments to refunded lease escrow agent	(3,574,200)
Less Debt Service expenditures	(7,637,953)
Total operating expenditures	$ 67,037,912

LINDBERGH SCHOOLS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE ALL GOVERNMENTAL FUNDS - MODIFIED CASH BASIS - UNAUDITED
Year ended June 30, 2015

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenues Collected	$ 30,312,364	$ 34,200,322	$ 8,656,604	$ 2,021,242	$ 75,190,532
Expenditures Paid	25,729,616	37,302,064	7,637,953	6,453,774	77,123,407
Revenues over (under) expenditures	4,582,748	(3,101,742)	1,018,651	(4,432,532)	(1,932,875)
Other financing sources (uses)	(5,513,270)	3,101,742	-	34,103,987	31,692,459
NET CHANGE IN FUND BALANCE	(930,522)	-	1,018,651	29,671,455	29,759,584
Fund balance at July 1, 2014	23,135,958	-	6,446,500	3,257,064	32,839,522
Fund balance at June 30, 2015	$ 22,205,436	$ -	$ 7,465,151	$ 32,928,519	$ 62,599,106

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Independent Accountants' Report on Management's Assertions About Compliance with Specified Requirements of Missouri Laws and Regulations

Board of Education
Lindbergh Schools

Report on Compliance with State Requirements

We have examined management's assertions included in its representation letter dated September 18, 2015 that the Lindbergh Schools complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures, accurate disclosure by the District's 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, 2015.

Management's Responsibility

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

Accountants' Responsibility

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

Opinion on Compliance with State Requirements

In our opinion, management's assertions that the Lindbergh Schools complied with the aforementioned requirements for the year ended June 30, 2015 are fairly stated in all material respects.

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

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
September 18, 2015

LINDBERGH SCHOOLS

SCHEDULE OF SELECTED STATISTICS – UNAUDITED

Type of audit performed: Yellow Book: X Single Audit: X

1. Calendar (Sections 160.041 and 171.031, RSMo)

A. The number of actual calendar hours classes were in session and the number of days classes were in session and pupils were under the direction of teachers during this school year were as follows:

	Hours	Days
Kindergarten - A.M.	533.40	174
Kindergarten - P.M.	534.00	174
Kindergarten - Full Day	1090.85	176
Grades 1 through 5	1090.85	176
Grades 6 through 8	1119.30	176
Grades 9 through 12	1082.65	176

2. Average Daily Attendance (ADA)

	Full-Time & Part-Time	Remedial	Deseg In	Federal Lands Deseg In	Total	Deseg Out
Regular term						
Kindergarten - A.M.	183.283	-	-	-	183.283	-
Kindergarten - P.M.	35.238	-	-	-	35.238	-
Kindergarten - Full Day	7.177	-	-	-	7.177	-
Grades 1 through 5	2,273.726	-	-	-	2,273.726	-
Grades 6 through 8	1,405.831	-	-	-	1,405.831	-
Grades 9 through 12	1,811.605	-	31.958	-	1,843.563	-
Subtotal regular term	5,716.860	-	31.958	-	5,748.818	-
Summer School subtotal	39.930	-	0.954	-	40.884	-
Total regular term plus summer school ADA					5,789.702	

3. September Membership

	Full-Time & Part-Time	Remedial	Deseg In	Federal Lands Deseg In	Total	Deseg Out
September resident membership	6,190.49	-	34.22	-	6,224.71	13.00

4. Free and Reduced Priced Lunch FTE Count

State FTE Total	Full-Time & Part-Time	Deseg In	Total
Free	814.610	22.080	836.690
Reduced	224.970	4.570	229.540
Total	1,039.580	26.650	1,066.230

5. Finance

A.	As required by Section 162.401, RSMo, a bond was purchased for the schools' treasurer in the total amount of:	$ 50,000
B.	The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
C.	The District maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo.	True
D.	Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records.	True
E.	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 date for the projects to be undertaken.	True
F.	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.	True
G.	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.	True
H.	The amount spent for approved professional development committee plan activities was:	$96,255

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

Findings #: N/A

SCHEDULE OF SELECTED STATISTICS – UNAUDITED

6. Transportation

A.	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
B.	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.	True
C.	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**	3021.00
	▪ **Ineligible ADT**	732.50
D.	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.	True
E.	Actual odometer records show the total district-operated and contracted mileage for the year was:	368,945
	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**	334,809
	▪ **Ineligible Miles (Non-Route/Disapproved)**	34,136
F.	Number of days the schools operated the school transportation system during the regular school year:	176

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

Findings #: N/A

Management Letter Comment #: N/A

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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, 2015, which collectively comprise the Lindbergh Schools' basic financial statements, and have issued our report thereon dated September 18, 2015. Our report on the basic financial statements disclosed that, as described in Note 1 to the financial statements, the District prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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.

Kuber, Eck & Braeckel LLP

St. Louis, Missouri
September 18, 2015

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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133

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 Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2015.

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 OMB Circular A-133, 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 federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
September 18, 2015

LINDBERGH SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Expenditures
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	$ 479,252
Title II Part A, Improving Teacher Quality State Grants	84.367	096-093	140,838
Educational Language Acquisition Grants	84.365	096-093	34,116
Special Education - Grants to States	84.027	096-093	38,639
Total U.S. Department of Education			692,845
U.S. Department of Agriculture			
Passed-through Missouri Department of Elementary and Secondary Education:			
National School Breakfast Program	10.553	096-093	124,069
National School Lunch Program	10.555	096-093	492,168
Food Distribution	10.550	096-093	69,383
Total U.S. Department of Agriculture			685,620
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 1,378,465

The accompanying notes are an integral part of this schedule.

LINDBERGH SCHOOLS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is a summary of cash activity of the District's federal award programs and does not present transactions that would be included in financial statements of the District if prepared on the accrual basis of accounting, as contemplated by accounting principles generally accepted in the United States of America.

NOTE 2 – NONCASH PROGRAMS

The District received the following noncash assistance during the year ended June 30, 2015:

Food Distribution Program (Commodities)	CFDA # 10.550	$ 69,383

The commodities received are also included in the federal expenditures presented in the schedule and are valued using prices provided by the United States Department of Agriculture.

LINDBERGH SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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 are 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 are 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 section .510(a) of OMB Circular A-133? No

The programs tested as a major program are as follows:

CFDA Number(s)	Name of Program or Cluster
84.010	Title I Part A

The dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as a low-risk auditee? Yes

LINDBERGH SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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.

SECTION IV – SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

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