FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

LINDBERGH SCHOOLS

June 30, 2012

LINDBERGH SCHOOLS

CONTENTS

LINDBERGH SCHOOLS

CONTENTS

Kerber, Eck & Braeckel LLP

CPAs and
Management Consultants

One South Memorial Drive, Ste. 950
St. Louis, MO 63102-2439
ph 314.231.6232
fax 314.880.9307
www.kebcpa.com

Independent Auditors' Report

Board of Education
Lindbergh Schools

We have audited the accompanying financial statements of the governmental activities and each major fund of Lindbergh Schools (the District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note A, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities and each major fund of the District as of June 30, 2012, and the respective changes in financial position – modified cash basis thereof for the year then ended in conformity with the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 16 and budgetary comparison information on pages 39 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The additional supplementary information on pages 43 through 48 and the schedule of selected statistics on pages 51 through 53 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards 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 financial statements. The budgetary comparison information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting records and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements take as a whole. The schedule of selected statistics, which is of a nonaccounting nature, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
October 3, 2012

The Management's Discussion and Analysis (MD&A) of Lindbergh Schools (the District) provides an overview and analysis of the District's modified cash basis financial activities for the fiscal year ended June 30, 2012. The intent of the MD&A is to look at the District's modified cash basis financial performance as a whole. Readers should also review the modified cash basis financial statements found in the financial section and the notes thereto to enhance their understanding of the District's modified cash basis 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 financial statements.

The MD&A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 issued in 1999 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year, 2011-12 (FY12), and the prior year, 2010-11 (FY11), is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2012, include the following:

- The governmental activities net assets (modified cash basis) were $29,442,687 as compared to $32,721,699 the previous year. The governmental funds ending fund balances (modified cash basis) were $27,532,363 as compared to $31,605,900 the previous year.

- Program revenues collected made up 10.2% of the total revenues collected for the year ended June 30, 2012 as compared to 11.3% the previous year. These program revenues collected covered 9.8% of the program expenditures paid leaving 90.2%, to be covered by general revenues collected and fund balances, as compared to 8.5% of the program expenditures paid leaving 91.5%, to be covered by general revenues collected and fund balances the previous year.

- Prop R 2008 authorizing the sale of $31 million in bonds was passed in 2008. During FY12, net assets decreased as a direct result of bond proceeds being spent for the intended capital improvements.

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 modified cash basis 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 Assets (modified cash basis) and the Statement of Activities (modified cash basis), provide highly consolidated modified cash basis financial information and render a government-wide perspective of the District's modified cash basis financial condition. They present an aggregate view of the District's modified cash basis finances. These statements seek to answer the question, "How did the District do financially during the 2011-12 fiscal year?" These statements include all cash and investments using the modified cash basis of accounting.

By showing the change in net assets (modified cash basis) for the year, the reader may ascertain whether the District's modified cash basis 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 modified cash basis financial position and changes in modified cash basis 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 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" under GASB Statement No. 34. 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 statement.

Government-Wide Financial Analysis

Net Assets of the District at June 30, 2012, of $29,442,687 reflect the District's total assets of cash and investments compared to net assets at June 30, 2011, of $32,721,699. Net assets of the District consist of the following as of June 30,:

	2012	2011
Restricted	$10,164,403	$16,843,773
Unrestricted	19,278,284	15,877,926
	$29,442,687	$32,721,699

The restricted net assets are restricted for payment of principal and interest on general obligation bonds, student scholarships, capital projects and Prop R 2008 projects.

Governmental Activities

Net assets at June 30, 2012, reflect a decrease of $3,279,012 from the net asset balance of $32,721,699 at June 30, 2011. Key elements of this decrease consist of the following:

CHANGES IN NET ASSETS
Years ended June 30,

	2012	2011
Program revenue		
Charges for services	$ 6,922,088	$ 6,182,486
Operating grants and contributions	1,161,159	1,103,599
General revenue		
Taxes	54,168,555	44,634,543
Federal, state and county aid not restricted to specific purposes	5,185,695	4,633,373
Interest and investment earnings	261,352	704,198
Proceeds from capital lease	2,090,000	-
Bond refunding and proceeds from sale of bonds	9,070,000	6,055,000
Other	763,703	1,135,588
Total revenues	79,622,552	64,448,787
Functional/Program expenses		
Instruction	32,260,912	29,186,707
Capital outlay	10,507,792	19,841,814
Debt service		
Principal retirement	11,510,000	8,470,000
Interest and fiscal charges	3,425,530	3,510,620
Other	25,197,330	24,543,414
Total functional/program expenses	82,901,564	85,552,555
Change in net assets	(3,279,012)	(21,103,768)
Net assets at beginning of year	32,721,699	53,825,467
Net assets at end of year	$29,442,687	$32,721,699

Governmental Activities - Continued

As reflected above, the expenses paid for the District's governmental activities for the years ended June 30, 2012 and 2011, of $82,901,564 and $85,552,555 respectively, are not all borne by the taxpayers of the District. Of these amounts $6,922,088 and $6,182,486 were paid by those who benefited from the services rendered (i.e., charges for school lunches) and $1,161,159 and $1,103,599 were paid through federal and state operating grants and contributions for the years ending June 30, 2012 and 2011, respectively.

Consequently, for the years ending June 30, 2012 and 2011, respectively, the net costs of $74,818,317 and $78,266,470, 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 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, 2012 and 2011. 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.

Governmental Activities - Continued

	2012		2011	
	Total cost of programs	Net cost of programs	Total cost of programs	Net cost of programs
Instruction	$ 32,260,912	$ 29,618,507	$ 29,186,707	$ 26,777,435
Guidance/Attendance	1,350,682	1,350,098	1,763,917	1,763,917
Health, psych, speech and audio	553,521	553,521	557,910	557,910
Improvement of instruction	1,173,934	1,118,786	1,296,780	1,236,610
Professional development	72,576	72,576	79,294	79,294
Media services (library)	1,150,347	1,150,347	1,050,209	1,050,209
Board of education services	358,162	357,409	135,004	135,004
Executive administration	1,480,601	1,480,601	1,480,164	1,475,006
Building administration	2,960,994	2,829,366	2,866,523	2,790,291
Central services	13,433,563	10,767,398	12,948,991	10,493,797
Community services	2,662,950	76,386	2,364,622	84,563
Capital outlay	10,507,792	10,507,792	19,841,814	19,841,814
Debt service				
Principal retirement	11,510,000	11,510,000	8,470,000	8,470,000
Interest and fiscal charges	3,425,530	3,425,530	3,510,620	3,510,620
Total	$ 82,901,564	$ 74,818,317	$ 85,552,555	$ 78,266,470

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 modified cash basis financial health.

The District completed the fiscal year ended June 30, 2012 with a combined modified cash basis fund balance for Governmental funds (Balance Sheet - modified cash basis) of $27,532,363, as compared to a combined fund balance of $31,605,900 at June 30, 2011 for a decrease of $4,073,537.

Governmental Funds Financial Analysis - Continued

The fund balance of the operating funds (General and Special Revenue) increased by $1,496,130 as compared to a decrease of $2,815,748 the previous year. The increase this year was the result of an operating tax levy passed in November 2010.

The fund balance of the Debt Service Fund increased by $348,897. This is due to bond refinancing designed to save the tax payers interest. The prior year fund balance decreased $774,771. The $5,655,859 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 decreased by $5,918,564. This is primarily the result of the capital expenditures for Prop R approved by voters in November 2008.

The major source of revenue for operations and debt service is local property taxes amounting to $47,831,230. This is derived from the District's operating levy of $3.6888 (blended rate) and the debt service levy of $.4850 for a total levy of $4.1738. Other significant local revenues are $4,267,481 from sales tax, $1,958,847 from merchants and manufacturer's surtax, $1,492,968 from food service locally and $1,445,949 from student activities.

County revenues of $1,053,083 are derived from state assessed utility property of $979,675 and county fines of $73,408.

State funding which makes up 5.8% of total revenues collected increased $441,198 from the previous year for a total of $3,962,442.

Other significant state revenues collected are as follows for the year ended June 30,:

	2012	2011
Basic formula and classroom trust	$ 3,143,919	$ 2,772,125
Transportation	354,973	345,547
Early childhood education	115,435	112,333
Other	348,115	291,239
Total state revenue	$ 3,962,442	$ 3,521,244

Governmental Funds Financial Analysis - Continued

Federal funding which makes up 1.5% of total revenues collected decreased to $1,157,663 from $1,447,768 the previous year. Significant federal revenues collected are as follows for the year ended June 30,:

	2012	2011
Federal stabilization ARRA funds	$ 71,983	$ 198,960
Medicaid	35,531	23,803
School lunch and breakfast	508,066	479,842
Title I	351,233	308,044
Title II A and D	153,176	159,948
Other	37,674	277,171
Total federal revenue	$ 1,157,663	$ 1,447,768

More state formula and transportation funds were received directly from the state rather than from the federal government in the form of Federal Stabilization ARRA funds which accounts for the shift from federal to state funds. Overall, the combination of state and federal funds increased from the previous year by approximately $151,000 due primarily to federal title program revenues.

Total governmental funds expenditures paid were $83,877,056 for the year compared to $86,342,471 the previous year. The General Fund accounts for $22,908,960 or 27.3% of the total expenditures. The Special Revenue (Teachers) Fund accounts for $33,899,302 or 40.4% of total expenditures and consists of certificated teachers' salaries and benefits. Debt Service Fund expenditures of $15,065,275 or 18.0% of total expenditures are for principal and interest on general obligation bonds. Capital Projects Fund expenditures of $12,003,519 or 14.3% of total expenditures are for construction projects, facility repairs and capital equipment.

Governmental Funds Financial Analysis - Continued

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,

	2012	%	2011	%
Local	$62,281,862	78.0%	$52,785,482	81.9%
County	1,053,083	1.3%	610,810	0.9%
State	3,962,442	5.0%	3,521,244	5.5%
Federal	1,157,663	1.5%	1,447,768	2.2%
Other	11,348,469	14.2%	6,083,342	9.5%
Total revenues collected	$79,803,519	100.0%	$64,448,646	100.0%

EXPENDITURES
Years ended June 30,

	2012	%	2011	%
Instruction	$33,055,273	39.4%	$29,973,623	34.7%
Support services	22,534,380	26.9%	22,178,792	25.7%
Debt services	15,065,275	18.0%	11,939,399	13.8%
Capital outlay	10,507,792	12.5%	19,841,814	23.0%
Community services and other	2,714,336	3.2%	2,408,843	2.8%
Total expenditures	$83,877,056	100.0%	$86,342,471	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 14, 2011, and the final budget amendment was adopted on June 12, 2012.

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, 2012, the District had outstanding general obligation bonds of $89,266,756 reflecting principal payments of $11,510,000 made during the year (including payments of $8,905,000 in refunded bonds) and issuance of $9,070,000 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 $184,631,117 at June 30, 2012, based on the December 31, 2011 assessed values.

In October 2011, the District entered into a capital lease obligation for $2,090,000 to acquire Dressel School. The capital lease is for 20 years with interest only payments in FY13 and then principal and interest payments beginning in FY14.

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

In the last quarter of 2008 the U.S. economy entered the largest recession since the Great Depression. Interest rates continued to decline causing a significant decrease in earnings on investments. The housing and commercial property market has also declined substantially with the District experiencing a substantial decrease in property assessed valuations for the 2009 reassessment year and continued assessed valuation decline in 2011. However, in November 2010, the community approved a $.65 operating levy, which will generate an estimated $8.4 million in additional property tax revenue for FY12 and beyond.

The fiscal year 2011-12 is the sixth year of the gradual implementation of the new state funding formula over seven years. Lindbergh is a hold harmless district and we do not receive any additional state revenue per child under the new formula. Our state formula revenue is $646 per weighted average daily attendance (WADA). However, since the 09-10 fiscal year, 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	Payment per WADA
2010	2 %	$ 633
2011	4	626
2012	6	607

The District has been in an exit strategy from 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 is projected to steadily increase over the next five years.

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 ASSETS - MODIFIED CASH BASIS
June 30, 2012

	Governmental activities
ASSETS	
Cash and investments	$ 26,320,548
Restricted cash and investments	6,489,477
TOTAL ASSETS	**$ 32,810,025**
LIABILITIES	
Accrued payroll taxes	$ 3,367,338
NET ASSETS	
Restricted for:	
Scholarships	52,116
Debt service	5,655,859
Capital projects	4,456,428
Unrestricted	19,278,284
Total net assets	**29,442,687**
TOTAL LIABILITIES AND NET ASSETS	**$ 32,810,025**

The accompanying notes are an integral part of this statement.

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
Year ended June 30, 2012

Function/Program	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Net (expense) revenue and changes in net assets: Total governmental activities
Governmental activities				
Instruction	$ 32,260,912	$ 2,594,170	$ 48,235	$ (29,618,507)
Attendance	110,001	-	-	(110,001)
Guidance	1,240,681	584	-	(1,240,097)
Health, psych, speech and audio	553,521	-	-	(553,521)
Improvement of instruction	1,173,934	-	55,148	(1,118,786)
Professional development	72,576	-	-	(72,576)
Media services	1,150,347	-	-	(1,150,347)
Board of education services	358,162	-	753	(357,409)
Executive administration	1,480,601	-	-	(1,480,601)
Building level administration	2,960,994	130,342	1,286	(2,829,366)
Business central service	1,233,477	19,555	54,873	(1,159,049)
Operation of plant	6,791,543	220,170	2,049	(6,569,324)
Security services	211,285	-	-	(211,285)
Pupil transportation	1,753,156	-	354,973	(1,398,183)
Food services	2,069,105	1,492,968	517,085	(59,052)
Central office support services	1,374,997	4,492	-	(1,370,505)
Community services	2,662,950	2,459,807	126,757	(76,386)
Capital outlay	10,507,792	-	-	(10,507,792)
Debt service:				
Principal	11,510,000	-	-	(11,510,000)
Interest and other charges	3,425,530	-	-	(3,425,530)
Total governmental activities	**$ 82,901,564**	**$ 6,922,088**	**$ 1,161,159**	**(74,818,317)**

General revenues	
Taxes	
Property taxes, levied for general purposes	44,004,059
Property taxes, levied for debt service	5,786,018
Other taxes	110,997
Prop C - sales tax	4,267,481
Federal, state and county aid not restricted to specific purposes	5,185,695
Interest and investment earnings	261,352
Proceeds from capital lease	2,090,000
Refunding bond proceeds	9,070,000
Miscellaneous	763,703
Total general revenues	**71,539,305**
Decrease in net assets	**(3,279,012)**
Net assets at July 1, 2011	32,721,699
Net assets at June 30, 2012	**$ 29,442,687**

The accompanying notes are an integral part of this statement.

LINDBERGH SCHOOLS

BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
June 30, 2012

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and investments	$ 20,735,298	$ -	$ -	$ 3,674,926	$ 24,410,224
Restricted cash and investments	52,116	-	5,655,859	781,502	6,489,477
TOTAL ASSETS	**$ 20,787,414**	**$ -**	**$ 5,655,859**	**$ 4,456,428**	**$ 30,899,701**
LIABILITIES					
Accrued payroll taxes	$ 3,367,338	$ -	$ -	$ -	$ 3,367,338
FUND BALANCES					
Restricted for:					
Scholarships	52,116	-	-	-	52,116
Debt service	-	-	5,655,859	-	5,655,859
Assigned:					
Other capital projects	-	-	-	4,456,428	4,456,428
Unassigned	17,367,960	-	-	-	17,367,960
Total fund balances	**17,420,076**	**-**	**5,655,859**	**4,456,428**	**27,532,363**
TOTAL LIABILITIES AND FUND BALANCES	**$ 20,787,414**	**$ -**	**$ 5,655,859**	**$ 4,456,428**	**$ 30,899,701**

Reconciliation to Statement of Net Assets

Amounts reported for governmental activities in the statement of net assets are different because:

Fund balances of governmental funds	$ 27,532,363
Internal service funds are used by the District to charge the cost of insurance activities to individual funds. The net assets of the internal service fund are included in governmental activities in the statement of net assets.	1,910,324
Net assets of governmental activities	$ 29,442,687

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
Year ended June 30, 2012

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenues					
Local sources	$ 26,124,754	$ 27,892,652	$ 6,007,328	$ 2,257,128	$ 62,281,862
County sources	332,510	516,703	155,713	48,157	1,053,083
State sources	1,379,463	900,647	-	1,682,332	3,962,442
Federal sources	1,103,676	53,987	-	-	1,157,663
Total revenues	**28,940,403**	**29,363,989**	**6,163,041**	**3,987,617**	**68,455,050**
Expenditures					
Current:					
Instruction	4,040,436	28,807,063	-	207,774	33,055,273
Attendance	108,539	1,462	-	-	110,001
Guidance	294,835	939,901	-	5,945	1,240,681
Health, psych speech and audio	553,521	-	-	-	553,521
Improvement of instruction	602,445	566,027	-	5,462	1,173,934
Professional development	72,576	-	-	-	72,576
Media services	342,274	801,123	-	6,950	1,150,347
Board of education services	358,162	-	-	-	358,162
Executive administration	832,210	648,391	-	-	1,480,601
Building level administration	947,312	1,964,597	-	49,085	2,960,994
Business central services	1,041,456	170,738	-	21,283	1,233,477
Operation of plant	6,292,982	-	-	498,561	6,791,543
Security services	211,285	-	-	-	211,285
Pupil transportation	1,753,156	-	-	-	1,753,156
Food service	2,027,397	-	-	41,708	2,069,105
Central office support services	759,097	-	-	615,900	1,374,997
Community services	2,619,891	-	-	43,059	2,662,950
Capital outlay	-	-	-	10,507,792	10,507,792
Debt service:					
Principal	-	-	2,605,000	-	2,605,000
Interest and other charges	51,386	-	3,063,605	-	3,114,991
Total expenditures	**22,908,960**	**33,899,302**	**5,668,605**	**12,003,519**	**74,480,386**
Revenues over (under) expenditures	**6,031,443**	**(4,535,313)**	**494,436**	**(8,015,902)**	**(6,025,336)**
Other financing sources (uses)					
Transfers	(4,535,313)	4,535,313	-	-	-
Proceeds from sale of other property	-	-	-	7,338	7,338
Proceeds from capital lease	-	-	-	2,090,000	2,090,000
Proceeds from sale of refunding bonds	-	-	9,070,000	-	9,070,000
Premium on issuance of refunding bonds	-	-	181,131	-	181,131
Payments to refunded bond escrow agent	-	-	(9,396,670)	-	(9,396,670)
Total other financing sources (uses)	(4,535,313)	4,535,313	(145,539)	2,097,338	1,951,799
NET CHANGE IN FUND BALANCES	**1,496,130**	**-**	**348,897**	**(5,918,564)**	**(4,073,537)**
Fund balance at July 1, 2011	15,923,946	-	5,306,962	10,374,992	31,605,900
Fund balance at June 30, 2012	**$ 17,420,076**	**$ -**	**$ 5,655,859**	**$ 4,456,428**	**$ 27,532,363**

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	$ (4,073,537)
Internal service funds are used by the District to charge the cost of insurance activities to individual funds. The change in net assets of the internal service fund are included in governmental activities in the statement of activities.	794,525
Net assets of governmental activities	$ (3,279,012)

The accompanying notes are an integral part of this statement.

LINDBERGH SCHOOLS

STATEMENT OF NET ASSETS - MODIFIED CASH BASIS - PROPRIETARY FUND
June 30, 2012

	Governmental Activities - Internal Service Fund
ASSETS	
Cash	$ 1,910,324
NET ASSETS	
Unrestricted	$ 1,910,324

The accompanying notes are an integral part of this statement.

LINDBERGH SCHOOLS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS - PROPRIETARY FUND
Year ended June 30, 2012

	Governmental Activities - Internal Service Fund
Revenues	
Insurance premiums	$ 5,757,006
Interest income	164
Total revenues	**5,757,170**
Operating expenditures	
Medical claims	4,962,645
CHANGE IN NET ASSETS	**794,525**
Net assets at July 1, 2011	1,115,799
Net assets at June 30, 2012	**$ 1,910,324**

The accompanying notes are an integral part of this statement.

NOTE A – 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. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989 have been applied to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

1. 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 GASB Statement No. 14, as amended by No. 39, 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.

2. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Assets 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Basis of Presentation - Continued

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Basis of Presentation - Continued

Debt Service Fund

The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures 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 to expenditures 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.

3. 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 legislations.

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Fund Balances - Governmental Funds - Continued

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.

4. 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 assets/fund equity, revenues and expenditures 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 and 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. 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.

6. Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. The restricted assets consist of unexpended bond proceeds included in the Missouri Security Investment Program and deposits escrowed under the Missouri School District Direct Deposit Program.

7. Net Assets

In the government-wide and proprietary fund financial statements, equity is classified as net assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments. All other net assets are reported as unrestricted. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

8. Interfund Activity

Interfund transfers are reported as other financing sources (uses) in governmental funds. During the year the District transferred $4,535,313 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

9. Teachers' Salaries

The salary payment schedule of the District for the year ended June 30, 2012 requires the payment of salaries over a twelve month period. Consequently, the July and August 2012 payroll checks are included in the accompanying financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

NOTE B – CASH AND INVESTMENTS

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

The District participates in the Missouri School District Direct Deposit Program which is a mechanism for public school bond repayments through the MOHEFA Bond Program. It authorizes the direct deposit of a portion of the District's state aid payment by the State of Missouri to a trustee bank that accumulates these payments and then makes the principal and interest payments to the paying agent on the bonds. The direct deposits occur 10 out of 12 months of the year and the balance is withdrawn every six months to pay the debt service requirement of the related bond issues. At June 30, 2012, the District had $302,567 in this program, which has been classified as investments.

The District also participates in the Missouri Security Investment Program (MoSIP). All funds of MoSIP 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 $30,268,887 invested through MoSIP at June 30, 2012.

NOTE B – CASH AND INVESTMENTS - Continued

The deposits and investments held at June 30, 2012 and reported at cost are as follows:

		Investment Maturities	
	Cost	0 to 1 year	1 to 5 years
Deposits			
Cash on hand	$ 2,050	N/A	N/A
Demand deposits	2,236,521	N/A	N/A
	2,238,571		
Investments - external investment pools			
Missouri Security Investment Program			
Money market funds	25,274,402	$ 25,274,402	$ -
Commercial paper	4,994,485	4,994,485	-
Missouri Direct Deposit Program	302,567	302,567	-
	30,571,454	$ 30,571,454	$ -
Total deposits and investments	$ 32,810,025		

1. 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.

2. 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.

NOTE B – CASH AND INVESTMENTS - Continued

3. 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 does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

4. 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, 2012 are summarized in the schedule below.

	Cost	Credit Rating
Missouri Security Investment Program		
Money market funds	$ 25,274,402	AAAm
Commercial paper	4,994,485	A-1, A-1+
Missouri Direct Deposit Program	302,567	Unrated
	$ 30,571,454	

5. 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 C – 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 2011 for the purposes of local taxation was:

Real estate	
Residential	$ 759,859,680
Agricultural	201,830
Commercial	336,341,670
Personal property	134,470,930
Total	$ 1,230,874,110

The tax levy per $100 of the assessed valuation of tangible taxable property for the fiscal year 2012 for purposes of local taxation was:

	Unadjusted	Adjusted
General Fund	$ 1.5000	$ 1.5000
Special Revenue Fund	2.0000	2.0000
Debt Service Fund	0.4850	0.4850
Capital Projects Fund	0.1888	0.1888
Total	$ 4.1738	$ 4.1738

The receipts of current property taxes during the fiscal year ended June 30, 2012, aggregated approximately 97.35 percent of the current assessment computed on the basis of the levy as shown above.

NOTE D – LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Amounts Due Within One Year
Bonds payable	$ 91,706,756	$ 9,070,000	$ (11,510,000)	$ 89,266,756	$ 2,855,000
Obligation under capital lease	-	2,090,000	-	2,090,000	-
	$ 91,706,756	$ 11,160,000	$ (11,510,000)	$ 91,356,756	$ 2,855,000

Principal and interest on all bonded indebtedness is paid through the Debt Service Fund. Repayment of the District's bond issues are made through the Missouri School District Direct Deposit Program. The obligation under the capital lease are paid by the Capital Projects Fund.

Bonds payable consists of the following at June 30, 2012,:

	Original Issue Amount	Maturity Date	Interest Rates	Balance at June 30, 2012
Series 2000	$ 9,499,874	2018	5.72% - 5.90%	$ 2,252,802
Series 2003	14,100,000	2023	2.85% - 2.95%	680,000
Series 2004	8,925,000	2016	2.80% - 3.45%	4,415,000
Series 2007	32,000,000	2027	4.00% - 4.375%	32,000,000
Series 2008	8,410,000	2015	3.00%	3,815,000
Series 2009A	10,000,000	2029	3.50% - 4.60%	10,000,000
Series 2009B	7,165,000	2024	1.00%	7,165,000
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%	6,035,000
Series 2012	9,070,000	2023	1.00% - 2.00%	9,070,000
	$ 119,058,828			$ 89,266,756

NOTE D – LONG-TERM OBLIGATIONS - Continued

The annual requirements to amortize general obligation bonds are as follows at June 30, 2012:

Year ending June 30,	Principal	Interest	Total
2013	$ 2,855,000	$ 2,960,719	$ 5,815,719
2014	2,950,000	2,877,543	5,827,543
2015	3,165,000	2,804,883	5,969,883
2016	3,258,640	2,728,300	5,986,940
2017	2,169,299	2,645,303	4,814,602
2018-2022	22,999,863	12,353,338	35,353,201
2023-2027	32,419,706	8,000,378	40,420,084
2028-2030	19,449,248	1,969,223	21,418,471
Total	$ 89,266,756	$ 36,339,687	$125,606,443

Advanced Refunding

On February 14, 2012, the District issued $9,070,000 in Series 2012 general obligation refunding bonds to advance refund and defease $8,905,000 of outstanding Series 2003 general obligation bonds and pay certain costs of issuance. A deposit of $9,396,670, which includes net proceeds of $9,251,131 and a District deposit of $145,539, was placed in an irrevocable trust fund to purchase government obligations. The initial debt and interest to be earned on the government obligations will be in an amount sufficient for the payment of the principal and interest on the call date on March 1, 2013. The refunding was undertaken to reduce total debt service payments by $1,112,730 which resulted in an economic gain of $330,453 (the difference between the present value of the debt service payments on the Series 2003 general obligation bonds and the refunding issue after the refunding date through March 1, 2013). As of June 30, 2012, the total debt outstanding from current and prior years that is considered to be defeased is $10,270,000.

NOTE D – LONG-TERM OBLIGATIONS - Continued

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, 2012, was:

Constitutional debt limit	$ 184,631,117
General obligation bonds payable	(89,266,756)
Amount available in Debt Service Fund	5,655,859
Legal debt margin	$ 101,020,220

Capital Lease

During the year, the District entered into a lease agreement with Cooperating School Districts of Greater St. Louis, Inc. (CSD) to acquire certain real estate for the District. CSD issued $2,090,000 of Lease Participation Certificates Series 2011 in order to pay the costs of the real estate. CSD is leasing the real estate to the District for the amount of principal and interest due on the Lease Participation Certificates.

The following is a summary of the future minimum lease payments required under this capital lease and the present value of the net minimum lease payments as of June 30, 2012:

Year ending June 30,	
2013	$ 103,672
2014	100,858
2015	100,520
2016	100,095
2017	99,595
2018-2022	941,513
2023-2027	932,312
2028-2037	753,692
Total future minimum lease payments	3,132,257
Less amount representing interest	(1,042,257)
Present value of future minimum lease payments	$ 2,090,000

NOTE E – PENSION PLANS

The Lindbergh Schools contribute 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, 2012, 2011 and 2010 were $4,103,862, $3,827,983 and $3,965,022 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 17 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, 2012, 2011 and 2010 were $566,157, $495,176 and $502,896, respectively, equal to the required contributions.

NOTE F – RESTRICTED FUND BALANCE

The District has a restricted balance in the General Fund for scholarships in the amount of $52,116.

NOTE G – CONTINGENCIES

1. 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.

2. 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 H – 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, 2012 was $755,866.

NOTE I – 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, 2012, 218 retirees participated in the District's insurance plans and paid premiums totaling $549,931.

NOTE J – 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 $125,000 per individual.

NOTE K – 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. In the fiscal year ended June 30, 2012, the District paid approximately $615,000 under the plan.

Based upon participants at June 30, 2012, the District will be liable for approximately $1,494,000 in additional benefits through the year ending June 30, 2015. Of this amount, approximately $748,000 will be payable by the year ending June 30, 2013.

REQUIRED SUPPLEMENTARY INFORMATION

Lindbergh Schools

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET TO ACTUAL - GENERAL FUND - UNAUDITED
Year ended June 30, 2012

	Budgeted amounts			Variances - positive (negative)	
	Original	Final	Actual	Original to final	Final to actual
Revenues					
Local sources	$ 25,818,227	$ 26,303,365	$ 26,124,754	$ 485,138	$ (178,611)
County sources	165,000	165,000	332,510	-	167,510
State sources	1,170,582	1,222,912	1,379,463	52,330	156,551
Federal sources	1,131,185	1,216,062	1,103,676	84,877	(112,386)
Total revenues	**28,284,994**	**28,907,339**	**28,940,403**	**622,345**	**33,064**
Expenditures					
Current:					
Instruction	4,044,300	4,197,999	4,040,436	(153,699)	(157,563)
Attendance	122,350	121,581	108,539	769	(13,042)
Guidance	309,420	318,308	294,835	(8,888)	(23,473)
Health, psych, speech and audio	553,122	571,338	553,521	(18,216)	(17,817)
Improvement of instruction	487,299	551,920	602,445	(64,621)	50,525
Professional development	93,941	103,291	72,576	(9,350)	(30,715)
Media services	273,748	344,966	342,274	(71,218)	(2,692)
Board of education services	182,897	182,522	358,162	375	175,640
Executive administration	924,861	916,936	832,210	7,925	(84,726)
Building level administration	975,132	1,032,350	947,312	(57,218)	(85,038)
Business central services	1,515,695	1,470,137	1,041,456	45,558	(428,681)
Operation of plant	6,750,171	6,818,675	6,292,982	(68,504)	(525,693)
Security services	229,636	237,659	211,285	(8,023)	(26,374)
Pupil transportation	1,899,030	1,899,405	1,753,156	(375)	(146,249)
Food service	2,025,934	2,025,934	2,027,397	-	1,463
Central office support services	813,011	809,030	759,097	3,981	(49,933)
Community services	2,473,983	2,761,766	2,619,891	(287,783)	(141,875)
Debt service:					
Other charges	-	53,400	51,386	(53,400)	(2,014)
Total expenditures	**23,674,530**	**24,417,217**	**22,908,960**	**(742,687)**	**(1,508,257)**
Revenues over (under) expenditures	**4,610,464**	**4,490,122**	**6,031,443**	**(120,342)**	**1,541,321**
Other financing uses					
Transfers	(4,820,315)	(5,566,165)	(4,535,313)	745,850	1,030,852
NET CHANGE IN FUND BALANCE	**$ (209,851)**	**$ (1,076,043)**	**1,496,130**	**$ 625,508**	**$ 2,572,173**
Fund balance at July 1, 2011			15,923,946		
Fund balance at June 30, 2012			**$ 17,420,076**		

The accompanying notes to required supplementary information is an integral part of this schedule.

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, 2012

	Budgeted amounts			Variances - positive (negative)	
	Original	**Final**	**Actual**	**Original to final**	**Final to actual**
Revenues					
Local sources	$ 28,339,738	$ 28,199,679	$ 27,892,652	$ (140,059)	$ (307,027)
County sources	353,700	358,400	516,703	4,700	158,303
State sources	634,748	580,761	900,647	(53,987)	319,886
Federal sources	-	53,987	53,987	53,987	-
Total revenues	**29,328,186**	**29,192,827**	**29,363,989**	**(135,359)**	**171,162**
Expenditures					
Current:					
Instruction	28,988,306	29,631,162	28,807,063	(642,856)	(824,099)
Attendance	1,733	1,733	1,462	-	(271)
Guidance	1,038,698	978,591	939,901	60,107	(38,690)
Improvement of instruction	528,196	529,495	566,027	(1,299)	36,532
Media services	791,421	792,456	801,123	(1,035)	8,667
Executive administration	650,862	650,857	648,391	5	(2,466)
Building level administration	1,962,802	1,988,215	1,964,597	(25,413)	(23,618)
Business central services	186,483	186,483	170,738	-	(15,745)
Total expenditures	**34,148,501**	**34,758,992**	**33,899,302**	**(610,491)**	**(859,690)**
Revenues over (under) expenditures	(4,820,315)	(5,566,165)	(4,535,313)	(745,850)	1,030,852
Other financing sources					
Transfers	4,820,315	5,566,165	4,535,313	(745,850)	(1,030,852)
NET CHANGE IN FUND BALANCE	**$ -**	**$ -**	-	**$ -**	**$ -**
Fund balance at July 1, 2011			-		
Fund balance at June 30, 2012			**$ -**		

The accompanying notes to required supplementary information is an integral part of this schedule.

NOTE A – BUDGETS AND BUDGETARY ACCOUNTING

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

1. In accordance with Chapter 67 RSMo, the District adopts a budget for each fund.

2. Prior to July, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.

3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.

4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.

5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board.

6. Budgets are adopted on the modified cash basis of accounting for all governmental funds.

7. Capital outlay acquired through capital lease obligations are not reported as an expenditure and the proceeds are not reported as an other financing source for budgetary purposes.

ADDITIONAL SUPPLEMENTARY INFORMATION

LINDBERGH SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET TO ACTUAL - DEBT SERVICE FUND
Year ended June 30, 2012

	Budgeted amounts			Variances - positive (negative)	
	Original	Final	Actual	Original to final	Final to actual
Revenues					
Local sources	$ 5,534,900	$ 5,970,400	$ 6,007,328	$ 435,500	$ 36,928
County sources	75,000	75,000	155,713	-	80,713
Total revenues	**5,609,900**	**6,045,400**	**6,163,041**	**435,500**	**117,641**
Expenditures					
Debt service:					
Principal	2,605,000	2,605,000	2,605,000	-	-
Interest and other charges	3,233,000	3,544,050	3,063,605	(311,050)	(480,445)
Total expenditures	**5,838,000**	**6,149,050**	**5,668,605**	**(311,050)**	**(480,445)**
Revenues over (under) expenditures	**(228,100)**	**(103,650)**	**494,436**	**124,450**	**598,086**
Other financing sources (uses)					
Proceeds from sale of refunding bonds	-	9,070,000	9,070,000	(9,070,000)	-
Premium on issuance of refunding bonds	-	-	181,131	-	181,131
Payments to refunded bond escrow agent	-	(8,905,000)	(9,396,670)	8,905,000	(491,670)
Total financing sources (uses)	-	165,000	(145,539)	(165,000)	(310,539)
NET CHANGE IN FUND BALANCE	**$ (228,100)**	**$ 61,350**	**348,897**	**$ 289,450**	**$ 287,547**
Fund balance at July 1, 2011			5,306,962		
Fund balance at June 30, 2012			**$ 5,655,859**		

LINDBERGH SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET TO ACTUAL - CAPITAL PROJECTS FUND
Year ended June 30, 2012

	Budgeted amounts			Variances - positive (negative)	
	Original	**Final**	**Actual**	**Original to final**	**Final to actual**
Revenues					
Local sources	$ 1,433,925	$ 1,433,925	$ 2,257,128	$ -	$ 823,203
County sources	-	-	48,157	-	48,157
State sources	1,750,658	1,680,332	1,682,332	(70,326)	2,000
Total revenues	**3,184,583**	**3,114,257**	**3,987,617**	**(70,326)**	**873,360**
Expenditures					
Current:					
Instruction	62,854	87,312	207,774	(24,458)	120,462
Guidance	-	-	5,945	-	5,945
Improvement of instruction	2,000	8,000	5,462	(6,000)	(2,538)
Media services	-	-	6,950	-	6,950
Building level administration	16,724	16,724	49,085	-	32,361
Business central services	155,000	200,000	21,283	(45,000)	(178,717)
Operation of plant	584,195	450,407	498,561	133,788	48,154
Food service	6,700	21,700	41,708	(15,000)	20,008
Central office support services	750,000	750,000	615,900	-	(134,100)
Community services	-	29,000	43,059	(29,000)	14,059
Capital outlay	4,535,000	8,617,410	8,417,792	(4,082,410)	(199,618)
Total expenditures	**6,112,473**	**10,180,553**	**9,913,519**	**(4,068,080)**	**(267,034)**
Revenues over (under) expenditures	**(2,927,890)**	**(7,066,296)**	**(5,925,902)**	**(4,138,406)**	**1,140,394**
Other financing sources					
Proceeds from sale of other property	15,000	15,000	7,338	-	(7,662)
NET CHANGE IN FUND BALANCE	**$ (2,912,890)**	**$ (7,051,296)**	**(5,918,564)**	**$ (4,138,406)**	**$ 1,132,732**
Fund balance at July 1, 2011			10,374,992		
Fund balance at June 30, 2012			**$ 4,456,428**		

LINDBERGH SCHOOLS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET TO ACTUAL - ALL GOVERNMENTAL FUNDS
Year ended June 30, 2012

	Budgeted amounts			Variances - positive (negative)	
	Original	**Final**	**Actual**	**Original to final**	**Final to actual**
Revenues					
Local sources	$ 61,126,790	$ 61,907,369	$ 62,281,862	$ 780,579	$ 374,493
County sources	593,700	598,400	1,053,083	4,700	454,683
State sources	3,555,988	3,484,005	3,962,442	(71,983)	478,437
Federal sources	1,131,185	1,270,049	1,157,663	138,864	(112,386)
Total revenues	**66,407,663**	**67,259,823**	**68,455,050**	**852,160**	**1,195,227**
Expenditures					
Current:					
Instruction	33,095,460	33,916,473	33,055,273	(821,013)	(861,200)
Attendance	124,083	123,314	110,001	769	(13,313)
Guidance	1,348,118	1,296,899	1,240,681	51,219	(56,218)
Health, psych, speech and audio	553,122	571,338	553,521	(18,216)	(17,817)
Improvement of instruction	1,017,495	1,089,415	1,173,934	(71,920)	84,519
Professional development	93,941	103,291	72,576	(9,350)	(30,715)
Media services	1,065,169	1,137,422	1,150,347	(72,253)	12,925
Board of education services	182,897	182,522	358,162	375	175,640
Executive administration	1,575,723	1,567,793	1,480,601	7,930	(87,192)
Building level administration	2,954,658	3,037,289	2,960,994	(82,631)	(76,295)
Business central services	1,857,178	1,856,620	1,233,477	558	(623,143)
Operation of plant	7,334,366	7,269,082	6,791,543	65,284	(477,539)
Security services	229,636	237,659	211,285	(8,023)	(26,374)
Pupil transportation	1,899,030	1,899,405	1,753,156	(375)	(146,249)
Food service	2,032,634	2,047,634	2,069,105	(15,000)	21,471
Central office support services	1,563,011	1,559,030	1,374,997	3,981	(184,033)
Community services	2,473,983	2,790,766	2,662,950	(316,783)	(127,816)
Capital outlay	4,535,000	8,617,410	8,417,792	(4,082,410)	(199,618)
Debt service:					
Principal	2,605,000	2,605,000	2,605,000	-	-
Interest and other charges	3,233,000	3,597,450	3,114,991	(364,450)	(482,459)
Total expenditures	69,773,504	75,505,812	72,390,386	(5,732,308)	(3,115,426)
Revenues over (under) expenditures	**(3,365,841)**	**(8,245,989)**	**(3,935,336)**	**(4,880,148)**	**4,310,653**
Other financing sources (uses)					
Proceeds from sale of other property	15,000	15,000	7,338	-	(7,662)
Proceeds from sale of refunding bonds	-	9,070,000	9,070,000	(9,070,000)	-
Premium on issuance of refunding bonds	-	-	181,131	-	181,131
Payments to refunded bond escrow agent	-	(8,905,000)	(9,396,670)	8,905,000	(491,670)
Total financing sources (uses)	15,000	180,000	(138,201)	(165,000)	(318,201)
NET CHANGE IN FUND BALANCE	**$ (3,350,841)**	**$ (8,065,989)**	**(4,073,537)**	**$ (4,715,148)**	**$ 3,992,452**
Fund balance at July 1, 2011			31,605,900		
Fund balance at June 30, 2012			**$ 27,532,363**		

LINDBERGH SCHOOLS

SCHEDULE OF REVENUES COLLECTED BY SOURCE
ALL GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Year ended June 30, 2012

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Local					
Current taxes	$ 17,044,182	$ 22,725,640	$ 5,510,960	$ 2,145,320	$ 47,426,102
Delinquent taxes	138,020	204,433	47,402	15,273	405,128
School district trust fund (Prop C)	2,133,741	2,133,740	-	-	4,267,481
Financial institution tax	29,050	38,733	9,393	3,656	80,832
M&M surtax	703,141	939,779	227,656	88,271	1,958,847
In lieu of tax	10,841	14,455	3,505	1,364	30,165
Tuition from individuals (K-12)	-	1,148,221	-	-	1,148,221
Earnings on investments	31,012	18,520	208,412	3,244	261,188
Food service program	575,223	-	-	-	575,223
Food service non-program	917,745	-	-	-	917,745
Student activities	1,445,949	-	-	-	1,445,949
Community services	2,450,267	-	-	-	2,450,267
Other local sources	645,583	669,131	-	-	1,314,714
	26,124,754	**27,892,652**	**6,007,328**	**2,257,128**	**62,281,862**
County					
Fines, escheat, etc.	-	73,408	-	-	73,408
State assessed utilities	332,510	443,295	155,713	48,157	979,675
	332,510	**516,703**	**155,713**	**48,157**	**1,053,083**
State					
Basic formula	278,603	835,808	-	-	1,114,411
Transportation	354,973	-	-	-	354,973
Early childhood special education	86,897	-	-	245,423	332,320
Classroom Trust Fund	592,599	-	-	1,436,909	2,029,508
Educational Screening Prog/PAT	51,946	63,489	-	-	115,435
Vocational/Technical Aid	-	1,350	-	-	1,350
Food Service - State	9,019	-	-	-	9,019
Residential Placement/excess cost	5,418	-	-	-	5,418
Disability Determination	8	-	-	-	8
	1,379,463	**900,647**	**-**	**1,682,332**	**3,962,442**
Federal					
Medicaid	35,531	-	-	-	35,531
Basic formula Federal Stabilization ARRA	17,049	51,147	-	-	68,196
Transportation ARRA	947	2,840	-	-	3,787
Classroom Trust - Jobs Bill	2,855	-	-	-	2,855
School lunch program	407,524	-	-	-	407,524
School breakfast program	100,542	-	-	-	100,542
Title I -ESEA	351,233	-	-	-	351,233
Title III, ESEA-English language acquisition	34,639	-	-	-	34,639
Title II, Part A, ESEA-teacher & principal quality	153,176	-	-	-	153,176
Other Federal Revenue	180	-	-	-	180
	1,103,676	**53,987**	**-**	**-**	**1,157,663**
Other financing sources					
Proceeds from capital lease	-	-	-	2,090,000	2,090,000
Proceeds from sale of refunding bonds	-	-	9,070,000	-	9,070,000
Premium on issuance of refunding bonds	-	-	181,131	-	181,131
Sale of other property	-	-	-	7,338	7,338
	-	**-**	**9,251,131**	**2,097,338**	**11,348,469**
	$ 28,940,403	**$ 29,363,989**	**$ 15,414,172**	**$ 6,084,955**	**$ 79,803,519**

Total revenues	$ 79,803,519
Less Prop R revenue	(55,495)
Less proceeds from capital lease	(2,090,000)
Less Debt Service revenue	(15,414,172)
Total operating revenue	**$ 62,243,852**

LINDBERGH SCHOOLS

SCHEDULE OF EXPENDITURES PAID BY OBJECT
ALL GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Year ended June 30, 2012

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Salaries	$ 8,461,361	$ 25,981,276	$ -	$ -	$ 34,442,637
Employee benefits	2,579,432	7,718,526	-	-	10,297,958
Purchased services	7,423,635	199,500	-	-	7,623,135
Supplies	4,393,146	-	-	-	4,393,146
Capital outlay	-	-	-	12,003,519	12,003,519
Other objects	51,386	-	15,065,275	-	15,116,661
	$ 22,908,960	**$ 33,899,302**	**$ 15,065,275**	**$ 12,003,519**	**$ 83,877,056**

Total expenditures	$ 83,877,056
Less Prop R expenditures	(7,685,665)
Less capital outlay acquired through capital lease	(2,090,000)
Less Debt Service expenditures	(15,065,275)
Total operating expenditures	**$ 59,036,116**

LINDBERGH SCHOOLS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE ALL GOVERNMENTAL FUNDS - MODIFIED CASH BASIS Year ended June 30, 2012

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenues Collected	$ 28,940,403	$ 29,363,989	$ 6,163,041	$ 3,987,617	$ 68,455,050
Expenditures Paid	22,908,960	33,899,302	5,668,605	12,003,519	74,480,386
Revenues over (under) expenditures	**6,031,443**	**(4,535,313)**	**494,436**	**(8,015,902)**	**(6,025,336)**
Other financing sources (uses)	(4,535,313)	4,535,313	(145,539)	2,097,338	1,951,799
NET CHANGE IN FUND BALANCE	**1,496,130**	**-**	**348,897**	**(5,918,564)**	**(4,073,537)**
Fund balance at July 1, 2011	15,923,946	-	5,306,962	10,374,992	31,605,900
Fund balance at June 30, 2012	**$ 17,420,076**	**$ -**	**$ 5,655,859**	**$ 4,456,428**	**$ 27,532,363**

STATE COMPLIANCE SECTION

KEB
Kerber, Eck & Braeckel LLP

CPAs and
Management Consultants

One South Memorial Drive, Ste. 950
St. Louis, MO 63102-2439
ph 314.231.6232
fax 314.880.9307
www.kebcpa.com

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

Board of Education
Lindbergh Schools

We have examined management's assertions 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, 2012. Management is responsible for the District's compliance with those requirements. 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.

In our opinion, management's assertions that the Lindbergh Schools complied with the aforementioned requirements for the year ended June 30, 2012 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
October 3, 2012

SCHEDULE OF SELECTED STATISTICS – UNAUDITED
Year ended June 30, 2012

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.	541.72	176
Kindergarten - P.M.	536.56	176
Kindergarten - Full Day	1070.94	177
Grades 1 through 5	1070.94	177
Grades 6 through 8	1128.78	177
Grades 9 through 12	1089.21	177

2. Average Daily Attendance (ADA)

	Full-Time & Part-Time	Remedial	Deseg In	Federal Lands Deseg In	Total	Deseg Out
Regular term						
Kindergarten - A.M.	140.820	-	-	-	140.820	-
Kindergarten - P.M.	43.688	-	-	-	43.688	-
Kindergarten - Full Day	6.318	-	-	-	6.318	-
Grades 1 through 5	2,026.639	-	-	-	2,026.639	-
Grades 6 through 8	1,232.804	-	24.572	-	1,257.376	-
Grades 9 through 12	1,720.691	-	84.837	-	1,805.528	-
Subtotal regular term	5,170.960	-	109.409	-	5,280.369	-
Summer School subtotal	33.848	-	4.464	-	38.312	-
Total regular term plus summer school ADA					**5,318.681**	

3. September Membership

	Full-Time & Part-Time	Remedial	Deseg In	Federal Lands Deseg In	Total	Deseg Out
September resident membership	**5,565.06**	**-**	**119.26**	**-**	**5,684.32**	**5.00**

SCHEDULE OF SELECTED STATISTICS – UNAUDITED
Year ended June 30, 2012

4. Free and Reduced Priced Lunch FTE Count

State FTE Total	Full-Time & Part-Time	Deseg In	Total
Free	675.640	83.440	759.080
Reduced	204.930	4.570	209.500
Total	880.570	88.010	968.580

5. Finance

A.	As required by Section 162.401, RSMo, a bond was purchased for the schools' treasurer in the total amount of:	$ 25,000
B.	The schools' deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
C.	The schools 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.	N/A
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

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

Findings #: N/A

Management Letter Comment #: N/A

SCHEDULE OF SELECTED STATISTICS – UNAUDITED
Year ended June 30, 2012

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 schools' school 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**	2,413.00
	▪ **Ineligible ADT**	537.50
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:	335,449
	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**	303,843
	▪ **Ineligible Miles (Non-Route/Disapproved)**	31,606
F.	Number of days the schools operated the school transportation system during the regular school year:	177

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

Findings #: N/A

Management Letter Comment #: N/A

FEDERAL COMPLIANCE SECTION

Kerber, Eck & Braeckel LLP

CPAs and
Management Consultants

One South Memorial Drive, Ste. 950
St. Louis, MO 63102-2439
ph 314.231.6232
fax 314.880.9307
www.kebcpa.com

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 the financial statements of the governmental activities and each major fund of the Lindbergh Schools as of and for the year ended June 30, 2012, which collectively comprise the Lindbergh Schools' basic financial statements and have issued our report thereon dated October 3, 2012. Our report on the basic financial statements disclosed that, as described in Note A to the financial statements, the District prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with 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

Management of Lindbergh Schools is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Lindbergh Schools' internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lindbergh Schools' internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to indentify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

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 that are required to be reported under *Government Auditing Standards.*

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 federal awarding agencies and pass-through entities 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
October 3, 2012

Kerber, Eck & Braeckel LLP

CPAs and
Management Consultants

One South Memorial Drive, Ste. 950
St. Louis, MO 63102-2439
ph 314.231.6232
fax 314.880.9307
www.kebcpa.com

Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance In Accordance With OMB Circular A-133

Board of Education
Lindbergh Schools

Compliance

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, 2012. The Lindbergh Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Lindbergh Schools' management. Our responsibility is to express an opinion on the Lindbergh Schools' compliance based on our audit.

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. Our audit does not provide a legal determination on the Lindbergh Schools' compliance with those requirements.

In our opinion, the Lindbergh Schools complied, in all material respects, with the compliance requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2012.

Internal Control over Compliance

Management of the Lindbergh Schools is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Lindbergh Schools' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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 federal awarding agencies and pass-through entities 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
October 3, 2012

LINDBERGH SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2012

Federal Grantor/Pass-Through Granior/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	$ 370,502
Title II Part A, Improving Teacher Quality State Grants	84.367	096-093	153,892
Educational Language Acquisition Grants	84.365	096-093	33,909
Federal Education Jobs Fund	84.410	096-093	2,855
State Fiscal Stabilization Fund			
Education State Grants Services, Recovery Act	84.394	096-093	68,196
Government Services, Recovery Act	84.397	096-093	3,787
Total U.S. Department of Education			**633,141**
U.S. Department of Agriculture			
Passed-through Missouri Department of Elementary and Secondary Education:			
National School Breakfast Program	10.553	096-093	100,542
National School Lunch Program	10.555	096-093	407,524
Food Distribution	10.550	096-093	60,825
Total U.S. Department of Agriculture			**568,891**
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 1,202,032**

The accompanying notes are an integral part of this schedule.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2012

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, 2012:

Food Distribution Program (Commodities)	CFDA # 10.550	$ 60,825

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.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2012

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report issued on financial statements: Unqualified 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: Unqualified 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
10.550, 10.553 and 10.555	Child Nutrition Cluster

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

Auditee qualified as a low-risk auditee? Yes

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2012

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.