

LINDBERGH R-VIII SCHOOL DISTRICT

SAINT LOUIS, MISSOURI

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2007

LINDBERGH R-VIII SCHOOL DISTRICT
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INDEPENDENT AUDITOR'S REPORT

Board of Education
Lindbergh R-VIII School District

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lindbergh R-VIII School District, Missouri, as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Lindbergh R-VIII School 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; and OMB Circular A-133, Audits of States and Local Governments. 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 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 I, Lindbergh R-VIII School 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 Lindbergh R-VIII School District as of and for the year ended June 30, 2007, and the respective changes in financial position-modified cash basis for the year then ended in conformity with the basis of accounting described in Note I.

In accordance with *Government Auditing Standards*, we have issued our report dated August 20, 2007, on our consideration of Lindbergh R-VIII School 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 the 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.

The management's discussion and analysis on pages 3 through 9 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The budgetary comparison information on pages 27 through 29 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lindbergh R-VIII School District's basic financial statements. The accompanying additional supplementary information and state compliance section on pages 30 through 32 and pages 33 through 38, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The additional supplementary information and state compliance section has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 and Local Governments*, and is not a required part of the basic financial statements of Lindbergh R-VIII School District. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

August 20, 2007

LINDBERGH R-VIII SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2007
(Unaudited)

The Management's Discussion and Analysis (MD&A) of the Lindbergh R8 School District provides an overview and analysis of the District's modified cash basis financial activities for the fiscal year ended June 30, 2007. 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 versus when incurred. Additional information of the District's modified cash basis of accounting can be found in financial Notes .

The MD&A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in 1999. Certain comparative information between the current year, 2006-07 (FY07), and the prior year, FY06, is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2007, include the following:

The governmental activities net assets (modified cash basis) were \$62,173,624.67 as compared to \$30,885,599.50 the previous year. The governmental funds ending fund balances (modified cash basis) were \$62,173,624.67 as compared to \$30,885,599.50 the previous year.

Program revenues collected made up 8% of the total revenues collected for the year ended June 30, 2007 as compared to 9.2% the previous year. These program revenues collected covered 12% of the program expenditures paid leaving 88%, to be covered by general revenues collected and fund balances, as compared to 9.2% of the program expenditures paid leaving 90.8%, to be covered by general revenues collected and fund balances the previous year.

For 2005-06 and in the years prior, the District operated an Early Childhood Center cooperatively with the Affton School District. Beginning in 2006-07 Lindbergh became the sole operator and will assume full fiscal agency for the center for 2007-08.

Prop R 2007 was passed by the voters in 2006. The sale of \$32,000,000 in bonds is reflected in the 2006-07 revenues and accounts for the significant increase in net assets.

LINDBERGH R-VIII SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2007
(Unaudited)

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) provides 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 2006-07 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 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 current 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 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 is reconciled in the financial statement.

Government – wide Financial Analysis

Net Assets of the District at June 30, 2007, of \$62,173,624.67 reflect the District's total assets of cash and Investments compared to net assets at June 30, 2006, of \$30,885,599.50. Net assets of the District consist of the following :

<u>Net Assets</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Restricted	\$38,223,573.09	\$5,672,210.95
Unrestricted	<u>\$23,950,051.58</u>	<u>\$25,213,388.55</u>
<u>Total net assets</u>	<u>\$62,173,624.67</u>	<u>\$30,885,599.50</u>

The restricted net assets are restricted for payment of principal and interest on general obligation bonds, Scholarship and Prop R 2007.

LINDBERGH R-VIII SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2007
(Unaudited)

Governmental Activities

Net assets at June 30, 2007, reflect an increase of \$31,288,025.17 from the net asset balance of \$30,885,599.50 at June 30, 2006. Key elements of this increase consist of the following:

<u>Revenues collected</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Program revenues collected		
Charges for services	\$5,946,235.33	\$3,238,943.98
Operating grants and contributions	1,340,888.55	1,748,052.47
General revenues collected		
Taxes	41,474,237.81	40,069,435.64
Federal state and county aid not restricted to specific purposes	4,148,444.10	4,923,393.11
Interest and investment earnings	2,224,314.27	1,238,652.35
Miscellaneous	3,419,730.79	2,990,308.76
Bond Proceeds	<u>32,000,000.00</u>	
<u>Total revenues collected</u>	<u>\$90,553,850.85</u>	<u>\$54,208,786.31</u>
<u>Expenses paid</u>		
Instruction	29,312,249.64	27,142,425.18
Other	24,088,598.19	20,349,172.83
Capital Outlay	1,839,421.71	1,421,738.75
Debt Service		
Principal Retirement	2,075,000.00	3,502,071.80
Interest and Fiscal Charges	1,950,556.14	1,914,559.33
Total expenses paid	<u>59,265,825.68</u>	<u>54,329,964.89</u>
Change in net assets	31,288,025.17	(121,178.58)
Net assets July 1, 2006 and 2005	30,885,599.50	31,006,778.08
Adjusted and net assets	<u>62,173,624.67</u>	<u>30,885,599.50</u>
<u>Net assets June 30, 2007 and 2006</u>	<u>\$62,173,624.67</u>	<u>\$30,885,599.50</u>

As reflected above the expenses paid of the District's governmental activities for the years ended June 30, 2007 and 2006, of \$59,265,825.68 and \$54,329,964.89 respectively are not all borne by the taxpayers of the District. Of these amounts \$5,946,235.33 and \$3,238,943.98 were paid by those who benefited from the services rendered (e.g., charges for school lunches) and \$1,340,888.55 and \$1,748,052.47 were paid through federal and state operating grants and contributions. Consequently, the net costs of \$51,978,701.80 and \$49,342,968.44, 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.

LINDBERGH R-VIII SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2007
(Unaudited)

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 of the various categories of expenses paid for the years ended June 30, 2007 and 2006. 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.

	<u>June 30, 2006</u>	
	<u>Total cost of Programs</u>	<u>Net cost of Programs</u>
Instruction	\$27,142,425.18	\$24,648,734.33
Guidance	2,036,874.91	2,036,874.91
Health, psych, speech and audio	417,438.74	417,438.74
Improvement of instruction	993,600.74	993,600.74
Professional development	112,782.83	112,782.83
Media services (library)	797,716.75	797,716.75
Board of education services	116,241.55	116,241.55
Executive administration	1,103,394.43	1,103,394.43
Building administration	2,683,557.80	2,650,506.67
Central services	11,926,013.15	9,465,758.68
Community services	161,551.93	161,551.93
Capital outlay	1,421,738.75	1,421,738.75
Debt service		
Principal retirement	11,739,870.85	11,739,870.85
Interest and fiscal charges	<u>1,914,559.33</u>	<u>1,914,559.33</u>
<u>Total</u>	<u>\$62,567,766.94</u>	<u>\$57,580,770.49</u>

	<u>June 30, 2007</u>	
	<u>Total cost of Programs</u>	<u>Net cost of Programs</u>
Instruction	\$29,312,249.64	\$27,375,528.04
Guidance/Attendance	2,102,403.06	2,102,403.06
Health, psych, speech and audio	391,537.26	391,537.26
Improvement of instruction	1,314,378.55	1,314,378.55
Professional development	134,488.36	134,488.36
Media services (library)	807,392.74	807,392.74
Board of education services	113,180.00	113,180.00
Executive administration	1,185,896.93	1,185,896.93
Building administration	2,825,715.22	2,772,562.53
Central services	12,361,500.28	9,735,381.75
Community services	2,852,105.79	180,974.73
Capital outlay	1,839,421.71	1,839,421.71
Debt service		
Principal retirement	2,075,000.00	2,075,000.00
Interest and fiscal charges	<u>1,950,556.14</u>	<u>1,950,556.14</u>
<u>Total</u>	<u>\$59,265,825.68</u>	<u>\$51,978,701.80</u>

LINDBERGH R-VIII SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2007
(Unaudited)

Governmental Funds Financial Analysis

The District uses funds to control and manage money for particular purposes (e.g., dedicated taxes and bond proceeds). The fund basis 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, 2007 with a combined modified cash basis fund balance for Governmental funds (as presented in the Statement of Assets and Fund Balances (Modified cash basis) of \$62,173,624.67, as compared to a combined fund balance of \$30,885,599.50 an increase of \$31,288,025.17.

The fund balance of the operating funds (General and Special Revenue) increased by \$1,055,972.12 as compared to an increase of \$3,043,906.80 the previous year. The increase this year was the result of the increased local tax collection.

The fund balance of the Debt Service Fund increased by \$1,003,824.68 as a result of increased tax collection, as compared to a decrease of \$735,201.77 the previous year as a result of the scheduled principal and interest payments exceeding the tax revenues and earnings on investments restricted for debt service.

The fund balance of the Capital Fund increased by \$29,228,228.37 due to the sale of bonds as compared to a decrease of \$2,429,883.61 the previous year due to the completion of major construction projects financed through the previous sale of general obligation bonds.

The \$5,295,532.69 balance of the Debt Service Fund is legally restricted for payment of bond principal, Interest and related fees.

The major source of revenue for operations and debt service is local property taxes amounting to \$37,368,939.44. This is derived from the District's operating levy of \$2.7797 (blended rate) and the debt service levy of \$.38 for a total levy of \$3.1597. Other significant local revenues are \$4,020,785.82 from sales tax, \$2,224,314.27 from earnings on investments, \$1,568,388.98 from food service and \$1,066,010.92 from student activities.

County revenues of \$654,326.36 are derived from state assessed utility property and county fines of \$70,595.62.

State funding which makes up 4.2% of total revenues collected increased from the previous year by \$207,701.07 to \$3,791,172.38.

Other significant state revenues collected are:

	<u>June 30, 2007</u>	<u>June 30,2006</u>
Basic formula	2,859,606.00	\$996,651.00
Transportation	632,268.00	598,930.00
Exceptional pupil	0.00	802,789.00
Early childhood education	227,448.00	203,290.00
Free and reduced lunch, at risk	0.00	373,948.00
Textbook	0.00	442,580.46
Other	<u>71,850.38</u>	<u>165,282.83</u>
<u>Total state revenue</u>	<u>3,791,172.38</u>	<u>3,583,471.31</u>

LINDBERGH R-VIII SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2007
(Unaudited)

Federal funding which makes up 1.1% of total revenues collected decreased to \$1,023,619.91 from \$1,203,116.02 the previous year. Significant federal revenues collected are:

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Medicaid	58,692.18	\$ 78,816.29
School lunch & breakfast	395,173.60	392,942.10
Title I	374,934.00	450,177.00
Title II A&D	137,686.00	173,621.00
Other	<u>57,134.13</u>	<u>107,559.63</u>
<u>Total federal revenue</u>	<u>\$1,023,619.91</u>	<u>\$1,203,116.02</u>

Total governmental funds expenditures paid were \$59,265,825.68 for the year compared to \$54,329,964.89 the previous year. The General Fund accounts for \$21,108,046.04 or 35.6% of the total expenditures. The Special Revenue (Teachers) Fund accounts for \$30,780,386.82 or 52.0% of total expenditures and consists of certificated teachers salaries and benefits. Debt Service Fund expenditures of \$3,924,420.50 or 6.6% of total expenditures are for principal and interest on general obligation bonds. Capital Fund expenditures of \$3,452,972.32 or 5.8% of total expenditures are for construction projects, facility repairs and equipment.

The following tables summarize the governmental fund revenues collected and expenditures paid for the Years ended June 30, 2007 and 2006.

	<u>June 30, 2007</u>	<u>Revenues</u> <u>%</u>	<u>June 30, 2006</u>	<u>%</u>
Local	85,084,732.20	94.0	\$47,556,219.23	87.7
County	654,326.36	.7	1,865,979.75	3.5
State	3,791,172.38	4.2	3,583,471.31	6.6
Federal	1,023,619.91	1.1	<u>1,203,116.02</u>	<u>2.2</u>
<u>Total revenues collected</u>	<u>\$90,553,850.85</u>	<u>100.0</u>	<u>\$54,208,786.31</u>	<u>100.0</u>

	<u>June 30, 2007</u>	<u>Expenditures</u> <u>%</u>	<u>June 30, 2006</u>	<u>%</u>
Instruction	\$29,312,249.64	49.5	\$26,986,083.63	49.7
Support services	21,236,492.40	35.8	19,075,246.38	35.1
Debt service	4,025,556.14	6.8	5,416,628.13	10.0
Capital outlay	1,839,421.71	3.1	2,690,454.82	5.0
Community service & other	2,852,105.79	<u>4.8</u>	<u>161,551.93</u>	<u>.2</u>
<u>Total expenditures</u>	<u>\$59,265,825.68</u>	<u>100.0</u>	<u>\$54,329,964.89</u>	<u>100.0</u>

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. Require a budget amendment if anticipated expenditures are in excess of budgetary goals. The original budget was adopted on June 13, 2006, and the final budget amendment was adopted on June 12, 2007.

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

LINDBERGH R-VIII SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2007
(Unaudited)

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 Debt

At June 30, 2007, the District had outstanding general obligation bonds of \$69,967,802.05 reflecting principal payments of \$2,075,000.00 made during the year.

State statutes limit the amount of general obligation debt a school district may issue to 15% of the assessed valuation. The debt limitation is \$171,562,762.50. at June 30, 2007, based on the December 31, 2006 assessed values.

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

Economic Factors

During the past several years the funding provided by the State of Missouri has not kept pace with the amount required to fully fund the Foundation Formula for State Aid.

The District joined a number of other school districts as an intervener in a law suit against the State of Missouri claiming the State has failed to provide equitable and adequate funding for the education of the children as called for in the state's constitution.

In the years prior to and including 2005-06, the District received revenue for County Stock Insurance. For 2005-06 the amount was over \$1.3M. The State of Missouri notified the District that this revenue would no longer be available to the District.

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 School finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report please contact Patrick Lanane, Assistant Superintendent-Finance.

BASIC FINANCIAL STATEMENTS

LINDBERGH R-VIII SCHOOL DISTRICT
Statement of Net Assets - Modified Cash Basis
As of June 30, 2007

	<u>Government Activities</u>
Assets	
Current assets:	
Cash and investments (Note II)	\$ 56,454,740.71
Restricted Cash:	
Cash - Insurance	258,227.62
Cash - Debt Services	5,295,532.69
Cash - Scholarships	53,709.07
Cash Capital Projects	616,103.71
Total Current Assets	<u>62,678,313.80</u>
Total assets	62,678,313.80
 Liabilities	
Current liabilities:	
Payroll tax accruals	504,689.13
Total Current Liabilities	<u>504,689.13</u>
 Net Assets	
Restricted for:	
Capital Projects	616,103.71
Student Scholarships	53,709.07
Insurance	258,227.62
Debt Service	5,295,532.69
Prop R 2007	32,000,000.00
Unrestricted	<u>23,950,051.58</u>
Total net assets	<u>\$ 62,173,624.67</u>

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

LINDBERGH R-VIII SCHOOL DISTRICT
Statement of Activities - Modified Cash Basis
For the Year ended June 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	District Activities
District activities:					
Instruction	\$ 29,312,249.64	\$ 1,881,010.60		\$ 55,711.00	\$ (27,375,528.04)
Attendance	766,449.57	-	-	-	(766,449.57)
Guidance	1,335,953.49	-	-	-	(1,335,953.49)
Health, Psych Speech and Audio	391,537.26	-	-	-	(391,537.26)
Improvement of Instruction	1,314,378.55	-	-	-	(1,314,378.55)
Professional Development	134,488.36	-	-	-	(134,488.36)
Media Services (Library)	807,392.74	-	-	-	(807,392.74)
Board of Education Services	113,180.00	-	-	-	(113,180.00)
Executive Administration	1,185,896.93	-	-	-	(1,185,896.93)
Building Level Administration	2,825,715.22	53,152.69	-	-	(2,772,562.53)
Business Central Service	1,440,554.81	-	20,214.00	-	(1,420,340.81)
Operation of Plant	6,333,834.96	-	-	-	(6,333,834.96)
Security Services	-	-	-	-	-
Pupil Transportation	1,517,386.51	-	632,688.00	-	(884,698.51)
Food Services	2,114,678.94	1,568,388.98	404,827.55	-	(141,462.41)
Central Office Support Services	955,045.06	-	-	-	(955,045.06)
Other Supporting Services	-	-	-	-	-
Adult Education	-	-	-	-	-
Community Services	2,852,105.79	2,443,683.06	227,448.00	-	(180,974.73)
Capital Outlay	1,839,421.71	-	-	-	(1,839,421.71)
Debt Service:					
Principal Retirement	2,075,000.00	-	-	-	(2,075,000.00)
Interest and Fiscal Charges	1,950,556.14	-	-	-	(1,950,556.14)
Total District activities	<u>59,265,825.68</u>	<u>5,946,235.33</u>	<u>1,285,177.55</u>	<u>55,711.00</u>	<u>(51,978,701.80)</u>
Totals	<u>\$ 59,265,825.68</u>	<u>\$ 5,946,235.33</u>	<u>\$ 1,285,177.55</u>	<u>\$ 55,711.00</u>	<u>(51,978,701.80)</u>

General revenues:

Property taxes, levied for general purposes	32,874,763.93
Property taxes, levied for debt service	4,494,175.51
Other taxes	84,512.55
Prop C - Sales tax	4,020,785.82
Federal, State and County aid not restricted to specific purposes	4,148,444.10
Interest and investment earnings	2,224,314.27
Bond Proceeds	32,000,000.00
Refunding Bonds Proceeds	-
Miscellaneous	3,419,730.79
Subtotal, general revenues	<u>83,266,726.97</u>

Changes in net assets

	31,288,025.17
Net Assets June 30, 2006	<u>30,885,599.50</u>
Net Assets June 30, 2007	<u>\$ 62,173,624.67</u>

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

LINDBERGH R-VIII SCHOOL DISTRICT
Statement of Assets, Liabilities & Fund Balance-Modified Cash Basis
Governmental Funds
As of June 30, 2007

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Fund	Total Governmental Funds
ASSETS					
Cash and Investments (Note II)	\$ 21,856,064.96	\$ -	\$ -	\$ 34,598,675.75	\$ 56,454,740.71
Restricted Cash:					
Cash - Insurance	258,227.62	-	-	-	258,227.62
Cash - Amount Held in Escrow	-	-	5,295,532.69	-	5,295,532.69
Cash - Scholarships	53,709.07	-	-	-	53,709.07
Cash - Capital Projects	-	-	-	616,103.71	616,103.71
Total Assets:	\$ 22,168,001.65	\$ -	\$ 5,295,532.69	\$ 35,214,779.46	\$ 62,678,313.80
LIABILITIES AND FUND BALANCES					
Liabilities					
Payroll tax accruals	\$ 504,689.13	\$ -	\$ -	\$ -	\$ 504,689.13
Total Liabilities:	504,689.13	-	-	-	504,689.13
Fund Balances:					
Reserved for:					
Construction Projects	-	-	-	616,103.71	616,103.71
Scholarships	53,709.07	-	-	-	53,709.07
Insurance	258,227.62	-	-	-	258,227.62
Debt Service	-	-	5,295,532.69	-	5,295,532.69
Prop R 2007				32,000,000.00	32,000,000.00
Unreserved:	21,351,375.83	-	-	2,598,675.75	23,950,051.58
Total Fund Balances:	21,663,312.52	-	5,295,532.69	35,214,779.46	62,173,624.67
Total Liabilities and Fund Balances:	\$ 22,168,001.65	\$ -	\$ 5,295,532.69	\$ 35,214,779.46	\$ 62,678,313.80

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

LINDBERGH R-VIII SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis
All Governmental Funds
For the Year Ended June 30, 2007

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Fund	Total Governmental Funds
Revenues Collected					
Local Sources	\$ 24,462,095.09	\$ 23,153,479.82	\$ 4,840,753.14	\$ 616,307.90	\$ 53,072,635.95
County Sources	223,313.87	343,520.45	87,492.04	-	654,326.36
State Sources	2,667,058.76	1,066,255.19	-	57,858.43	3,791,172.38
Federal Sources	1,023,619.91	-	-	-	1,023,619.91
TOTAL REVENUES	28,376,087.63	24,563,255.46	4,928,245.18	674,166.33	58,541,754.60
Expenditures Paid					
Current					
Regular Instruction	3,525,941.99	25,705,399.49	-	80,908.16	29,312,249.64
Attendance	363,270.44	403,179.13	-	-	766,449.57
Guidance	292,099.35	1,043,854.14	-	-	1,335,953.49
Health, Psych Speech & Audio	391,537.26	-	-	-	391,537.26
Improvement of Instruction	612,990.39	633,003.57	-	68,384.59	1,314,378.55
Professional Development	134,488.36	-	-	-	134,488.36
Media Services	315,882.50	488,608.57	-	2,901.67	807,392.74
Board of Education Services	113,180.00	-	-	-	113,180.00
Executive Administration	672,312.17	513,584.76	-	-	1,185,896.93
Building Level Administration	973,207.91	1,808,942.70	-	43,564.61	2,825,715.22
Business Central Services	1,148,314.74	183,814.46	-	108,425.61	1,440,554.81
Operation of Plant	5,978,166.05	-	-	355,668.91	6,333,834.96
Security Services	-	-	-	-	-
Pupil Transportation	1,517,386.51	-	-	-	1,517,386.51
Food Service	2,113,331.43	-	-	1,347.51	2,114,678.94
Central Office Support Services	103,831.15	-	-	851,213.91	955,045.06
Other Supporting Services	-	-	-	-	-
Community Services	2,852,105.79	-	-	-	2,852,105.79
Capital Outlay	-	-	-	1,839,421.71	1,839,421.71
Debt Service:					
Principal	-	-	2,075,000.00	-	2,075,000.00
Interest and Charges	-	-	1,849,420.50	101,135.64	1,950,556.14
Total Support Services	21,108,046.04	30,780,386.82	3,924,420.50	3,452,972.32	59,265,825.68
Excess (deficiency) of revenues over expenditures	7,268,041.59	(6,217,131.36)	1,003,824.68	(2,778,805.99)	(724,071.08)
Other Financing Sources (Uses):					
Transfers	(6,214,347.32)	6,214,347.32	-	-	-
Sale of Bonds	-	-	-	32,000,000.00	32,000,000.00
Sale of Other Property	-	-	-	7,034.36	7,034.36
Contracted Educational Services	2,277.85	2,784.04	-	-	5,061.89
Total Other Financing Sources (Uses)	(6,212,069.47)	6,217,131.36	-	32,007,034.36	32,012,096.25
NET CHANGE IN FUND BALANCES	1,055,972.12	-	1,003,824.68	29,228,228.37	31,288,025.17
Fund Equity July 1, 2006	20,607,340.40	-	4,291,708.01	5,986,551.09	30,885,599.50
Fund Equity June 30, 2007	<u><u>\$ 21,663,312.52</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 5,295,532.69</u></u>	<u><u>\$ 35,214,779.46</u></u>	<u><u>\$ 62,173,624.67</u></u>

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

LINDBERGH R-VIII SCHOOL DISTRICT
Reconciliation of the Governmental Fund Balance Sheet
with the Statement of Net Assets - Modified Cash Basis
June 30, 2007

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

Total Fund Balance - Governmental Funds	\$ 62,173,624.67
There are no items of Reconciliation	<u>-</u>
Total Net Assets - Governmental Activities	<u><u>\$ 62,173,624.67</u></u>

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

LINDBERGH R-VIII SCHOOL DISTRICT
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances with the Government-wide Statement of Activities - Modified Cash Basis
For the Year ended June 30, 2007

Total net change in fund balances - governmental funds	\$ 31,288,025.17
There are no items of Reconciliation	<u>-</u>
Change in net assets of governmental activities	<u><u>\$ 31,288,025.17</u></u>

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

LINDBERGH R-VIII SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lindbergh R-VIII School District (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.

As discussed further in Note I, these financial statements are presented on the modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government 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.

Principles Determining the Scope of Reporting Entity

The financial statements of the District consist only of the funds of the District. The District has no financial accountability for any other governmental entity, since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective board. In addition, the District is not aware of any entity which would exercise such oversight which would result in the District being considered a component unit of the entity.

Additionally, while the parent-teacher organizations of the District's schools are organizations that provide financial support exclusively to the District, they are not required to be included as a component unit because the amount of financial support provided is of a de minimis nature.

Fund Accounting

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

Governmental Fund

Governmental Funds are those through which most functions of the District are financed. The District's expendable financial resources are accounted for through Governmental Funds. The measurement focus is upon determination of changes in the financial position rather than upon net income determination. The following are the District's governmental fund types, each of which the District considers to be a major fund.

General Fund: This fund is the general operating fund of the District and accounts for expenditures for non-certified employees, pupil transportation costs, 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.

LINDBERGH R-VIII SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Revenue Fund: A special revenue fund accounts for revenues derived from specific taxes or other earmarked revenue sources. The Special Revenue Fund accounts for expenditures for certified employees involved in administration and instruction, and includes revenues restricted by the state and local tax levy allocations for the payment of teacher salaries and certain benefits.

Debt Service Fund: This fund is used to account for the accumulation of resources for and the payment of principal, interest and fiscal charges on long-term debt.

Capital Projects Fund: This fund is used to account for the proceeds of long-term debt, taxes and other revenues restricted for acquisition or construction of major capital assets and all other capital outlay.

Basis of Presentation

Government-Wide Financial Statements

The statement of net assets and the statement of activities present financial information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of net assets presents the financial condition of the governmental activities of the District at year-end. 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 (a) charges paid by the students for tuition, fees, or goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as *program revenues* are presented as general revenues and include all property taxes. 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

The fund financial statements provide information about the District's funds. A balance sheet and statement of revenues, expenditures, and changes in fund balances are presented. The emphasis of fund financial statements is on major governmental funds; each displayed in a separate column. The District considers each of its funds to be major.

LINDBERGH R-VIII SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. 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/expenses when they result from cash transactions except that the purchase of investments are recorded as assets. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, general obligation bonds 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 fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types (if any) would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Pooled Cash and Temporary Investments

Cash resources are combined to form a pool of cash and temporary investments which is managed by the District Treasurer, except resources from the Debt Service Fund, as state law requires these deposits to be separately maintained.

The District may invest in United States Treasury-bills, notes, bonds, government agency and instrumental obligations, repurchase agreements collateralized by government securities, time certificates of deposit, bankers' acceptances issued by domestic commercial banks, and commercial paper issued by domestic corporations.

Interest Income earned is allocated to contributing funds based on each funds' proportionate share of funds invested. In addition, see Note II, Cash and Investments.

Restricted Cash

Restricted cash represents amounts whose use is limited by legal requirements and consists of amounts escrowed for future general obligation bond principal and interest payments in conjunction with the Missouri School District Direct Deposit Program as discussed in Note II and Note III.

Fund Balance Reserves

The District reserves those portions of fund equity legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity that is available for appropriation in future periods.

LINDBERGH R-VIII SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Net Assets

Net assets represents the difference between assets and liabilities. 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 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.

Interfund Activity

Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

Inventories

The District does not maintain inventory cost records. Inventory is deemed to be immaterial and accounted for using the purchase method in which supplies are charged to expenditures when purchased.

Compensated Absences

Vacation time, personal business days, and sick leave are considered as expenditures in the year paid. Amounts that are unpaid and which are vested in the employee are paid at termination. Total vested and unpaid vacation at June 30, 2007, approximated \$58,000. This estimate has not been subjected to auditing procedures.

Teachers Salaries

The salary payment schedule of the District for the 2006-07 school year requires the payment of salaries over a twelve month period. Consequently, the July and August, 2007 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.

LINDBERGH R-VIII SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

II. CASH AND INVESTMENTS

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

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2007, the carrying amount of the District's deposits was \$62,678,313.80 and the bank balance was \$68,153,683.62. Of the bank balance \$100,000.00 was covered by federal depository insurance and \$68,053,683.62 was covered by collateral held at the Federal Reserve Bank and the District's safekeeping bank agent, in the District's name. The balance is secured through the MOHEFA and MOSIP programs as follows.

The deposits and investments held at June 30, 2007, and reported at cost are as follows:

Type	Maturities	Cost
Deposits:		
Demand Deposits – UMB	N/A	\$ 502,327.59
MOSIP Money Market Funds	N/A	10,701,438.36
Petty Cash	N/A	400.00
U.S. Agency Discount Notes	Average 13 days	5,536,918.43
MOSIP Money Market Funds	N/A	193,473.19
U.S. Agency Discount Notes	Average 20 days	1,495,700.30
MOSIP Money Market Funds	N/A	2,654,903.57

Type	Maturities	Cost
Restricted Cash:		
Work Comp Escrow	2/4/08	\$ 258,227.62
MOHEFA Bond Program	N/A	1,295,301.29
MOSIP Money Market Debt Service	N/A	4,000,231.40
MOSIP Money Market	N/A	616,103.71
Demand Deposits - Scholarships	N/A	53,709.07

Type	Maturities	Cost
Investments:		
Certificates of Deposit – MOSIP	10/29/07	\$ 96,000.00
Certificates of Deposit – MOSIP	8/20/07	96,000.00
U.S. Agency Notes and Bonds	Average 518 Days	8,810,979.38
U.S. Treasury Notes and Bonds	Average 511 Days	2,385,117.00
U.S. Agency Discount Notes	Average 195 Days	14,352,390.68
U.S. Agency Notes and Bonds	Average 536 Days	9,629,092.21
Total Cash & Investments		<u>62,678,313.80</u>

LINDBERGH R-VIII SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

II. CASH AND INVESTMENTS (CONCLUDED)

MISSOURI HEALTH AND EDUCATIONAL FACILITIES AUTHORITY (MOHEFA)

During fiscal years 1997-98 and 2003-04, the District sold general obligation bonds and during fiscal year 2001-02, and 2005-2006, the District sold general obligation refunding bonds and is participating in the program created by Senate Bill 301 administered by the Missouri Health and Educational Facilities Authority (MOHEFA). The program intercepts a portion of state aid and places those funds in escrow to pay the debt service requirements of the bonds. At June 30, 2007, the District had \$1,295,301.29 held in escrow by MOHEFA.

MISSOURI SECURITIES INVESTMENT PROGRAM (MOSIP):

The District has \$60,162,056.93 invested in the MOSIP program of June 30, 2007. All funds in the program are invested in accordance with Section 165.051 Missouri Revised Statutes. Each school district owns a pro-rata share of each investment or deposit which is held in the name of the Fund. Since the Fund has the characteristics of mutual fund, it is not reported by risk category in accordance with Governmental Accounting Standards Board Statement #3.

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's investment policy does not include custodial credit risk requirements. The District's deposits were not exposed to custodial credit risk for the year end June 30, 2007.

Custodial Credit Risk – Investments

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

Investment Interest Rate Risk

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.

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 a policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The District's deposits were not exposed to concentration of investment credit risk for the year end June 30, 2007.

LINDBERGH R-VIII SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

III. 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 District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year.

The assessed valuation of the tangible taxable property (excluding state assessed railroad and utilities) for the calendar year 2006 for purposes of local taxation was:

Real Estate:	
Residential	\$ 694,601,290
Agricultural	411,620
Commercial	278,617,350
Personal Property	170,121,490
Total	<u>\$ 1,143,751,750</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the fiscal year 2006-07 for purposes of local taxation was:

	Unadjusted	Adjusted
General Fund	\$ 1.3335	\$ 1.2509
Special Revenue Fund	1.6114	1.5288
Debt Service Fund	.3800	.3800
Capital Project Fund	.0000	.0000
Total	<u>\$ 3.3249</u>	<u>\$ 3.1597</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2007, aggregated approximately 98.21 percent of the current assessment computed on the basis of the levy as shown above.

IV. EARLY RETIREMENT INCENTIVE PLAN

On June 30, 1982, the District approved an early retirement incentive program. Eligible teachers are those with (a) 30 years experience and 15 years employment with the District, or (b) 55 years of age with 20 years experience and 15 years employment with the District. A teacher who retires when first eligible is entitled to one year's salary (as defined), payable in equal annual installments over the following three years. The percentage of final salary payable declines in stated intervals after eligibility. In the fiscal year ended June 30, 2007, the District paid approximately \$574,841.68 in benefits.

Based upon participants at June 30, 2007, the District will be liable for approximately \$1,075,215.57 in additional benefits through the year ending June 30, 2010. Of this amount, approximately \$555,311.52 will be payable by the year ending June 30, 2008. These estimates have not been subjected to auditing procedures.

LINDBERGH R-VIII SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

V. CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2007:

	GENERAL OBLIGATION BONDS
Long-Term Debt	
– July 1, 2006	\$ 40,042,802.05
Add-issued	32,000,000.00
Less-Payments	<u>(2,075,000.00)</u>
Long-Term Debt	
– June 30, 2007	<u>\$ 69,967,802.05</u>

Bonds payable at June 30, 2007, consist of :

\$11,900,000 Original Principal Lindbergh R-VIII School District General Obligation Bonds Series 1998-due in varying annual principal installments ranging from \$85,000 to \$1,375,000 through February 15, 2015, interest rate is variable from 3.8% to 4.95%.	\$ 9,370,000.00
\$9,499,874 Original Principal Lindbergh R-VIII General Obligation Bonds Series 2000. This issue consists of Capital Appreciation Bonds due March 1, 2014, through March 1, 2018. The principal amount bears varying annual interest rates of 5.72% to 5.90% compounded semiannually on March 1 and September 1 each year, beginning March 1, 2001. Original principal amount of the Capital Appreciation Bonds is \$2,252,802.05 with a maturity of \$6,085,000. The remaining \$11,795,000 of this issue are considered defeased by escrow until 2020.	2,252,802.05
\$6,835,000 Original Principal Lindbergh R-VIII General Obligation Refunding Bonds, Series 2001 – due in varying annual principal installments ranging from \$2,710,000 to \$3,275,000 through March 1, 2020, interest rate is variable from 4.85% to 4.90%.	5,985,000.00
\$14,100,000 Original Principal Lindbergh R-VIII School District General Obligation Bonds Series 2003-due in varying annual principal installments ranging from \$450,000 to \$1,105,000 through March 1, 2023 interest rate is variable from 1.05% to 4.15%.	12,645,000.00
\$8,925,000 Original Principal Lindbergh R-VIII School District General Obligation Refunding Bonds Series 2004-due in varying annual principal installments ranging from \$25,000 to \$2,030,000 through March 1, 2016, interest rate is variable from 1.00% to 3.45%.	7,715,000.00
\$32,000,000 Original Principal Lindbergh R-VIII School District General Obligation Bonds, Series 2007 – due in varying annual principal installments ranging from \$500,000 to \$5,600,000 through March 1, 2027, interest rate is variable from 4.000% to 4.375%.	<u>32,000,000.00</u>
Total Long-Term Debt	<u>\$69,967,802.05</u>

LINDBERGH R-VIII SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

V. CHANGES IN LONG-TERM DEBT (CONCLUDED)

During the year ended June 30, 2002, the District issued \$6,835,000 of Series 2001 General Obligation Refunding Bonds to defease a portion of the Series 2000 General Obligation Bonds. The \$6,835,000 less cost of issuance received from the 2001 Issue and \$538,160 received from the District were placed in an escrow account with the United Missouri Bank which will be used to pay the Series 2000's semiannual interest due until the principal bonds are paid in 2019 and 2020. The escrow account assets and the liability of the Series 2000 bond issue are not reflected in these accompanying financial statements as the Series 2000 is considered defeased by this escrow account.

During the year ended June 30, 2006, the District defeased \$572,071.80 of General Obligation Bonds, Series 2000 and \$850,000.00 of General Obligation Refunding Bonds, Series 2001. The District issued a wire to United Missouri Bank for \$1,797,259.88 plus associated cost which will be placed in an escrow account. The escrow account assets and liabilities of the Series 2000 and Series 2001 bond issues are not reflected in these accompanying statements as the Series 2000 and Series 2001 is considered defeased by this escrow account.

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15 percent of the assessed valuation of the district (including state-assessed railroad and utilities). The District did not exceed the legal debt margin at June 30, 2007.

The annual requirements to amortize all debt outstanding as of June 30, 2007, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2008	\$ 2,170,000.00	\$ 2,743,820.00	\$ 4,913,820.00
2009	2,250,000.00	2,677,490.00	4,927,490.00
2010	2,345,000.00	2,604,015.00	4,949,015.00
2011	2,455,000.00	2,524,020.00	4,979,020.00
2012	2,575,000.00	2,436,070.00	5,011,070.00
2013-2017	13,287,939.00	10,606,592.50	23,894,531.50
2018-2022	19,104,863.05	8,112,055.00	27,216,918.05
2023-2027	25,780,000.00	3,416,120.00	29,196,120.00
Totals	<u>\$ 69,967,802.05</u>	<u>\$ 35,120,182.50</u>	<u>\$105,087,984.55</u>

LINDBERGH R-VIII SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

VI. PENSION PLANS

The Lindbergh R-VIII School District contributes to The Public School Retirement System of Missouri (PSRS), a cost-sharing multiple-employer defined benefit pension plan. PSRS provides retirement and disability benefits to certificated employees and death benefits to members and beneficiaries. Positions covered by 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 12.0% of their annual covered salary and the Lindbergh R-VIII School District is required to contribute a matching amount. The contribution requirements of members and the Lindbergh R-VIII School District are established and may be amended by the PSRS Board of Trustees. The School District's contributions to PSRS for the year ending June 30, 2007, were \$3,176,085.61, equal to the required contributions.

The Lindbergh R-VIII School District also contributes to The Public Education Employee Retirement System of Missouri (PEERS), a cost-sharing multiple-employer defined benefit pension plan. PEERS provides retirement and disability benefits to employees of the district who work 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 5.75% of their annual covered salary and the Lindbergh R-VIII School District is required to contribute a matching amount. The contribution requirements of members and the Lindbergh R-VIII School District are established and may be amended by the Board of Trustees. The School District's contributions to PEERS for the year ending June 30, 2007 were \$410,228.55, equal to the required contributions.

VII. RESTRICTED FUND BALANCE

The District has elected to restrict a portion of the fund balance in the Capital Projects Fund for use in renovation of school buildings and Prop R 2007. The amount restricted is \$616,103.71 and \$32,000,000, respectively.

LINDBERGH R-VIII SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

VIII. CONTINGENCIES

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

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

REQUIRED SUPPLEMENTARY INFORMATION

LINDBERGH R-VIII SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance -
Non-GAAP Budget Basis and Actual - General Fund - Modified Cash Basis
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variances--
	Original	Final	Amount	Over(Under)
				Final
				to Actual
Revenues Collected				
Local Sources	\$ 20,493,819.00	\$ 22,907,879.00	\$ 24,462,095.09	\$ 1,554,216.09
County Sources	470,601.00	180,351.00	223,313.87	42,962.87
State Sources	1,571,574.00	1,661,107.00	2,667,058.76	1,005,951.76
Federal Sources	1,037,177.00	1,037,177.00	1,023,619.91	(13,557.09)
TOTAL REVENUES	23,573,171.00	25,786,514.00	28,376,087.63	2,589,573.63
Expenditures Paid				
Current				
Instruction	6,512,077.00	3,481,081.00	3,525,941.99	44,860.99
Attendance	374,304.00	374,304.00	363,270.44	(11,033.56)
Guidance	299,307.00	299,307.00	292,099.35	(7,207.65)
Health, Psych Speech & Audio	433,308.00	433,308.00	391,537.26	(41,770.74)
Improvement of Instruction	647,689.00	647,689.00	612,990.39	(34,698.61)
Professional Development	101,140.00	101,140.00	134,488.36	33,348.36
Media Services	389,987.00	390,487.00	315,882.50	(74,604.50)
Board of Education Services	115,927.00	115,927.00	113,180.00	(2,747.00)
Executive Administration	1,249,013.00	1,074,013.00	672,312.17	(401,700.83)
Building Level Administration	859,899.00	977,399.00	973,207.91	(4,191.09)
Business Central Services	1,330,410.00	1,232,045.00	1,148,314.74	(83,730.26)
Operation of Plant	6,377,398.00	6,610,037.00	5,978,166.05	(631,870.95)
Pupil Transportation	1,631,895.00	1,646,395.00	1,517,386.51	(129,008.49)
Food Service	1,880,000.00	1,880,000.00	2,113,331.43	233,331.43
Central Office Support Services	108,318.00	108,318.00	103,831.15	(4,486.85)
Community Services	107,884.00	3,120,399.00	2,852,105.79	(268,293.21)
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
Total Expenditures	22,418,556.00	22,491,849.00	21,108,046.04	(1,383,802.96)
Revenues Collected Over (Under)				
Expenditures Paid	1,154,615.00	3,294,665.00	7,268,041.59	3,973,376.59
Other Financing Sources (Uses):				
Transfers	(3,492,941.00)	(6,214,345.42)	(6,214,347.32)	(1.90)
Sale of Other Property	-	-	-	-
Contracted Educational Services	-	-	2,277.85	2,277.85
Total Other Financing				
Sources (Uses)	(3,492,941.00)	(6,214,345.42)	(6,212,069.47)	2,275.95
NET CHANGE IN FUND BALANCES	(2,338,326.00)	(2,919,680.42)	1,055,972.12	\$ 3,975,652.54
Fund Equity July 1, 2006	20,607,340.40	20,607,340.40	20,607,340.40	
Fund Equity June 30, 2007	\$ 18,269,014.40	\$ 17,687,659.98	\$ 21,663,312.52	

LINDBERGH R-VIII SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance - Non-GAAP Budget Basis and Actual
Special Revenue Fund - Modified Cash Basis
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variances--
	Original	Final	Amount	Over (Under)
				Final
				to Actual
Revenues Collected				
Local Sources	\$ 21,695,111.00	\$ 22,295,838.00	\$ 23,153,479.82	\$ 857,641.82
County Sources	673,540.00	340,245.00	343,520.45	3,275.45
State Sources	1,841,750.00	1,951,187.00	1,066,255.19	(884,931.81)
Federal Sources	-	-	-	-
TOTAL REVENUES	24,210,401.00	24,587,270.00	24,563,255.46	(24,014.54)
Expenditures Paid				
Current				
Instruction	22,885,106.00	25,818,725.00	25,705,399.49	(113,325.51)
Attendance	395,193.00	403,193.00	403,179.13	(13.87)
Guidance	1,046,554.00	1,046,554.00	1,043,854.14	(2,699.86)
Health, Psych Speech & Audio	-	-	-	-
Improvement of Instruction	597,371.00	634,371.00	633,003.57	(1,367.43)
Professional Development	-	-	-	-
Media Services	398,622.00	498,172.00	488,608.57	(9,563.43)
Board of Education Services	-	-	-	-
Executive Administration	511,771.00	513,771.00	513,584.76	(186.24)
Building Level Administration	1,685,250.00	1,810,250.00	1,808,942.70	(1,307.30)
Business Central Services	183,475.00	183,925.00	183,814.46	(110.54)
Operation of Plant	-	-	-	-
Pupil Transportation	-	-	-	-
Food Service	-	-	-	-
Central Office Support Services	-	-	-	-
Community Services	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
Total Support Services	27,703,342.00	30,908,961.00	30,780,386.82	(128,574.18)
Revenues Collected Over (Under)				
Expenditures Paid	(3,492,941.00)	(6,321,691.00)	(6,217,131.36)	104,559.64
Other Financing Sources (Uses):				
Transfers	3,492,941.00	6,321,691.00	6,214,347.32	(107,343.68)
Sale of Other Property				-
Contracted Educational Services			2,784.04	2,784.04
Total Other Financing				
Sources (Uses)	3,492,941.00	6,321,691.00	6,217,131.36	(104,559.64)
NET CHANGE IN FUND BALANCES	-	-	-	\$ 0.00
Fund Equity July 1, 2006	-	-	-	
Fund Equity June 30, 2007	\$ -	\$ -	\$ -	

LINDBERGH R-VIII SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2007

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 June 30, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.

Budgeted amounts are as originally adopted on June 13, 2006, by the Board of Education.

6. Budgets are adopted on the modified cash basis of accounting for all Governmental Funds.

SUPPLEMENTARY INFORMATION

LINDBERGH R-VIII SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance - Non-GAAP Budget Basis and Actual
Debt Service Fund - Modified Cash Basis
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variances-- Over(Under)
	Original	Final	Amount	Final to Actual
Revenues Collected				
Local Sources	\$ 4,337,977.00	\$ 4,385,000.00	\$ 4,840,753.14	\$ 455,753.14
County Sources	150,000.00	65,000.00	87,492.04	22,492.04
State Sources				-
Federal Sources				-
TOTAL REVENUES	4,487,977.00	4,450,000.00	4,928,245.18	478,245.18
Expenditures Paid				
Current				
Instruction	-	-	-	-
Attendance	-	-	-	-
Guidance	-	-	-	-
Health, Psych Speech & Audio	-	-	-	-
Improvement of Instruction	-	-	-	-
Professional Development	-	-	-	-
Media Services	-	-	-	-
Board of Education Services	-	-	-	-
Executive Administration	-	-	-	-
Building Level Administration	-	-	-	-
Business Central Services	-	-	-	-
Operation of Plant	-	-	-	-
Pupil Transportation	-	-	-	-
Food Service	-	-	-	-
Central Office Support Services	-	-	-	-
Community Services	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	2,075,000.00	2,825,000.00	2,075,000.00	(750,000.00)
Interest and Charges	1,625,000.00	2,020,200.00	1,849,420.50	(170,779.50)
Total Expenditures	3,700,000.00	4,845,200.00	3,924,420.50	(920,779.50)
Revenues Collected Over (Under)				
Expenditures Paid	787,977.00	(395,200.00)	1,003,824.68	(1,399,024.68)
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Refunding Bonds	-	-	-	-
Contracted Educational Services	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	787,977.00	(395,200.00)	1,003,824.68	\$ (1,399,024.68)
Fund Equity June 30, 2006	4,291,708.01	4,291,708.01	4,291,708.01	
Fund Equity June 30, 2007	\$ 5,079,685.01	\$ 3,896,508.01	\$ 5,295,532.69	

LINDBERGH R-VIII SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance - Non-GAAP Budget Basis and Actual
Capital Projects Fund - Modified Cash Basis
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variances--
	Original	Final	Amount	Over(Under)
				Final
				to Actual
Revenues Collected				
Local Sources	\$ -	\$ 240,000.00	\$ 616,307.90	\$ 376,307.90
County Sources	-	-	-	-
State Sources	-	62,338.00	57,858.43	(4,479.57)
Federal Sources	-	-	-	-
TOTAL REVENUES	-	302,338.00	674,166.33	371,828.33
Expenditures Paid				
Current				
Instruction	90,960.00	90,960.00	80,908.16	(10,051.84)
Attendance	-	-	-	-
Guidance	206.00	206.00	-	(206.00)
Health, Psych Speech & Audio	-	-	-	-
Improvement of Instruction	63,688.00	63,688.00	68,384.59	4,696.59
Professional Development	-	-	-	-
Media Services	3,330.00	3,330.00	2,901.67	(428.33)
Board of Education Services	-	-	-	-
Executive Administration	-	-	-	-
Building Level Administration	18,800.00	18,800.00	43,564.61	24,764.61
Business Central Services	106,866.00	106,866.00	108,425.61	1,559.61
Operation of Plant	430,118.00	430,118.00	355,668.91	(74,449.09)
Pupil Transportation	-	-	-	-
Food Service	-	-	1,347.51	1,347.51
Central Office Support Services	283,461.00	939,674.00	851,213.91	(88,460.09)
Community Services	-	-	-	-
Capital Outlay	-	32,422,989.00	1,839,421.71	(30,583,567.29)
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	101,400.00	101,135.64	(264.36)
Total Support Services	997,429.00	34,178,031.00	3,452,972.32	(30,725,058.68)
Revenues Collected Over (Under)				
Expenditures Paid	(997,429.00)	(33,875,693.00)	(2,778,805.99)	31,096,887.01
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Sale of Bonds		32,000,000.00	32,000,000.00	-
Sale of Other Property	6,028.00	7,034.00	7,034.36	0.36
Contracted Educational Services	-	-	-	-
Total Other Financing				
Sources (Uses)	6,028.00	32,007,034.00	32,007,034.36	0.36
NET CHANGE IN FUND BALANCES	(991,401.00)	(1,868,659.00)	29,228,228.37	\$ 31,096,887.37
Fund Equity July 1, 2006	5,986,551.09	5,986,551.09	5,986,551.09	
Fund Equity June 30, 2007	\$ 4,995,150.09	\$ 4,117,892.09	\$ 35,214,779.46	

LINDBERGH R-VIII SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance - Non-GAAP Budget Basis and Actual
All Government Funds - Modified Cash Basis
For the Year ended June 30, 2007

	Budgeted Amounts		Actual	Variances-- Over(Under)
	Original	Final	Amount	Final to Actual
Revenues Collected				
Local Sources	\$ 46,526,907.00	\$ 49,828,717.00	\$ 53,072,635.95	\$ 3,243,918.95
County Sources	1,294,141.00	585,596.00	654,326.36	68,730.36
State Sources	3,413,324.00	3,674,632.00	3,791,172.38	116,540.38
Federal Sources	1,037,177.00	1,037,177.00	1,023,619.91	(13,557.09)
TOTAL REVENUES	52,271,549.00	55,126,122.00	58,541,754.60	3,415,632.60
Expenditures Paid				
Current		-		
Instruction	29,488,143.00	29,390,766.00	29,312,249.64	(78,516.36)
Attendance	769,497.00	777,497.00	766,449.57	(11,047.43)
Guidance	1,346,067.00	1,346,067.00	1,335,953.49	(10,113.51)
Health, Psych Speech & Audio	433,308.00	433,308.00	391,537.26	(41,770.74)
Improvement of Instruction	1,308,748.00	1,345,748.00	1,314,378.55	(31,369.45)
Professional Development	101,140.00	101,140.00	134,488.36	33,348.36
Media Services	791,939.00	891,989.00	807,392.74	(84,596.26)
Board of Education Services	115,927.00	115,927.00	113,180.00	(2,747.00)
Executive Administration	1,760,784.00	1,587,784.00	1,185,896.93	(401,887.07)
Building Level Administration	2,563,949.00	2,806,449.00	2,825,715.22	19,266.22
Business Central Services	1,620,751.00	1,522,836.00	1,440,554.81	(82,281.19)
Operation of Plant	6,807,516.00	7,040,155.00	6,333,834.96	(706,320.04)
Pupil Transportation	1,631,895.00	1,646,395.00	1,517,386.51	(129,008.49)
Food Service	1,880,000.00	1,880,000.00	2,114,678.94	234,678.94
Central Office Support Services	391,779.00	1,047,992.00	955,045.06	(92,946.94)
Community Services	107,884.00	3,120,399.00	2,852,105.79	(268,293.21)
Capital Outlay	-	32,422,989.00	1,839,421.71	(30,583,567.29)
Debt Service:				
Principal	2,075,000.00	2,825,000.00	2,075,000.00	(750,000.00)
Interest and Charges	1,625,000.00	2,121,600.00	1,950,556.14	(171,043.86)
Total Expenditures	54,819,327.00	92,424,041.00	59,265,825.68	(33,158,215.32)
Revenues Collected Over (Under)				
Expenditures Paid	(2,547,778.00)	(37,297,919.00)	(724,071.08)	36,573,847.92
Other Financing Sources (Uses):				
Transfers	-	107,345.58	-	(107,345.58)
Sale of Bonds		32,000,000.00	32,000,000.00	-
Sale of Other Property	6,028.00	7,034.00	7,034.36	0.36
Contracted Educational Services	-	-	5,061.89	5,061.89
Total Other Financing Sources (Uses)	6,028.00	32,114,379.58	32,012,096.25	(102,283.33)
NET CHANGE IN FUND BALANCES	(2,541,750.00)	(5,183,539.42)	31,288,025.17	\$ 36,471,564.59
Fund Equity July 1, 2006	30,885,599.50	30,885,599.50	30,885,599.50	
Fund Equity June 30, 2007	\$ 28,343,849.50	\$ 25,702,060.08	\$ 62,173,624.67	

STATE COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

**REPORT ON COMPLIANCE WITH CERTAIN LAWS
AND REGULATIONS SPECIFIED BY MISSOURI STATUTE**

To the Members of the
Board of Education
Lindbergh R-VIII School District

We have audited the basic financial statements of the Lindbergh R-VIII School District (the "District") as of and for the year ended June 30, 2007, and have issued our report thereon dated August 20, 2007.

As required by the Revised Statutes of the State of Missouri, we have performed auditing procedures to test compliance with the budgetary statute (Chapter 68 RSMo) and Section 165.121.3(7) RSMo with respect to the methods of maintaining pupil attendance and pupil transportation records for the year ended June 30, 2007. The management of the District is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the District's budgetary and disbursements procedures were in compliance, in all material respects, with the budgetary statute (Chapter 67 RSMo) for the year ended June 30, 2007. It is further our opinion that the pupil attendance and pupil transportation records are so maintained as to accurately disclose, in all material respects, the average daily attendance; resident membership on the last Wednesday of September; average number of students transported on a regular basis; and mileage and allowable cost for pupil transportation in compliance with state law and administrative rules for the year ended June 30, 2007.

This report is intended 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.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

August 20, 2007

LINDBERGH R-VIII SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
DISTRICT NO. 096-093
YEAR ENDED JUNE 30, 2007

I. CALENDAR

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

Kindergarten – A.M.	530.36	Hours	Grades 1-5	1049.30	Hours
Kindergarten – P.M.	535.92	Hours	Grades 6-8	1047.40	Hours
Kindergarten - Full-Day	1049.30	Hours	Grades 9-12	1101.10	Hours

- B. The number of days classes were in session and pupils were under the direction of teachers during this school year was as follows:

Kindergarten – A.M.	175	Days	Grades 1-5	175	Days
Kindergarten – P.M.	174	Days	Grades 6-8	174	Days
Kindergarten - Full-Day	175	Days	Grades 9-12	175	Days

II. STUDENTS

REGULAR TERM AVERAGE DAILY ATTENDANCE (ADA)

Regular Year	Resident	Desegregation		Total
		In	Out	
Kindergarten – All	18.16	-	-	18.16
Kindergarten – A.M.	121.73	-	-	121.73
Kindergarten – P.M.	49.14	-	-	49.14
Grades 1-5	1754.13	112.60	-	1866.73
Grades 6-8	1086.31	133.71	-	1220.02
Grades 9-12	1644.65	112.69	-	1757.34
<i>Subtotal Regular Year</i>	4674.12	359.00	-	5033.12
Summer School ADA	53.23	9.25	-	62.48
Total Average Daily Attendance	4727.35	368.25	-	5095.60

The applicable summer school for this fiscal year was the one held in calendar year 2006.

	Desegregation			Total
	Resident	In	Out	
September Resident Membership	5105.75	391.50	-	5497.25

Free and Reduced Price Eligible Pupils (Section 163.011(6), RSMo)

(This is a full-time equivalency (FTE) number as of the last Wednesday of January, 2007)

	Regular	Desegregation In	Total
Free	347.29	263.28	610.57
Reduced	143.14	32.00	175.14
Total	490.43	295.28	785.71

As of the report date the St. Louis Public Schools is unable to provide Desegregation Out hours or membership.

LINDBERGH R-VIII SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
DISTRICT NO. 096-093
YEAR ENDED JUNE 30, 2007

III. TRANSPORTATION (SECTION 163.161, RSMo)

- A. The school transportation allowable cost substantially conforms to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.

☒ Yes ☐ No ☐ N/A

- B. The District's school transportation ridership records are so maintained as to accurately disclose in all material respects the average number of regular riders transported.

☒ Yes ☐ No ☐ N/A

Based on the ridership records, the average number of students (non-disabled K-12, career education, and K-12 students with disabilities) transported on a regular basis (ADT) eligible for state transportation aid was 3218.00 and the average number of students transported on a regular basis (ADT) ineligible to be counted for state transportation aid was 35.

- C. The District's transportation odometer mileage records are so maintained as to accurately disclose in all material respects the eligible and ineligible mileage for the year.

☒ Yes ☐ No ☐ N/A

Based on the actual odometer records, the total mileage for the year was 393,209. Of this total, the eligible non-disabled and students with disabilities route miles were 359,664 and the ineligible non-route and disapproved miles (combined) were 33,545.

- D. The District operated the school transportation system for 177 days during this school year.

IV. ADULT EDUCATION AND LITERACY

- A. The District participated in the Adult Education and Literacy (AEL) Programs.

☐ Yes ☒ No ☐ N/A

V. CAREER LADDER (SECTION 168.500, RSMo)

- A. The District participated in the Career Ladder program.

☐ Yes ☒ No ☐ N/A

LINDBERGH R-VIII SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
DISTRICT NO. 096-093
YEAR ENDED JUNE 30, 2007

VI. FINANCE

- A. Bond, as required by Section 162.401, RSMo, has been purchased for the District treasurer in the total amount of \$25,000.00.
- B. The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.
☒ Yes ☐ No ☐ N/A
- C. The District maintained a separate bank account for its Debt Service Fund in accordance with Section 165.011, RSMo.
☒ Yes ☐ No ☐ N/A
- D. The District's has a school improvement plan and a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment.
- School Improvement Plan
☒ Yes ☐ No ☐ N/A
- Professional Development Plan
☒ Yes ☐ No ☐ N/A
- E. The District's June, Basic Formula Calculation Sheet, Line 17B, Basic Formula Apportionment amount was \$1,229,925.
- The District's 75% of 1% of the Basic Formula Apportionment amount was \$9,224.
- The amount spent for approved professional development committee plan activities was \$134,488. (The 1% PDC amount is NOT calculated on the actual receipts coded to Revenue Code 5311.)
- F. The District used state-funded grant monies to supplant existing salaries.
☐ Yes ☒ No ☐ N/A
- G. The District used federal monies to supplant state expenditures.
☐ Yes ☒ No ☐ N/A
- H. The District made a \$162,326 or 7% x SAI x WADA transfer.
☐ Yes ☒ No ☐ N/A
- I. The District issued general obligation refunding bonds in the current year.
☐ Yes ☒ No ☐ N/A

LINDBERGH R-VIII SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
DISTRICT NO. 096-093
YEAR ENDED JUNE 30, 2007

VI. FINANCE (CONTINUED)

- J. The District has appropriately included all current and prior year crossover refunding bonds in its financial statements.

 X Yes No N/A

- K. The District took action prior to October 31 to cause the 2006-07 audit to be performed.

 X Yes No N/A

- L. For the preceding year (not the current audit period) in which the District took action to cause an audit to be performed by October 31, the District published a summary of the 2005-06 report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.

 X Yes No N/A

- M. Based on the District's or charter school's federal expenditures, an audit was required to be performed in accordance with OMB Circular A-133 (Revised).

 X Yes No N/A

VII. MISSOURI SCHOOL IMPROVEMENT PROGRAM (MSIP)

- A. The District has adequate procedures that allow for the proper recording and reporting of hours of absence.

 X Yes No N/A

- B. The District has adequate procedures that allow for the identification and recording of dropouts as defined in the Core Data Manual (Exhibit 6) and the subsequent reporting of those students to the Adult Literacy Hotline and on the June Cycle of Core Data.

 X Yes No N/A

- C. The District has a set of adequate procedures for following up on the College and Vocational Placement of all of the previous year's graduates 180 days after graduation.

 X Yes No N/A

- D. The District has a set of procedures that ensures Advanced Courses and Vocational Courses (approved by the state) are properly identified and reported according to Core Data standards?

 X Yes No N/A

VIII. SPECIAL EDUCATION

Special education is provided primarily through Special School District.

LINDBERGH R-VIII SCHOOL DISTRICT
SCHEDULE OF STATE FINDINGS
YEAR ENDED JUNE 30, 2007

I. CHAPTER 67 RSMO (BUDGET STATUE)

DEFICIT BUDGETING

The District deficit budgeted in the General fund for the 2006/07 school year. However, there was a beginning balance in excess of the deficit budget amount.

The District deficit budgeted in the Debt Service Fund for the 2006/07 school year. However, there was a beginning balance in excess of the deficit budget amount.

The District deficit budgeted in the Capital Projects Fund for the 2006/07 school year. However, there was a beginning balance in excess of the deficit budget amount.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Education
Lindbergh R-VIII School District

We have audited the financial statements of the governmental activities and each major fund of Lindbergh R-VIII School District, as of and for the year ended June 30, 2007, which collectively comprise the basic financial statements of the District, and have issued our modified cash basis report thereon dated August 20, 2007. Our report was modified because the District prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We did not express an opinion on supplementary information required by the Governmental Accounting Standards Board. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lindbergh R-VIII School District's 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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 Lindbergh R-VIII School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Education, management, the Missouri Department of Elementary and Secondary Education, other audit agencies 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.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

August 20, 2007



**REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Members of the Board of Education
Lindbergh R-VIII School District

Compliance

We have audited the compliance of Lindbergh R-VIII School District, State of Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Lindbergh R-VIII School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Lindbergh R-VIII School District's management. Our responsibility is to express an opinion on Lindbergh R-VIII School District's 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 No. 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 Lindbergh R-VIII School District's compliance with those requirements and performing 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 R-VIII School District's compliance with those requirements.

In our opinion, Lindbergh R-VIII School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Lindbergh R-VIII School District 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 Lindbergh R-VIII School District's 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, 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 District's internal control over compliance.

Internal Control Over Compliance (Continued)

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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, management, the Missouri Department of Elementary and Secondary Education, other audit agencies, 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.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

August 20, 2007

LINDBERGH R-VIII SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007

Federal Grantor/Pass-Through Grantor /Program Title	Federal CFDA Number	Pass-Through Entity Number	Expenditures	
<u>Cash Federal Expenditures</u>				
Department of Education				
Passed Through State Department of Elementary and Secondary Education				
Title I (ESEA)	84.010A	096-093	148,310.00	
Title V (ESEA)	84.298A	096-093	8,981.00	
Title IV.A, Safe & Drug-Free Schools	84.186A	096-093	19,181.00	
Title II (ESEA)	84.367A	096-093	140,860.00	
Title III (English Language Learners)	84.365A	096-093	17,494.00	
Education for Homeless Children & Youth	84.196A	096-093	<u>813.00</u>	
<i>Total Department of Education</i>				335,639.00
U.S. Department of Agriculture				
Passed Through State Department of Elementary and Secondary Education				
National School Breakfast Program	10.553	096-093	95,336.00	
National School Lunch Program	10.555	096-093	293,987.00	
After School Snack Program	10.555	096-093	<u>10,503.00</u>	
<i>Total Department of Agriculture</i>				399,826.00
<u>Non-Cash Federal Expenditures</u>				
Passed Through State Department of Elementary and Secondary Education				
Donated Foods	10.550	096-093	<u>91,742.00</u>	
<i>Total Non-Cash Federal Expenditures</i>				<u>91,742.00</u>
Total Federal Expenditures				<u><u>827,207.00</u></u>

LINDBERGH R-VIII SCHOOL DISTRICT
COMBINED SCHEDULE OF FINDINGS
AND QUESTIONED COSTS FOR THE
YEAR ENDED JUNE 30, 2007

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: unqualified Modified Cash Basis
2. Internal control over financial reporting:
 - a. Any material weakness(es) identified? ☐ Yes ☒ No
 - b. Any significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None Reported
3. Any Noncompliance material to financial statements noted? ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major programs:
 - a. Any material weakness(es) identified? ☐ Yes ☒ No
 - b. Any significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None Reported
2. Type of auditor's report issued on compliance for major programs: unqualified
3. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133? ☐ Yes ☒ No
4. Identification of major programs:

<u>CFDA Number(s):</u>	<u>Name of Federal Program or Cluster:</u>
<u>10.550, 10.553, 10.555</u>	<u>Food Service Cluster</u>
5. Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00
6. Auditee qualified as low-risk auditee? ☒ Yes ☐ No

LINDBERGH R-VIII SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2007

I. FINANCIAL STATEMENT FINDINGS

There were no prior year findings.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no audit findings related to internal control, compliance, questioned costs, or fraud that related to federal awards for the year ended June 30, 2006.