NEW ISSUE
BOOK-ENTRY ONLY

MOODY'S RATING: Aa2
See "RATING" herein

*In the opinion of Gilmore & Bell, P.C., Special Counsel to the District, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the **"Code"**), the Interest Portion of Basic Rent Payments paid by the District under the hereinafter-defined Lease and distributed to the registered owners of the Series 2020 Certificates (including any original issue discount properly allocable to an owner thereof) (1) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax and (2) is exempt from income taxation by the State of Missouri. The District's obligation to pay Basic Rent Payments under the Lease has not been designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. See* **"TAX MATTERS"** *herein.*

LINDBERGH SCHOOLS
(ST. LOUIS COUNTY, MISSOURI)

$9,500,000
CERTIFICATES OF PARTICIPATION
SERIES 2020

Dated: Date of Delivery **Due: March 1, as shown on the inside cover**

The Certificates of Participation, Series 2020 (the **"Series 2020 Certificates"**) will be delivered by UMB Bank, N.A. (the **"Trustee"**) for the purpose of providing funds to (1) pay a portion of the costs of acquiring and installing energy conservation improvements and (2) pay the costs of delivery of the Series 2020 Certificates.

The Series 2020 Certificates will be delivered as fully-registered certificates, without coupons, in authorized denominations of $5,000 or any integral multiple thereof. Principal Portions will be payable each March 1 in the years shown on the inside cover page. Semiannual Interest Portions will be payable on March 1 and September 1, beginning March 1, 2021.

The Series 2020 Certificates evidence the ownership of proportionate interests in, and rights to receive payments under, a Lease Purchase Agreement dated as of August 1, 2020 (the **"Lease"**) entered into between the Trustee, as lessor, and Lindbergh Schools (the **"District"**), as lessee. The Series 2020 Certificates are to be executed and delivered pursuant to a Declaration of Trust dated as of August 1, 2020 (the **"Declaration of Trust"**) made by the Trustee.

The Series 2020 Certificates are subject to prepayment prior to maturity as more fully described herein.

Neither the Series 2020 Certificates nor the Lease shall constitute a liability or obligation of the District beyond the Original Term or Renewal Term in effect at any time. The District is under no obligation to renew the Lease at the end of the Original Term or any Renewal Term. Neither the Series 2020 Certificates nor the Lease will constitute a general obligation or indebtedness of the District within the meaning of any constitutional or statutory debt limitation or restriction. The Trustee will have no financial obligation under the Lease or the Declaration of Trust.

MATURITY SCHEDULE: SEE INSIDE FRONT COVER

An investment in the Series 2020 Certificates involves risk. Prospective purchasers should evaluate the risks and merits of an investment in the Series 2020 Certificates before considering a purchase of the Series 2020 Certificates. See "RISK FACTORS AND INVESTMENT CONSIDERATIONS" herein.

The Series 2020 Certificates will be offered when, as and if executed and delivered by the Trustee, subject to the approval of validity and certain other matters by Gilmore & Bell, P.C., St. Louis, Missouri, Special Counsel to the District, and certain other conditions. Certain legal matters related to this Official Statement will be passed upon by Gilmore & Bell, P.C., St. Louis, Missouri. Piper Sandler & Co. has served as financial advisor to the District on this transaction. It is expected that the Series 2020 Certificates will be available for delivery in book-entry form through the facilities of The Depository Trust Company in New York, New York on or about August 6, 2020.

The date of this Official Statement is July 28, 2020.

LINDBERGH SCHOOLS
(ST. LOUIS COUNTY, MISSOURI)

$9,500,000
CERTIFICATES OF PARTICIPATION
SERIES 2020

MATURITY SCHEDULE

BASE CUSIP: 535208

SERIAL CERTIFICATES

Due (March 1)	Principal Portion	Interest Rate	Price	CUSIP
2021	$515,000	5.000%	102.747%	AW2
2022	490,000	5.000	107.517	AX0
2023	510,000	5.000	112.295	AY8
2024	540,000	5.000	116.868	AZ5
2025	565,000	5.000	121.060	BA9
2026	595,000	5.000	124.685	BB7
2027	625,000	5.000	127.930	BC5
2028	655,000	4.000	120.794	BD3
2029	680,000	2.000	107.001	BE1
2030	695,000	2.000	106.342	BF8
2031	705,000	1.125	99.257	BG6
2032	715,000	1.375	99.733	BH4
2033	725,000	1.500	98.865	BJ0
2034	735,000	1.750	99.399	BK7
2035	750,000	1.750	98.727	BL5

LINDBERGH SCHOOLS

9350 Sappington Road
St. Louis, Missouri 63126

BOARD OF EDUCATION

Mike Shamia, *President and Director*
Karen Schuster, *Vice President and Director*
Matt Alonzo, *Secretary and Director*
Christy Watz, *Treasurer and Director*
Dr. Mike Tsichlis, *Director*
Dr. Cathy Carlock Lorenz, *Director*
Jennifer Miller, *Director*

DISTRICT ADMINISTRATION

Dr. Tony Lake, *Superintendent*
Dr. Tara Sparks, *Chief Academic Officer*
Dr. Brian McKenney, *Chief Human Resources Officer*
Ms. Joël Cracchiolo, *Chief Financial Officer*
Ms. Beth Johnston, *Chief Communications Officer*

SPECIAL COUNSEL

Gilmore & Bell, P.C.
St. Louis, Missouri

FINANCIAL ADVISOR

Piper Sandler & Co.
St. Louis, Missouri

TRUSTEE

UMB Bank, N.A.
St. Louis, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or to make any representations with respect to the Series 2020 Certificates other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2020 Certificates by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the District and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of that information.

In connection with this offering, the Underwriter may overallot or effect transactions that stabilize or maintain the market price of the Series 2020 Certificates at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Series 2020 Certificates have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, or under any state securities or "blue sky" laws. The Series 2020 Certificates are offered pursuant to an exemption from registration with the Securities and Exchange Commission.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included in or incorporated by reference in this Official Statement that are not purely historical are "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended, and reflect the District's current expectations, hopes, intentions or strategies regarding the future. Such statements may be identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "intend" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (1) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (2) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (3) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT WILL PROVE TO BE ACCURATE. UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE DISTRICT ON THE DATE HEREOF, AND THE DISTRICT ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS SET FORTH IN **APPENDIX D**.

TABLE OF CONTENTS

THIS PAGE INTENTIONALLY

LEFT BLANK

OFFICIAL STATEMENT

LINDBERGH SCHOOLS
(ST. LOUIS COUNTY, MISSOURI)

$9,500,000
CERTIFICATES OF PARTICIPATION
SERIES 2020

INTRODUCTION

The following introductory information is subject in all respects to more complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, including the appendices hereto, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page and appendices, should be considered in its entirety. The offering of the Series 2020 Certificates to potential investors is made only by means of the entire Official Statement.

General

This Official Statement, including the cover page and appendices hereto, is furnished to prospective purchasers in connection with the offering and sale of $9,500,000 principal amount of Certificates of Participation, Series 2020 (the **"Series 2020 Certificates"**), representing the proportionate interests of the owners thereof (the **"Registered Owners"**) in Basic Rent Payments (the **"Basic Rent Payments"**) to be made by Lindbergh Schools, a school district and political subdivision of the State of Missouri (the **"District"**), pursuant to a Lease Purchase Agreement dated as of August 1, 2020 (the **"Lease"**), between UMB Bank, N.A. (the **"Trustee"**), as lessor, and the District, as lessee.

The Series 2020 Certificates are being delivered pursuant to a Declaration of Trust dated as of August 1, 2020 (the **"Declaration of Trust"**), made by the Trustee, as trustee under the Declaration of Trust, for the purpose of providing funds to (1) pay a portion of the costs of acquiring and installing energy conservation improvements (the **"Project"**) and (2) pay the costs of delivery of the Series 2020 Certificates. See **"PLAN OF FINANCING"** herein.

The Financing Documents

The proceeds of the Series 2020 Certificates will be used to finance the Project, a portion of which will include certain personal property (the **"Equipment"**). The Trustee, as lessor, will lease the Equipment to the District, as lessee, pursuant to the Lease for an Original Term commencing on the date of delivery of the Series 2020 Certificates and terminating on June 30, 2021 (the **"Original Term"**), the last day of the District's current Fiscal Year and, subject to annual renewal and budget appropriations at the option of the District, for one-year renewal terms, provided that the final renewal term does not extend beyond June 30, 2035 (the **"Renewal Terms"**).

The Series 2020 Certificates are being executed and delivered pursuant to the Declaration of Trust, made by the Trustee. Neither the Series 2020 Certificates nor the Basic Rent Payments are obligations of the Trustee, and the Trustee has no liability or obligation under or with respect to the Series 2020 Certificates or the Basic Rent Payments.

Under the Declaration of Trust, the Trustee will hold all of its estate, right, title and interest in the Lease for the benefit of the Owners of the Series 2020 Certificates. The Declaration of Trust provides for the future delivery of additional certificates (**"Additional Certificates"** together with the Series 2020 Certificates, the

"Certificates") which, if delivered, will rank on a parity with the Series 2020 Certificates, and any other Certificates then Outstanding under the Declaration of Trust. See the section **"ADDITIONAL CERTIFICATES"** herein.

Risk Factors

Certain risks could affect the Basic Rent Payments and other payments to be made by the District with respect to the Lease and the Series 2020 Certificates. See **"RISK FACTORS AND INVESTMENT CONSIDERATIONS"** herein.

Limited Obligations

The Series 2020 Certificates will be payable solely from the Basic Rent Payments to be paid by the District under the Lease for the use of the Equipment, from certain proceeds of insurance policies or condemnation awards, from interest earnings on moneys in certain funds held by the Trustee, from money derived from the sale or lease of the Trustee's interest in the Equipment or portions thereof, and not from any other fund or source of the Trustee. The obligation of the District to pay Basic Rent Payments and Supplemental Rent Payments is limited to those District funds which are specifically budgeted and appropriated annually by the Board of Education of the District for such purpose. No reserve fund has or will be established to secure payment of the Basic Rent Payments. Basic Rent Payments under the Lease will be paid by the District from amounts in the District's Capital Projects Fund. See **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Missouri School Finance Laws"** in ***Appendix A***.

Neither the Series 2020 Certificates, the Lease nor any payments required under the Lease shall constitute a mandatory payment obligation of the District in any year beyond the then current year for which the District has renewed and is a lessee under the Lease, or constitute or give rise to a general obligation or other indebtedness of the District. The District is not legally obligated to budget or appropriate moneys for any Fiscal Year beyond the current Fiscal Year or any subsequent Fiscal Year in which the Lease is in effect, and there can be no assurance that the District will appropriate funds to make Basic Rent Payments or renew the Lease after the Original Term or any Renewal Term of the Lease. The District may terminate its obligations under the Lease on an annual basis. The District will have the option to purchase the Trustee's interest in the Equipment pursuant to the Lease.

The Series 2020 Certificates shall not constitute a debt or liability of the District or of the State of Missouri (the **"State"**) or of any political subdivision thereof and shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The delivery of the Series 2020 Certificates shall not obligate the District to levy any form of taxation therefor or to make any appropriation for their payment in any Fiscal Year subsequent to a Fiscal Year in which the Lease is in effect. The Trustee has no taxing power and no financial obligation under the Lease or the Declaration of Trust.

Financial Statements

Audited financial statements of the District, as of and for the year ended June 30, 2019, are included in ***Appendix B*** to this Official Statement. The financial statements contained therein were audited by Kerber, Eck & Braeckel LLP, St. Louis, Missouri, independent certified public accountants, to the extent and for the period indicated in the Independent Auditor's Report.

Continuing Disclosure

Pursuant to a Continuing Disclosure Certificate dated as of August 1, 2020 (the **"Continuing Disclosure Certificate"**), the District has agreed to provide certain annual financial information, operating data and notices of certain events to the Municipal Securities Rulemaking Board via the Electronic Municipal Market

Access system (**"EMMA"**), in accordance with Rule 15c2-12 (the **"Rule"**) promulgated by the Securities and Exchange Commission. The Form of Continuing Disclosure Certificate is attached hereto in ***Appendix D***.

Prior Compliance Under the Rule

The District filed annual reports on EMMA containing audited financial statements and operating data for the Fiscal Years ended June 30, 2015 through 2018 within the time period required by the District's prior undertakings; however, the annual reports did not contain all of the operating data required by the District's prior undertakings. The District has since filed operating data intended to remedy the prior deficiencies. Except as described above, the District believes it has materially complied with its prior undertakings under the Rule during the past five years. The District retained Gilmore & Bell, P.C. to assist with future compliance with its prior undertakings.

Rating

The Series 2020 Certificates have received the rating set forth on the cover page from Moody's Investors Service, Inc. See **"RATING"** herein.

Definitions and Descriptions; Inspection of Documents

All capitalized terms used in this Official Statement not defined in the text hereof are defined under the caption **"Definitions of Words and Terms"** set forth in ***Appendix C*** to this Official Statement. Brief descriptions of the Certificates, the Lease, the Declaration of Trust and certain other matters are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Lease and the Declaration of Trust are qualified in their entirety by reference to such documents, copies of which may requested from the Trustee, or will be provided by the Financial Advisor to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request. All references to the Certificates are qualified in their entirety by the definitive terms thereof and the information with respect thereto included in the Lease and the Declaration of Trust.

THE SERIES 2020 CERTIFICATES

Authorization

The Series 2020 Certificates are being delivered pursuant to the Declaration of Trust and pursuant to and in full compliance with the constitution and laws of the State, and pursuant to proceedings duly had by the District.

Description

The Series 2020 Certificates will be dated their date of delivery, will mature on March 1 in the years and in the respective principal amounts (subject to prior prepayment as described herein) and shall bear interest at the respective rates per annum, as set forth on the inside cover page hereof. The Series 2020 Certificates will be delivered in fully-registered form in the denominations of $5,000 or any integral multiple thereof. The Principal Portions and premium, if any, of the Basic Rent Payments represented by the Series 2020 Certificates shall be payable to the Registered Owner thereof at the payment office of the Trustee upon presentation and surrender thereof. Interest Portions shall be paid each March 1 and September 1, beginning March 1, 2021, to the Registered Owner thereof, determined as of the close of business on the Record Date, which shall be the fifteenth day (whether or not a Business Day) of the month next preceding such interest payment date, by check or draft mailed to such Registered Owner at the address appearing on the registration books of the Trustee, as registrar or by electronic transfer to such Registered Owner upon written notice given to the Trustee by such Registered Owner not less than five days prior to the Record Date for such interest, containing the electronic transfer instructions including the name of the bank, the bank's ABA routing number and the account number to which such Registered Owner wishes to have such transfer directed. All such payments shall be made in lawful money of the United States of America.

Prepayment Provisions

Optional Prepayment. The Series 2020 Certificates maturing on March 1, 2028 and thereafter shall be subject to optional prepayment, as a whole or in part, on March 1, 2027, or any date thereafter, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented by the Series 2020 Certificates being prepaid, plus the Interest Portion of Basic Rent accrued to the Prepayment Date.

Extraordinary Optional Prepayment. The Series 2020 Certificates shall be subject to optional prepayment on any date prior to their respective stated maturities, as a whole or in part, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented thereby plus the Interest Portion of Basic Rent accrued to the Prepayment Date, in the event of substantial damage to or destruction or condemnation (other than by the District or any entity controlled by or otherwise affiliated with the District) of, or loss of title to, substantially all of the Equipment, or if as a result of changes in the constitution of the State or legislative or administrative action by the State or the United States, the Lease or the Declaration of Trust becomes unenforceable and the District purchases the Trustee's interest in the Equipment pursuant to the Lease.

Selection of Certificates to Be Prepaid. Certificates shall be prepaid only in principal amounts of $5,000 or any integral multiple thereof. When less than all of the Outstanding Certificates of any series are called for optional prepayment, such Certificates shall be prepaid in such order of stated payment dates as is determined by the District. Within a stated payment date the Trustee shall select the Certificates or any given portion thereof to be prepaid by lot or in such equitable manner as the Trustee determines in principal amounts of $5,000 or any integral multiple thereof.

Notice and Effect of Call for Prepayment. Official notice of any prepayment of Certificates shall be given by the Trustee by mailing a copy of an official prepayment notice at least 30 days prior to the Prepayment Date to the District and the Owner of each Certificate to be prepaid, unless waived by any Owner thereof, at the address shown on the registration books of the Trustee, as registrar, as of the date of the notice, as more fully described in the Declaration of Trust.

Upon notice having been given as provided in the Declaration of Trust, the Registered Owners of such Certificates or portion of the Principal Portion with respect to the Certificates thus called for prepayment shall no longer be entitled to receive any additional Interest Portion of the Basic Rent Payments after the specified Prepayment Date, and such Certificates or portion of the Principal Portion with respect to the Certificates thus called for prepayment shall no longer be entitled to the protection, benefit or security of the Declaration of Trust and shall not be deemed to be Outstanding under the provisions of the Declaration of Trust.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Certificates, but neither the failure to print such numbers on any Certificates, nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and payment for any Certificates.

ADDITIONAL CERTIFICATES

The Trustee may deliver Additional Certificates for any purpose specified in the Declaration of Trust, upon compliance with certain terms and conditions set forth in the Declaration of Trust. Any Additional Certificates will be equally and ratably secured by the Declaration of Trust on a parity with the Series 2020 Certificates, except that each series of Certificates, if secured by a reserve fund, is entitled to the benefits and security of a separate account in such reserve fund. Concurrently with the delivery of any such Additional Certificates, the Trustee and the District shall deliver an amendment to the Lease obligating the District to make payments of principal thereof and interest thereon in amounts and at times sufficient to provide for the timely payment of principal of and interest on such Additional Certificates. See **"DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS – SUMMARY OF THE DECLARATION OF TRUST - Additional Certificates"** in ***Appendix C*** attached hereto.

BOOK-ENTRY ONLY SYSTEM

Ownership interests in the Series 2020 Certificates will be available to purchasers through a book-entry only system (the **"Book-Entry Only System"**) described in ***Appendix E***.

If the Book-Entry Only System is discontinued the following provisions will apply: Each Certificate when delivered will be registered by the Trustee in the name of the Owner thereof on the registration books kept by the Trustee, as registrar. Certificates will be transferable upon the registration books kept by the Trustee, as registrar, only upon presentation and surrender of the Certificate, together with instructions for transfer. Certificates may be exchanged for Certificates in the same aggregate Principal Portion and maturity upon presentation to the Trustee, subject to the terms, conditions and limitations set forth in the Declaration of Trust and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, transfer or exchange.

SECURITY FOR THE SERIES 2020 CERTIFICATES

Limited Obligations; Sources of Payment

The Equipment is being leased by the Trustee to the District pursuant to the Lease. The Series 2020 Certificates evidence undivided ownership interests in the right to receive (1) the Basic Rent Payments paid by the District for the lease of the Equipment pursuant to the Lease, and (2) to the extent received by the Trustee, interest earnings, proceeds of insurance and condemnation awards, and proceeds of any lease or sale of the Trustee's interest in the Equipment.

The Series 2020 Certificates, the Basic Rent Payments and other amounts due under the Lease do not constitute an obligation of the District in any Fiscal Year subsequent to a Fiscal Year as to which the District has appropriated funds to pay Basic Rent Payments and other amounts reasonably anticipated to come due under the Lease. In the event the District fails to budget, appropriate or otherwise provide for sufficient funds to pay Basic Rent Payments and reasonably anticipated other amounts to come due during the immediately following Fiscal Year, the Lease will terminate at the end of the then current Fiscal Year. Upon termination of the Lease, the Series 2020 Certificates will be payable solely from moneys, if any, held by the Trustee under the Declaration of Trust, and any amounts resulting from a sale or subleasing of the Trustee's interest in the Equipment pursuant to the Lease and the Declaration of Trust. The obligation of the District to pay Basic Rent and, thus, the Series 2020 Certificates, is limited to payment from Available Revenues (defined below), will constitute a current expense of the District and will not be a debt of the District in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the District, and will not constitute a pledge of the general tax revenues, funds, properties or moneys of the District beyond any then current Fiscal Year during which the Lease is in effect. The District is not obligated to levy any taxes in order to raise revenues to make Basic Rent Payments. The District agrees to deliver notice to the Trustee of such termination at least 90 days prior to the end of the then current Fiscal Year, but failure to give such notice will not extend the term beyond such Fiscal Year. The Lease also provides that Basic Rent Payments will be deposited with the Trustee at least five (5) Business Days before the scheduled due date.

Under the terms of the Lease, if the District elects to renew the Lease at the end of the Original Term or any Renewal Term, it is obligated to budget, appropriate and set aside a portion of its revenues derived from property taxes and other sources in the Capital Projects Fund, which appropriation must be sufficient to make the Basic Rent Payments coming due during the ensuing Fiscal Year. The District is obligated to make Basic Rent Payments to the Trustee during each Fiscal Year in which the Lease is in effect on or before each certificate payment date, in amounts sufficient to enable the Trustee to pay the Principal Portion, premium, if any, and Interest Portion of the Basic Rent Payments represented by the Series 2020 Certificates becoming due during such Fiscal Year (but only if the District elects to renew the Lease for each Renewal Term).

To secure the payment of all of the District's obligations under the Lease, the District has granted, to the extent permitted by law, to the Trustee a security interest in the portion of the Equipment consisting of personal property or fixtures and on all additions, attachments, accessions thereto, substitutions therefor and on any proceeds therefor and on any proceeds therefrom.

Neither the Series 2020 Certificates nor the Basic Rent Payments are obligations of the Trustee, and the Trustee has no obligation to make any payment with respect to the Series 2020 Certificates or the Lease.

The District is obligated only to pay periodic payments under the Lease as may be lawfully made from all Available Revenues. **"Available Revenues"** means amounts budgeted and appropriated by the District from the District's Capital Projects Fund for such Fiscal Year plus any other funds of District that are legally available to pay Rent during such Fiscal Year, plus all moneys and investments, including earnings thereon, held by the Trustee pursuant to the Declaration of Trust. See the section caption **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Missouri School Finance Laws – *Transfers from Incidental Fund to Capital Projects Fund*"** in ***Appendix A*** hereto. For the estimated annual requirements for Basic Rent Payments payable by the District under the Lease and distributable to the Owners of the Series 2020 Certificates, see **"DEBT STRUCTURE OF THE DISTRICT – Other Long Term Obligations of the District"** in ***Appendix A***.

Nonappropriation

The Lease Term will continue into each succeeding next Fiscal Year, at the option of the District, only if there is an appropriation made by the District from which to pay Basic Rent Payments and all other amounts payable by the District under the Lease.

Upon the occurrence of an Event of Nonappropriation, the District's obligation to make Basic Rent Payments and other payments under the Lease will terminate as of the end of the last Fiscal Year for which the District has appropriated Basic Rent Payments. If an Event of Nonappropriation occurs, or upon the occurrence of an Event of Default under the Declaration of Trust, the Trustee may take possession of the Equipment, in which event the District will take all actions necessary to authorize, execute and deliver to the Trustee all documents necessary to vest in the Trustee all of the District's interest in and to the Equipment. The Trustee may then terminate the Lease and lease the Equipment or sell its interest therein. Upon the occurrence of an Event of Default or upon the occurrence of an Event of Nonappropriation, the Trustee may declare all Rent payable by the District under the Lease to the end of the Original Term or then current Renewal Term to be due. See **"DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS - SUMMARY OF THE LEASE - Events of Default,"** and **"- Remedies on Default"** in ***Appendix C***.

THERE CAN BE NO ASSURANCE THAT THE DISTRICT WILL APPROPRIATE FUNDS FOR BASIC RENT PAYMENTS OR RENEW THE LEASE AFTER THE ORIGINAL LEASE TERM OR EACH RENEWAL TERM. NEITHER THE SERIES 2020 CERTIFICATES NOR THE LEASE CONSTITUTE A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, NOR A MANDATORY PAYMENT OBLIGATION IN ANY FISCAL YEAR SUBSEQUENT TO A FISCAL YEAR IN WHICH THE LEASE IS IN EFFECT. THE DISTRICT IS

NOT LEGALLY REQUIRED TO BUDGET OR APPROPRIATE MONEYS FOR ANY SUBSEQUENT FISCAL YEAR BEYOND THE CURRENT FISCAL YEAR.

No Reserve Fund

No reserve fund has been or will be established to secure payment of the Series 2020 Certificates.

PLAN OF FINANCING

The Project and the Equipment

The proceeds of the Series 2020 Certificates will be used to provide funds to pay a portion of the costs of the Project, which consists of acquiring and installing energy conservation improvements, including lighting efficiency improvements, water efficiency improvements, building infiltration and weatherization improvements, retro-commissioning, energy management controls and ventilation improvements, at various District facilities.

Project Costs paid with proceeds of the Series 2020 Certificates will be paid by the Trustee from the Project Fund upon receipt of written requests for payment submitted by the District. Each written request will be signed by an Authorized Representative. The total cost of the Project is expected to be approximately $10,500,000. The District expects to use general obligation bond proceeds to finance the portion of the Project not financed from proceeds of the Series 2020 Certificates. The Project is expected to be complete by the end of 2020.

The Equipment will consist of the portions of the Project that constitute personal property located at Crestwood Elementary, Long Elementary, Sappington Elementary and Sperreng Middle School. The cost of the Project at those locations is approximately $8,429,000. As security for the Series 2020 Certificates, the Trustee will retain a security interest in the Equipment.

The Equipment does not include all personal property included in the Project. The Project includes energy conservation improvements to the Early Childhood Centers, Concord Elementary, Kennerly Elementary and Truman Middle School, at an approximate cost of $2,069,532. These portions of the Project will be financed with proceeds of the Series 2020 Certificates, but are not subject to the Trustee's security interest and do not constitute Equipment.

The District entered into the Energy Savings Performance Contract dated July 9, 2019 (the "Energy Contract"), with Navitas, LLC (the "Provider") in connection with the Project. The Energy Contract includes a written guarantee of the Provider that either the energy savings or operational savings (defined under Missouri law as "expenses eliminated and future replacement expenditures avoided as a result of new equipment installed or services performed"), or both, achieved by the District will meet or exceed amounts specified in the Energy Contract on an annual basis for a period of 15 years, commencing from the first day of the month after the month in which final acceptance of the Project has occurred.

Sources and Uses of Funds

The sources and uses of the proceeds of the Series 2020 Certificates are as follows:

Sources of Funds:	
Par Amount of Series 2020 Certificates	$ 9,500,000.00
Net Original Issue Premium	843,742.90
Total	$10,343,742.90
Uses of Funds:	
Deposit into Project Fund	$10,158,503.44
Costs of Delivery (including Underwriter's discount)	185,239.46
Total	$10,343,742.90

RISK FACTORS AND INVESTMENT CONSIDERATIONS

General

The following is a discussion of certain risks that could affect the Basic Rent Payments and other payments to be made by the District with respect to the Lease and the Series 2020 Certificates. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the appendices hereto) in order to make a judgment as to whether the Series 2020 Certificates are an appropriate investment. Prospective purchasers of the Series 2020 Certificates should consider carefully all possible factors that may result in a default in the payment of the Principal Portion or Interest Portion of Basic Rent Payments represented by the Series 2020 Certificates by the District under the Lease, the prepayment of the Series 2020 Certificates prior to maturity or the determination that the Interest Portion of the Basic Rent Payments represented by the Series 2020 Certificates might be includible in gross income for purposes of federal and State income taxation. The following list of possible factors, while not setting forth all the factors that must be considered, contains some of the factors that should be considered prior to purchasing the Series 2020 Certificates. **This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive.**

Potential Risks Relating to COVID-19

In December 2019, a novel strain of coronavirus (which leads to the disease known as **"COVID-19"**), was discovered in Wuhan, China. Since that date, the virus has spread throughout the world and has been characterized by the World Health Organization as a pandemic. The impact of the COVID-19 pandemic on the U.S. economy is expected to be broad based and to negatively impact national, state and local economies.

In response to such expectations, the President of the United States on March 13, 2020 declared a "national emergency," which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. On March 13, 2020, the Governor of the State (the **"Governor"**) signed an Executive Order declaring a state of emergency in the State in response to COVID-19. On April 24, 2020, the Governor signed another Executive Order extending the state of emergency in the State through June 15, 2020, which was extended through December 30, 2020 by the Governor on June 11, 2020. The stated purpose of the Executive Orders is to allow more flexibility in utilizing resources and deploying them around the State where they are most appropriate, including allowing the Governor to waive certain State laws and regulations where necessary. On April 3, 2020, the Governor issued a stay at home order (the **"State Order"**), which began on April 6, 2020, and ended on May 4, 2020, requiring all Missourians to avoid leaving their residences unless necessary and to practice social distancing when travel outside their homes was necessary. Although the State Order required all school districts in the State to remain closed through the duration of the State Order, the Governor announced on April 9, 2020 that all school districts in the State, including the District, were required to remain closed through the remainder of the current 2019-2020 school year. On April 27, 2020, the Missouri Department of Health and Senior Services (**"DHS"**) issued the "Show Me Strong Recovery Order," which went into effect on May 4, 2020 and ended on May 31, 2020. On May 28, 2020, DHS issued the "Economic Reopening Order," which went into effect on June 1, 2020 and ended on June 15, 2020. Both DHS orders provide guidelines for individuals and businesses in the State to gradually reopen economic and social activity. The DHS order issued on May 28, 2020 permits school districts to proceed with summer school and other on-campus activities under guidelines set forth by the Missouri Department of Elementary and Secondary Education (**"DESE"**). The DHS orders expired on June 16, 2020, and the State is not currently under a statewide public health order. Despite the expiration of statewide orders, cities and counties have the ability, and continue, to impose local public health orders restricting economic activities within the State.

To slow the spread of COVID-19, the District voluntarily discontinued in-person classes beginning March 18, 2020, and in accordance with the Governor's announcement on April 9, 2020, the District discontinued in-person classes through the remainder of the current 2019-2020 school year. On March 13, 2020, DESE released a memorandum to all State school administrators which stated that the timing of a school district's state aid payments was not expected to be affected by closure of a school or interruption of State employees' operations. On March 27, 2020, DESE released an additional memorandum to all State school administrators to address how school district closures resulting from the COVID-19 outbreak may impact student attendance reporting and the average daily attendance and weighted average daily attendance metrics used to calculate the distribution of Proposition C revenues (as defined in ***Appendix A*** to this Official Statement), Classroom Trust Fund moneys (as defined in ***Appendix A*** to this Official Statement) and state aid to each school district. See the sections captioned **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Local Revenue"** and **"– Missouri School Finance Laws – *Weighted ADA*," "– *State Adequacy Target*"** and **"– *Classroom Trust Fund (Gambling Revenues) Distributions*"** in ***Appendix A*** for further details on the possible impact COVID-19 may have on the District's State Aid payment calculations and distributions of Proposition C revenues and Classroom Trust Fund moneys.

The proliferation of COVID-19 throughout the State may adversely affect the State's revenues which could negatively impact the availability of state aid distributed to the District and may impact the amount of property tax revenues available to fund the District's operations if the economic ramifications of the spread of COVID-19 have a lasting impact on the economy in and around the State or the District. On June 1, 2020, the Governor announced a total of $131.3 million in restrictions for state aid distributions to school districts in June 2020. Additionally, due to further State revenue declines resulting from COVID-19, on June 30, 2020, the Governor announced $123.4 million in restrictions for State Aid foundation formula payments to school districts for the current 2020-2021 fiscal year, which will result in a decrease from the $3,553,211,885 in foundation formula State Aid payments originally budgeted and approved by the Missouri General Assembly for the 2020-2021 fiscal year to approximately $3,429,853,210 in foundation formula State Aid payments for the 2020-2021 fiscal year. According to an Administrative Memo from DESE dated June 30, 2020, as a result of the total $123.4 million in restrictions for State Aid in the 2020-2021 fiscal year "school districts will receive a reduced July payment of State Aid to reflect the $123.4 million spending restriction and any shortfall in Classroom Trust Fund revenue." Other developments regarding COVID-19 continue to occur on a daily basis and the extent to which COVID-19 will impact the District in the future is highly uncertain and cannot be predicted. Factors impacting the calculation of state aid, including the recently announced restrictions for the June 2020 payments and 2020-2021 fiscal year payments, are discussed in the section captioned **"FINANCIAL INFORMATION CONCERNING THE DISTRICT"** in ***Appendix A*** to this Official Statement.

Limited Obligations

The Series 2020 Certificates will not constitute an indebtedness or liability of the District, the State or any other political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and will not constitute a pledge of the faith and credit of the District, the State or any other political subdivision thereof. The delivery of the Series 2020 Certificates will not obligate the District, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment in any year subsequent to a year in which the Lease is in effect.

The obligation of the District to pay Basic Rent Payments and Supplemental Rent Payments is limited to those funds that are specifically budgeted and appropriated annually by the District's Board of Education for such purpose. **There can be no assurance that the District will appropriate funds for Basic Rent Payments or renew the Lease after the Original Term or any Renewal Term. Neither the Series 2020 Certificates nor the Lease constitute a general obligation or other indebtedness of the District, nor a mandatory payment obligation in any Fiscal Year subsequent to a Fiscal Year in which the Lease is in effect. The District is not legally required to budget or appropriate money for any subsequent Fiscal Year beyond the current Fiscal Year.**

Termination of the Lease

The Series 2020 Certificates are payable from Basic Rent Payments due from the District under the Lease, which payments are subject to annual appropriation. The District is not obligated to pay Basic Rent Payments under the Lease in any Fiscal Year for which the Board of Education has not appropriated such payments. Neither the Basic Rent Payments nor any other payments under the Lease nor any payments on the Series 2020 Certificates constitute a general obligation or other indebtedness of the District or a mandatory payment obligation of the District.

The obligations of the District under the Lease are limited to those funds that have been specifically budgeted and appropriated for the then current Fiscal Year by the Board of Education for such purpose. Except to the extent payable from the proceeds of the Series 2020 Certificates and income from the investment thereof, the Net Proceeds of certain insurance policies, condemnation awards or proceeds from the sale or lease of the Trustee's interest in the Equipment, the Principal Portions and Interest Portions of the Basic Rent Payments represented by the Series 2020 Certificates are payable solely from Basic Rent Payments during the Original Term of the Lease and any Renewal Term. The District's obligations under the Lease may be terminated on an annual basis by the District without any penalty, and there is no assurance that the District will continue to make payments under the Lease beyond the Original Term or any current Renewal Term.

The likelihood that the District will renew the Lease through the term of the Series 2020 Certificates is dependent upon certain factors which are beyond the control of the Owners of the Certificates, including (1) the demographic conditions within the District, including the number of students attending classes in the District; (2) the ability of the District to generate sufficient funds from property taxes, state aid and other sources to meet its obligations to make Basic Rent Payments under the Lease and its other obligations; and (3) new legislation or judicial interpretations which limit the ability of governmental bodies to increase fees and charges or result in limitations or roll-backs in tax rates or assessment.

Results of Nonappropriation

If the District does not budget and appropriate, specifically with respect to the Lease, moneys sufficient to pay all Basic Rent Payments and all other amounts due under the Lease coming due each Fiscal Year during the term of the Lease and any renewals thereof, the Lease will terminate. The Lease is also subject to termination by the Trustee if any Event of Default has occurred and is continuing. See **"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE – Nonappropriation"** and **"Remedies on Default"** in ***Appendix C.***

Pursuant to the Lease, the District will lease the Equipment from the Trustee. The Lease is for a term ending June 30, 2035, unless sooner terminated in the event the District makes all payments required by the Lease. If the District terminates the Lease or if an Event of Default or Event of Nonappropriation occurs under the Declaration of Trust or the Lease, the Trustee, has the right to possession of the Equipment, and has the right to sell or lease its interest in the Equipment upon such terms as it deems prudent.

Because the Equipment consists of personal property, it may not be reasonably or easily removed or converted to alternative uses. A potential purchaser of the Series 2020 Certificates should not assume that it will be possible to sell or lease the Trustee's interest in the Equipment after a termination of the Lease for an amount equal to the aggregate Principal Portion of the Basic Rent Payments represented by the Series 2020 Certificates then Outstanding plus the Interest Portion of the Basic Rent Payments represented by the Series 2020 Certificates accrued thereon.

Damage or Destruction of the Equipment

The Lease requires the Equipment to be insured as described in **"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE – Insurance"** in ***Appendix C***. If the Equipment is damaged or destroyed and if the District determines that replacing, repairing, restoring, modifying or improving the Equipment is desirable, the District shall proceed with replacing, repairing, restoring, modifying or improving the property damaged or destroyed so as to place said Equipment in substantially the same condition as existed prior to the event causing such damage or destruction, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the District and as will not impair the utility of the Equipment. The District and the Trustee will cause the Net Proceeds of any insurance claim to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to the District and shall be held and appropriated by the District for the exclusive purpose of paying Rent under the Lease. If said Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, restoration, modification or improvement, the District shall nonetheless complete the work thereof and shall pay that portion of the costs thereof in excess of the amount of said Net Proceeds.

If the District determines that replacing, repairing, restoring, modifying or improving the Equipment is not practicable and desirable, then, in lieu of replacing, repairing, restoring, modifying or improving the Equipment, the District shall promptly purchase the Equipment by paying the Purchase Price to the Trustee and any Net Proceeds of casualty insurance received with respect to any such damage to or loss of the Equipment shall be applied to such payment.

The District shall not, by reason of its inability to use all or any part of the Equipment during any period in which the Equipment is damaged or destroyed, or is being replaced, repaired, restored, modified or improved, or by reason of the payment of the costs of such replacing, repairing, restoring, modifying or improving, be entitled to any reimbursement from the Trustee or the Registered Owners of the Certificates, or any abatement or diminution of the rentals payable by the District under the Lease.

There can be no assurance either as to the adequacy of or timely payment under property damage insurance in effect at that time or that the District will elect to extend the term of the Lease for the next Renewal Term succeeding such damage or destruction. See **"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE – Damage, Destruction and Condemnation"** in ***Appendix C***.

Acquisition and Installation Risks

Weather, labor disputes, availability of materials and supplies, casualty damages, unanticipated subsoil conditions, unanticipated installation difficulties and other "force majeure" occurrences or events or financial failure or failure to perform by a contractor, subcontractor or supplier may affect the timely acquisition and installation of the Equipment. No assurance can be given that the acquisition and installation of the Equipment will be completed on schedule, within budget or without material errors and defects. Any such failure could affect the District's decision to continue appropriations under the Lease.

Bankruptcy

In addition to the limitations on remedies contained in the Declaration of Trust and the Lease, the rights and remedies provided in the Declaration of Trust and the Lease may be limited by and are subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State.

Amendment of the Declaration of Trust and Lease

Certain amendments to the Declaration of Trust and the Lease may be made with the consent of the Owners of not less than a majority in principal amount of the Certificates then Outstanding affected by such supplemental declarations of trust or supplemental leases. Such amendments may adversely affect the security of the owners of the Certificates. Additional Certificates may be hereafter issued without the consent of the Owners of any of the Certificates.

Factors Affecting the Business Operations of the District

One or more of the following factors or events, or the occurrence of other unanticipated factors or events, could adversely affect the District's operations and financial performance to an extent that cannot be determined at this time:

1. *Changes in Administration.* Changes in key administrative personnel could affect the capability of management of the District.

2. *Future Economic Conditions.* Increased unemployment or other adverse economic conditions or changes in demographics in the service area of the District or an inability to control expenses in periods of inflation may have an adverse effect on the financial condition or operations of the District.

3. *Enrollment.* No assurance can be given that enrollment will remain at historical levels. A significant decrease in the District's enrollment could adversely affect the District's financial position and operations.

4. *State Aid.* Approximately 5.62% of the District's revenue for the fiscal year ended June 30, 2019 was derived from moneys provided by the State as state aid. See **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Sources of Revenue," "– State Revenue"** and **"– Missouri School Finance Laws"** in ***Appendix A*** of this Official Statement. Reductions in state aid could occur in the future if, for example, the State faces fiscal problems similar to those currently affecting the neighboring states of Illinois and Kansas or the District experiences a decline in enrollment. Reductions in state aid could force the District to make budget cuts or operational adjustments and may adversely affect the rating on the Certificates or the market price of the Certificates.

5. *Organized Labor Efforts*. Efforts to organize employees of the District into collective bargaining units could result in adverse labor actions or increased labor costs.

6. *Environmental Matters*. Legislative, regulatory, administrative or enforcement action involving environmental controls could adversely affect the operation of the Equipment.

7. *Natural Disasters*. The occurrence of natural disasters, such as floods, tornadoes or droughts, could damage the Equipment of the District, interrupt services or otherwise impair operations and the ability of the District to produce revenues.

Effects of Termination of the Lease on the Certificates

Special Counsel has rendered no opinion with respect to the applicability or inapplicability of the registration requirements of the Securities Act of 1933, as amended, to any Certificate subsequent to termination of the Lease by reason of an Event of Nonappropriation or an Event of Default. If the Original Term or any Renewal Term is terminated by reason of such events, there is no assurance that the Series 2020 Certificates may be transferred by an Owner thereof without compliance with the registration provisions of the Securities Act of 1933, as amended, or the availability of an exemption therefrom.

Delays in Exercising Remedies

A termination of the District's right of possession of the Equipment under the Lease as a result of an Event of Default or an Event of Nonappropriation or expiration of the term of the Lease at the end of the Original Term or any Renewal Term without an extension for the next succeeding Renewal Term will give the Trustee the right to possession of, and the right to relet or assign its interest in the Equipment in accordance with the provisions of the Lease and the Declaration of Trust. However, the enforceability of the Lease and the Declaration of Trust is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, the exercise of judicial authority by State or federal courts and the exercise by the United States of America of the powers delegated to it by the U.S. Constitution.

Further, the Equipment is used by the District for the performance of its governmental functions. Due to the governmental use of the Equipment and the delays inherent in obtaining possession of the Equipment and other judicial remedies, no assurance can be given that (1) a court, in the exercise of judicial discretion, would enforce these remedies in a timely manner, or (2) any money realized by the Trustee upon an exercise of any remedies would be sufficient to pay in full the Principal Portions and Interest Portions of Basic Rent Payments with respect to the Certificates. The legal opinions to be delivered with the delivery of the Series 2020 Certificates will be qualified as they relate to the enforceability of the various legal instruments by reference to the limitations on enforceability of those instruments under (a) applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights, (b) general principles of equity, and (c) the exercise of judicial discretion in appropriate cases. If such money is insufficient to pay all Outstanding Certificates in full, the Certificates would be paid in part on a *pro rata* basis. Any delays in the ability of the Trustee to obtain possession of the Equipment will, of necessity, result in delays in any payment of Principal Portions and Interest Portions of Basic Rent Payments with respect to the Certificates.

Loss of Premium from Prepayment

Any person who purchases a Certificate at a price in excess of its principal amount or who holds such Certificate trading at a price in excess of par should consider the fact that the Series 2020 Certificates are subject to prepayment prior to maturity at the Prepayment Prices described herein in the event such Series 2020 Certificates are prepaid prior to maturity. See the section herein captioned **"THE SERIES 2020 CERTIFICATES – Prepayment Provisions."**

Taxability

Special Counsel's opinions as to the exclusion of the Interest Portion of the Basic Rent Payments with respect to the Series 2020 Certificates from gross income for federal income tax purposes and other matters are not a guarantee of result and are not binding on the Internal Revenue Service (the **"Service"**); rather, such opinions represent Special Counsel's legal judgment based upon its review of existing law. Also, events occurring subsequent to execution and delivery of the Series 2020 Certificates may require that the Interest Portion of the Basic Rent Payments represented by the Series 2020 Certificates be included in gross income for purposes of federal income taxation and not be exempt from income taxes imposed by the State. See **"TAX MATTERS"** herein.

The Series 2020 Certificates are not subject to prepayment, nor is the payment of any additional interest or penalties on the Series 2020 Certificates required, in the event of a determination by the Service or a court of competent jurisdiction that the Interest Portion of the Basic Rent Payments paid or to be paid with respect to any Series 2020 Certificate is or will be included in the gross income of the Owner of a Series 2020 Certificate for federal income tax purposes. Such determination may, however, result in a breach of the District's tax covenants set forth in the Declaration of Trust or the Lease. Likewise, the Declaration of Trust does not require the prepayment of the Series 2020 Certificates or the payment of any additional interest or penalty on the Series 2020 Certificates if the Interest Portion of the Basic Rent Payments with respect to the Series 2020 Certificates loses its exemption from income taxes imposed by the State. In such circumstances, it may be that Owners would continue to hold their Series 2020 Certificates, receiving Principal Portions and Interest Portions as and when due, but would be required to pay federal and State income tax on each payment of Interest Portion as received or accrued.

Special Counsel expresses no opinion as to the federal or State tax exemption of Interest Portions on the Series 2020 Certificates in the event of payment thereof (1) if the District fails to budget and appropriate sufficient moneys to pay the Basic Rent Payments under the Lease or (2) the Lease terminates for any reason.

Risk of Audit

The Service has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. Owners of the Series 2020 Certificates are advised that, if an audit of the Series 2020 Certificates were commenced, the Service, in accordance with its current published procedures, is likely to treat the District as the taxpayer, and the Owners of the Series 2020 Certificates may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Series 2020 Certificates during the pendency of the audit, regardless of the ultimate outcome of the audit.

Power of Eminent Domain

Section 177.041 of the Revised Statutes of Missouri, as amended, grants school districts in the State the power to condemn property for any purpose for which such districts are authorized to acquire property. There is no assurance that if the District were to condemn the Equipment that the condemnation award would be sufficient to pay the Principal Portions and Interest Portions with respect to the Series 2020 Certificates then Outstanding. Under the Lease, the District and the Trustee have reached an agreement on the terms of the acquisition of the Equipment, at the District's option, and the use of the Equipment. The District has agreed that any acquisition of the Equipment or rights to its use by the District (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with the Lease, including payment of Basic Rent Payments and the applicable Purchase Price. If the District allows the Lease to expire without exercising its option to purchase, whether by failure to exercise its option to extend the Lease for a Renewal Term, failure to exercise its option to purchase at the conclusion of the last possible Renewal Term or failure to cure an Event of Default, the District's failure to exercise the option to purchase shall constitute an irrevocable determination by the District that the Equipment is not required by the District for any public purpose for the term of the Lease. The enforceability of the foregoing agreements of the District has not been the subject of judicial interpretation.

Investment Rating and Secondary Market

The lowering or withdrawal of the investment rating initially assigned to the Series 2020 Certificates could adversely affect the market price for and the marketability of the Series 2020 Certificates. There is no assurance that a secondary market will develop for the purchase and sale of the Series 2020 Certificates. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and changes in operating performance of the entities operating the facilities subject to the municipal securities. From time to time the secondary market trading in selected issues of municipal securities, as a result of the financial condition or market position of the underwriter, prevailing market conditions or a material adverse change in the operations of an entity, whether or not the subject securities are in default as to principal and interest payments, and other factors may give rise to uncertainty concerning prudent secondary market practices. Municipal securities are generally viewed as long-term investments, subject to material unforeseen changes in the investor's circumstances, and may require commitment of the investor's funds for an indefinite period of time, perhaps until maturity.

Defeasance Risks

When all Certificates are deemed paid as provided in the Declaration of Trust (in ***Appendix C***, see **"SUMMARY OF CERTAIN PROVISIONS OF THE DECLARATION OF TRUST – Discharge of Declaration of Trust"**), the Declaration of Trust will be released and terminated, and the Equipment encumbered by the Lease as security for the Certificates will be released. Any Certificate shall be deemed paid when (1) payment of the Principal Portion of Basic Rent Payments evidenced by such Certificate and premium, if any, thereon and the Interest Portion of Basic Rent Payments payable with respect thereto whether such payment is by reason of the stated payment date or upon prepayment as provided in the Declaration of Trust either (a) has been made in accordance with the terms of such Certificate (determined assuming the District has appropriated funds to pay all Basic Rent Payments through the final Renewal Term of the Lease or through the Prepayment Date), or (b) has been provided by irrevocably depositing, in trust and irrevocably set aside exclusively for such payment, (i) cash sufficient to make such payment and/or (ii) Government Obligations, maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment, and (2) all necessary and proper fees, compensation and expenses of the Trustee pertaining to such Certificate have been paid or the payment thereof provided for to the satisfaction of the Trustee. Government Obligations include, in addition to cash and obligations pre-refunded with cash, bonds, notes, certificates of indebtedness, treasury bills and other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America. Historically, such United States obligations have been rated in one of the two highest rating categories by the rating agencies. There is no legal requirement in the Declaration of Trust or the Lease that Government Obligations consisting of such United States obligations be or remain rated in one of the two highest rating categories by any rating agency. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and that could include the rating of Certificates defeased with Government Obligations to the extent the Government Obligations have a change or downgrade in rating.

Cybersecurity Risks

The District relies on its information systems to provide security for the processing, transmission and storage of confidential personal, health-related, credit and other information. It is possible that the District's security measures will not prevent improper or unauthorized access or disclosure of personally identifiable information resulting from cyber-attacks. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches can create disruptions or shutdowns of the District and the services it provides or the unauthorized disclosure of confidential personal, health-related, credit and other information. If personal or otherwise protected information is improperly accessed, tampered with or distributed, the District may incur significant costs to remediate possible injury to the affected persons, and the District may be subject to sanctions and civil penalties if it is found to be in violation of federal or State laws or regulations. Any failure to maintain proper functionality and security of information systems could interrupt the District's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

RATING

Moody's Investors Service, Inc. (**"Moody's"**), has assigned the Series 2020 Certificates the rating of "Aa2." Such rating reflects only the view of Moody's at the time such rating is given, and an explanation of the significance of such rating may be obtained from Moody's.

The District has furnished Moody's with certain information and materials relating to the Series 2020 Certificates and the District that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions made by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing such rating, circumstances so warrant. The Underwriter (hereinafter defined) has not undertaken any responsibility to bring to the attention of the holders of the Series 2020 Certificates any proposed revision or withdrawal of the ratings of the Series 2020 Certificates or to oppose any such proposed revision or withdrawal. Pursuant to the Continuing Disclosure Certificate, the District is required to bring to the attention of the holders of the Series 2020 Certificates any revision or withdrawal of the rating of the Series 2020 Certificates but has not undertaken any responsibility to oppose any such revision or withdrawal. Any such revision or withdrawal of the ratings could have an adverse effect on the market price and marketability of the Series 2020 Certificates.

THE DISTRICT

The District encompasses approximately 24 square miles in the southern section of St. Louis County, Missouri (the **"County"**). This area includes unincorporated portions of the County, as well as areas of the following municipalities: Crestwood, Fenton, Grantwood Village, Green Park, Kirkwood, Lakeshire and Sunset Hills. See **"THE DISTRICT"** in ***Appendix A*** of this Official Statement for further information regarding the District.

LEGAL MATTERS

Legal matters incident to the authorization, delivery and sale of the Series 2020 Certificates are subject to the approving legal opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Special Counsel. Certain matters relating to this Official Statement will also be passed upon by Special Counsel. Factual and financial information appearing herein has been supplied and reviewed by various officials of the District.

The legal opinions to be delivered concurrently with the delivery of the Series 2020 Certificates express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transactions opined upon or of the future performance of parties to such transaction, and the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Series 2020 Certificates. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2020 Certificates as a capital asset, tax-exempt organizations, individual retirement accounts and *other tax deferred accounts, and foreign taxpayers) and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2020 Certificates in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2020 Certificates.*

Opinion of Special Counsel

In the opinion of Gilmore & Bell, P.C., Special Counsel, under the law existing as of the date of delivery of the Series 2020 Certificates:

Federal and State of Missouri Tax Exemption. The Interest Portion of the Basic Rent Payments (including any original issue discount properly allocable to an owner thereof) paid by the District under the Lease and distributed to the owners of the Series 2020 Certificates is excludable from gross income for federal and State of Missouri income tax purposes.

Alternative Minimum Tax. The Interest Portion of the Basic Rent Payments paid by the District under the Lease and distributed to the owners of the Series 2020 Certificates is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The District's obligation to pay Basic Rent Payments under the Lease has not been designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the **"Code"**).

Special Counsel's opinions are provided as of the date of delivery of the Series 2020 Certificates, subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2020 Certificates in order that the Interest Portion be, or continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of the Interest Portion in gross income for federal and State of Missouri income tax purposes retroactive to the date of delivery of the Series 2020 Certificates. Special Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2020 Certificates but has reviewed the discussion under this section **"TAX MATTERS."**

Other Federal Income Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Series 2020 Certificate over its issue price. The issue price of a Series 2020 Certificate is generally the first price at which a substantial amount of the Series 2020 Certificates of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt obligations accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Series 2020 Certificate during any accrual period generally equals (1) the issue price of that Series 2020 Certificate, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2020 Certificate (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any Interest Portion payable on that Series 2020 Certificate during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes and will increase the owner's tax basis in that Series 2020 Certificate. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Series 2020 Certificate over its stated redemption price at maturity. The issue price of a Series 2020 Certificate is generally the first price at which a substantial amount of the Series 2020 Certificates of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt obligations amortizes over the term of the Series 2020 Certificate using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2020 Certificate and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2020 Certificate prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of premium.

Sale, Exchange or Retirement of Series 2020 Certificates. Upon the sale, exchange or retirement (including prepayment) of a Series 2020 Certificate, an owner of the Series 2020 Certificate generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Series 2020 Certificate (other than in respect of the accrued and unpaid Interest Portion) and such owner's adjusted tax basis in the Series 2020 Certificate. To the extent a Series 2020 Certificate is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2020 Certificate has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of Principal Portion, Interest Portion and prepayment premium paid on the Series 2020 Certificates, and to the proceeds paid on the sale of the Series 2020 Certificates, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2020 Certificates should be aware that ownership of the Series 2020 Certificates may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2020 Certificates. Special Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2020 Certificates should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2020 Certificates, including the possible application of state, local, foreign and other tax laws.

Tax Consequences Subsequent to an Event of Default or Event of Nonappropriation

Special Counsel has rendered no opinion with respect to the income tax consequences applicable to the Series 2020 Certificates subsequent to a termination of the Lease by reason of an Event of Nonappropriation or an Event of Default. If the Lease is terminated by reason of either such event, there is no assurance that the Interest Portion of the Basic Rent Payments received with respect to the Series 2020 Certificates will remain excludable from gross income for federal income tax purposes.

ABSENCE OF LITIGATION

There is not now pending or, to the knowledge of the District, threatened, any litigation seeking to restrain or enjoin or in any way limit the approval or the delivery of this Official Statement or the Series 2020 Certificates or the proceedings or authority under which they are to be delivered. There is no litigation pending or, to the knowledge of the District, threatened which in any manner challenges or threatens the powers of the District to enter into or carry out the transactions contemplated by the Declaration of Trust and the Lease.

UNDERWRITING

Robert W. Baird & Co., Inc., Red Bank, New Jersey (the **"Underwriter"**) has agreed to purchase the Series 2020 Certificates at a price of $10,262,503.44 (which is equal to the principal amount of the Series 2020 Certificates, plus a net original premium of $843,742.90, less an underwriting discount of $81,239.46). The Underwriter is purchasing the Series 2020 Certificates for resale in the normal course of the Underwriter's business activities. The Underwriter may sell certain of the Series 2020 Certificates at a price greater than such purchase price, as shown on the inside cover page hereof. The Underwriter reserves the right to offer any of the Series 2020 Certificates to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine.

FINANCIAL ADVISOR

Piper Sandler & Co., St. Louis, Missouri (the **"Financial Advisor"**), has been employed by the District as financial advisor to provide certain professional services in connection with the Series 2020 Certificates. The Financial Advisor has not undertaken an independent investigation into the accuracy of the information presented in this Official Statement.

CERTAIN RELATIONSHIPS

Gilmore & Bell, P.C., Special Counsel, has represented the Financial Advisor and the Trustee in transactions unrelated to the delivery of the Series 2020 Certificates but is not representing the Financial Advisor or the Trustee in connection with the delivery of the Series 2020 Certificates.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to all such documents for full and complete statements of all matters of fact relating to the Series 2020 Certificates, the security for the payment of the Series 2020 Certificates and the rights of the Owners thereof. During the period of the offering, copies of drafts of such documents may be examined at the offices of the Financial Advisor; following delivery of the Series 2020 Certificates, copies of such documents may be examined at the offices of the Trustee. The information contained in this Official Statement has been compiled from official and other sources that are deemed to be reliable, and while not guaranteed as to completeness or accuracy, is believed to be correct as of this date.

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information presented herein since the date hereof. This Official Statement is not to be construed as a contract or agreement between the District, the Trustee or the Underwriter and the purchasers or Owners of any Series 2020 Certificates.

The form of this Official Statement, and its distribution and use by the Underwriter, has been approved by the District and the Trustee; however, the Trustee has made no warranty or representations regarding either the accuracy or sufficiency of any material contained herein. Neither the District nor the Trustee nor any of their officers, directors or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the financial condition of the District or the District's ability to make payments required of it under the Lease and the Declaration of Trust; and further, neither the District nor the Trustee nor their officers, directors or employees assumes any duties, responsibilities or obligations in relation to the delivery of the Series 2020 Certificates other than those either expressly or by fair implication imposed on the District or the Trustee by the Lease and the Declaration of Trust.

The District has duly authorized the delivery of this Official Statement.

LINDBERGH SCHOOLS

By: /s/ Mike Shamia
President of the Board of Education

APPENDIX A

INFORMATION REGARDING THE DISTRICT

TABLE OF CONTENTS

THE DISTRICT

General Description

Lindbergh Schools (the **"District"**) encompasses approximately 24 square miles in the southern section of St. Louis County, Missouri (the **"County"**). This area includes unincorporated portions of the County, as well as areas of the following municipalities: Crestwood, Fenton, Grantwood Village, Green Park, Kirkwood, Lakeshire and Sunset Hills. The estimated population of the District in 2018 was 47,807. The District had 7,241 students (including Pre-K) enrolled during the 2019-2020 school year.

Organization and Board of Education

The District is a reorganized school district formed pursuant to Chapter 162 of the Revised Statutes of Missouri, as amended (**"RSMo"**). The District is governed by a seven-member Board of Education (the **"Board"**). The members of the Board are elected by the voters of the District for three-year staggered terms. All Board members are elected at-large and serve without compensation. The Board is responsible for all policy decisions. The President of the Board is elected by the Board from among its members for a term of one year and has no regular administrative duties. The Secretary and Treasurer are appointed by the Board and may or may not be members of the Board.

The current members and officers of the Board are:

Name	Office	First Term Began	Current Term Expires
Mike Shamia[(1)]	President & Director	2017	2021
Karen Schuster	Vice President & Director	2012	2021
Matt Alonzo	Secretary & Director	2017	2023
Christy Watz	Treasurer & Director	2017	2023
Dr. Mike Tsichlis	Director	2016	2022
Dr. Cathy Carlock Lorenz	Director	2017	2023
Jennifer Miller	Director	2016	2022

(1) Mr. Shamia was elected on April 4, 2017 to fill a vacancy on the Board and re-elected on April 3, 2018.

Administration

The Board appoints the Superintendent of Schools who is the chief administrative officer of the District responsible for carrying out the policies set by the Board. Dr. Tony Lake has been Superintendent of the District since July 1, 2018. Dr. Lake earned his Bachelor of Science in education from John Brown University in Arkansas, and his Master's and Doctorate degrees in educational leadership from Baker University in Overland Park, Kansas. Prior to serving as superintendent of the District, Dr. Lake worked in the Blue Valley School District in Overland Park, Kansas, serving as Chief Operations Officer. Throughout his 27-year career in education Dr. Lake has also held the titles of teacher, associate principal, principal and Executive Director of School Administration.

Additional members of the administrative staff are appointed by the Board upon recommendation by the Superintendent. The District's Administrative Cabinet includes the positions of Chief Financial Officer, Chief Communications Officer, Chief Academic Officer and Chief Human Resources Officer.

During the 2019-2020 school year, the District had a total of 874 employees, including 41 administrative personnel, 467 teachers and 366 non-certificated employees. Teachers in the District belong to the Missouri State Teachers Association, the Missouri National Education Association or are not affiliated.

Professional Staff

On average, teachers employed by the District have 12.7 years of teaching experience, compared to a statewide average of 12.5 years, and 81.6% of the District's teachers hold advanced degrees. For the 2018-2019 school year, the average salary for all teaching staff was $57,289 compared to a statewide average salary for teaching staff of $50,012.

Educational Facilities

The District operates 11 schools, as shown below. The aggregate replacement cost of the current physical facilities of the District as most recently determined for insurance purposes is $289,385,446.

Name of School	Grades Served
Lindbergh High School	9-12
Sperreng Middle School	6-8
Truman Middle School	6-8
Concord Elementary School	K-5
Crestwood Elementary School	K-5
Dressel Elementary School	K-5
Kennerly Elementary School	K-5
Long Elementary School	K-5
Sappington Elementary School	K-5
Early Childhood Education Center	Pre-K
Early Childhood Education Center West	Pre-K

History of Enrollment

Shown below are the District's enrollment figures for the last five school years.

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Primary (K-5)	2,913	3,058	3,134	3,121	3,244
Middle (6-8)	1,523	1,555	1,594	1,621	1,657
High (9-12)	2,059	2,074	2,104	2,189	2,186
Total(1)	6,495	6,687	6,832	6,931	7,087

(1) Excludes Pre-K enrollment.
Source: Missouri Department of Elementary and Secondary Education.

Education Programs

The District operates under the oversight of the Missouri Department of Elementary and Secondary Education (**"DESE"**). Programs offered by the District are comprehensive with an academic curriculum encompassing several foreign languages, math, science, literature, composition and social studies. The District offers numerous special programs such as gifted, adult education, early childhood, Parents as Teachers, English language learning, engineering and a comprehensive special education program.

Other District Statistics

The following table shows additional information about the District compiled by DESE for the last five completed fiscal years.

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Avg. Daily Attendance (ADA)	5,789.70	5,974.28	6,116.33	6,253.98	6,479.90
Proportional Attendance Rate	94.18%	94.67%	94.00%	93.63%	92.83%
Current Expenditures per ADA	$9,699.84	$9,754.36	$9,679.24	$10,031.33	$10,023.48
Students per Teacher	16	16	16	16	16
Students per Classroom Teacher	19	19	18	18	18

Source: Missouri Department of Elementary and Secondary Education.

School Rating and Accreditation

DESE administers the Missouri School Improvement Program (**"MSIP"**), the state's school accountability system for reviewing and accrediting public school districts in Missouri. Since MSIP was established in 1990, four review cycles have been completed, each cycle lasting from five to six years. The fifth cycle, referred to as MSIP 5, began in the 2012-2013 school year.

DESE computes an Annual Performance Report (**"APR"**) for every public school district and charter local education agency as well as for each school. This overall score is comprised of scores for each of the MSIP 5 performance standards: (1) Academic Achievement (percent proficient or advanced in English language arts, mathematics, science and social studies), (2) Subgroup Achievement (percent proficient or advanced in English language arts, mathematics, science and social studies for students in certain super subgroups (Hispanic, Black, FRL (free/reduced price lunch eligible), IEP (Individualized Education Program for child with disability), ELL (English Language Learners))), (3) High School Readiness (K-8 districts) or College and Career Readiness (K-12 districts) based on certain test scores, (4) Attendance Rate, and (5) Graduation Rate (K-12 districts). Status, progress and growth (where applicable) are used to calculate a comprehensive score used to determine the accreditation level of a school district.

Under MSIP 5, there are four levels of school accreditation: (1) Accredited with Distinction, for districts meeting criteria yet to be determined by the State Board of Education (a resolution to adopt criteria was considered but withdrawn in September 2014 and no further attempt to adopt criteria has been made making the achievement of the status Accredited with Distinction impossible until criteria have been adopted), (2) Accredited, (3) Provisional, and (4) Unaccredited.

The District is in the "Accredited" category. As stated above, no school districts are "Accredited with Distinction."

The MSIP classification is not a bond or debt rating but is solely an evaluation made by DESE.

ECONOMIC INFORMATION CONCERNING THE DISTRICT

Much of the economic and financial information in this Appendix is historic in nature and generally predates the COVID-19 pandemic. It is not possible to predict whether any of the trends shown herein will continue in the future. See **"RISK FACTORS AND INVESTMENT CONSIDERATIONS – Potential Risks Relating to COVID-19,"** in the Official Statement.

Population

The following table shows population figures for the District, the County and the State of Missouri (the **"State"**) from the last three decennial censuses and the latest available estimate.

	1990	**2000**	**2010**	**2018**
District	46,698	45,877	46,429	47,807
County	993,529	1,016,315	998,954	998,684
State	5,117,073	5,595,211	5,988,927	6,090,062

Source: U.S. Census Bureau – 2014-2018 American Community Survey 5-Year Estimates; U.S. Census Bureau – 2010 Census; Missouri Census Data Center – Census 1990-2000 Trend Report.

The following table shows population distribution by age for the District, the County and the State from the latest available estimate.

Estimated Population Distribution by Age (2018 Estimate)

Age	**District**	**County**	**State**
Under 5 years	2,418	58,649	372,932
5-19 years	8,925	187,285	1,171,037
20-24 years	1,945	63,248	421,255
25-44 years	10,502	244,456	1,542,544
45-64 years	13,218	272,664	1,600,602
65 years and over	10,799	172,382	981,692
TOTAL	47,807	998,684	6,090,062
Median age	45.2	40.3	38.5

Source: U.S. Census Bureau – 2014-2018 American Community Survey 5-Year Estimates.

[Remainder of Page Intentionally Left Blank]

Commerce, Industry and Employment

Major Employers. Listed below are the major employers located in the St. Louis Metropolitan Area[(1)] and the approximate number of employees employed by each:

Employer	Type of Business	Employees
BJC HealthCare	Health care	28,516
Mercy	Health care	23,011
Washington University	Education	17,442
Boeing Defense, Space & Security	Aerospace engineering and manufacturing	14,566
SSM Health	Health care	13,500
Scott Air Force Base	Military	13,000
Schnuck Markets Inc.	Groceries	10,702
Archdiocese of St. Louis	Religious	10,000
City of St. Louis	Government	7,368
St. Louis University	Education	7,221

(1) Includes the City of St. Louis and St. Louis, St. Charles, Lincoln, Warren, Franklin, Washington and Jefferson counties in Missouri and Jersey, Madison, Clinton, St. Clair, Calhoun, Macoupin, Bond and Monroe counties in Illinois.
Source: St. Louis Business Journal.

Several of the above employers, including BJC HealthCare, Mercy, Washington University and Saint Louis University, have recently announced furloughs and layoffs due to the COVID-19 pandemic. See the caption **"RISK FACTORS AND INVESTMENT CONSIDERATIONS – Potential Risks Relating to COVID-19,"** in the Official Statement.

Employment Figures. The following table sets forth employment figures for the County, the State and the United States.

	2016	2017	2018	2019	2020
County					
Total Labor Force	532,537	526,669	526,570	533,085	516,310
Unemployed	22,448	18,029	15,568	16,363	53,184
Unemployment Rate	4.2%	3.4%	3.0%	3.1%	10.3%
State					
Total Labor Force	3,081,333	3,063,474	3,053,105	3,083,245	3,013,983
Unemployed	140,261	114,569	96,438	101,557	295,268
Unemployment Rate	4.6%	3.7%	3.2%	3.3%	9.8%
United States					
Total Labor Force	159,187,000	160,320,000	162,075,000	163,539,000	157,975,000
Unemployed	7,751,000	6,982,000	6,314,000	6,001,000	20,514,000
Unemployment Rate	4.9%	4.4%	3.9%	3.7%	13.0%

(1) As of May 2020; not an annualized calculation. As of January 2020 (before the coronavirus pandemic), the unemployment rates were 3.8% for the County, 4.3% for Missouri, and 4.0% for the United States.
Source: U.S. Bureau of Labor Statistics.

Medical and Health Facilities

There are approximately 50 hospitals located in the St. Louis Metropolitan Area, including Mercy Hospital South, formerly St. Anthony's Medical Center, which is located within the District. Other major hospitals and medical facilities nearby include the highly-regarded Barnes-Jewish Hospital and Mercy Hospital

St. Louis as well as two medical schools, Washington University Medical School and Saint Louis University Medical School. In addition, dentists, chiropractors and doctors provide medical services from offices and clinics located in the District.

Higher Education

Higher education is easily accessible to District residents through the St. Louis Community College (the **"College"**) and numerous other institutions of higher education located in the St. Louis Metropolitan Area, including University of Missouri-St. Louis, Webster University, Maryville University, Saint Louis University and Washington University. The College awards associate degrees and certificates of proficiency and specialization for prescribed courses of study. The College also offers courses to meet the needs of persons who desire enrichment or retraining in the areas of liberal arts, occupational education, continuing education and community services.

Recreational Facilities

The County park system offers 71 park sites featuring camping, fishing, boating, picnicking, hiking, horseback riding, cross country skiing, swimming, golf, ice skating and other athletic activities. Unique attractions include the St. Louis Carousel, the Butterfly House, the internationally-recognized Laumeier Sculpture Park, the working farm in Suson Park, the elk and buffalo in Lone Elk Park and the Museum of Transportation which "houses one of the largest and best collections of transportation vehicles in the world," according to the Smithsonian Institution.

Municipal Services and Utilities and Public Safety

Municipal services, including street maintenance and water, are provided by the cities in the District or the County. The Metropolitan St. Louis Sewer District provides sewer services. Natural gas and electricity are provided by Spire and Ameren, respectively. Telephone service is provided by AT&T. Police services are provided by municipal departments within the District or the County. Fire protection services are provided by municipal departments and three fire protection districts operating within the District.

Transportation, Communications and Media

The District's geographic location provides easy access to all areas of metropolitan St. Louis via I-44 and I-270, both of which run through the District. Regularly scheduled commercial air passenger and air freight service is available at the St. Louis Lambert International Airport located approximately 20 miles north of the District.

Telecommunication services are provided to District residents by AT&T, CenturyLink and Charter Communications. Wireless telephone service is offered by numerous providers. Residents of the District receive all of the County and St. Louis radio stations and television channels. The District is served by the *St. Louis Post-Dispatch* newspaper. In addition, there are many weekly newspapers and journals published throughout the County.

[Remainder of Page Intentionally Left Blank]

Income and Home Values

The following table presents per capita personal income[1] for the County and the State for the years 2014 through 2018, the latest date for which such information is available.

Year	Per Capita Personal Income County	Per Capita Personal Income State
2018	$71,360	$47,746
2017	67,368	45,744
2016	66,165	44,336
2015	62,710	43,096
2014	61,078	41,775

(1) Per Capita Personal Income is the annual total personal income of residents divided by resident population as of July 1. **"Personal Income"** is the sum of net earnings by place of residence, rental income of persons, personal dividend income, personal interest income and transfer payments. **"Net Earnings"** is earnings by place of work — the sum of wage and salary disbursements (payrolls), other labor income and proprietors' income — less personal contributions for social insurance, plus an adjustment to convert earnings by place of work to a place-of-residence basis. Personal Income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

Source: U.S. Department of Commerce – Bureau of Economic Analysis.

The following table presents the estimated median household income for the District, the County and the State.

	Median Household Income
District	$73,266
County	65,300
State	53,560

Source: U.S. Census Bureau – 2014-2018 American Community Survey 5-Year Estimates.

The following table presents the median value of owner-occupied housing units in the District, the County and the State.

	Number of Owner-Occupied Units	Median Home Value
District	15,806	$214,000
County	278,370	190,100
State	1,601,845	151,600

Source: U.S. Census Bureau – 2014-2018 American Community Survey 5-Year Estimates.

DEBT STRUCTURE OF THE DISTRICT

Overview

The following table summarizes certain financial information concerning the District as of June 1, 2020 (unless otherwise noted). This information should be reviewed in conjunction with the other information contained in this section and the financial statements of the District in ***Appendix B*** to this Official Statement.

2019 Assessed Valuation[(1)]	$1,555,036,280
2019 Estimated Actual Valuation[(2)]	$6,984,355,642
2018 Estimated Population[(3)]	47,807
Direct General Obligation Debt (**"Direct Debt"**)	$186,573,953
Overlapping General Obligation Debt (**"Indirect Debt"**)[(4)]	$7,295,082
Total Direct Debt and Indirect Debt	$193,869,035
Ratio of Direct Debt to Assessed Valuation	12.00%
Ratio of Direct Debt to Estimated Actual Valuation	2.67%
Per Capita Direct Debt	$3,902.65
Ratio of Direct Debt and Indirect Debt to Assessed Valuation	12.47%
Ratio of Direct Debt and Indirect Debt to Estimated Actual Valuation	2.78%
Per Capita Direct Debt and Indirect Debt	$4,055.24

---

(1) Includes real and personal property valuations as provided by the St. Louis County Department of Revenue, but excludes assessed valuations attributable to state assessed railroad and utility property. For further details, see **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT."**

(2) Estimated actual valuation is calculated by dividing different classes of property by the corresponding assessment ratio. For a detail of these different classes and ratios, see **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT."**

(3) See **"ECONOMIC INFORMATION CONCERNING THE DISTRICT – Population."**

(4) See **"DEBT STRUCTURE OF THE DISTRICT – Overlapping or Underlying Indebtedness."**

Current Long-Term General Obligation Indebtedness

The following table sets forth all of the outstanding general obligation indebtedness of the District.

Issue Name	**Date of Indebtedness**	**Amount Originally Issued**	**Amount Outstanding**
General Obligation Qualified School Construction Bonds, Series 2009B	09/22/2009	$ 7,165,000	$ 5,640,000
Tax-Exempt General Obligation Capital Appreciation Bonds, Series 2010A	03/22/2010	4,833,953	4,833,953
General Obligation Refunding Bonds, Series 2012	02/28/2012	9,070,000	2,415,000
General Obligation Refunding Bonds, Series 2014	02/26/2014	32,060,000	30,210,000
General Obligation Bonds, Series 2014	09/22/2014	34,035,000	21,430,000
General Obligation Refunding Bonds, Series 2015	09/24/2015	9,865,000	9,005,000
General Obligation Bonds, Series 2019A	06/27/2019	40,000,000	40,000,000
General Obligation Refunding Bonds, Series 2019B	06/27/2019	8,040,000	8,040,000
General Obligation Bonds, Series 2020	03/05/2020	65,000,000	65,000,000
Total		$210,068,953	$186,573,953

History of General Obligation Indebtedness

The following table shows the outstanding general obligation debt of the District for each of the last five fiscal years.

As of June 30	Total Debt	Assessed Valuation[(1)]	Debt as % of Assessed Valuation[(2)]
2019	$128,248,954	$1,372,738,740	9.34%
2018	99,933,954	1,386,197,050	7.21
2017	103,938,817	1,267,181,520	8.20
2016	107,803,116	1,255,523,810	8.59
2015	112,806,756	1,199,688,760	9.40

(1) The assessed valuation of the District as adjusted through December 31 of the calendar year prior to the fiscal year shown. Excludes state assessed railroad and utility property.

(2) If state assessed railroad and utility property was taken into account, the debt as a percentage of total assessed valuation would be lower than the percentages shown. For more information, see **"DEBT STRUCTURE OF THE DISTRICT – Legal Debt Capacity."**

Source: District's Audited Financial Statements for the fiscal years ended June 30, 2015 through 2019.

The District has never defaulted on the payment of any of its debt obligations.

Legal Debt Capacity

Under Article VI, Section 26(b) of the Constitution of Missouri, the District may incur indebtedness for authorized school purposes not to exceed 15% of the valuation of taxable tangible property in the District according to the last completed assessment upon the approval of four-sevenths of the qualified voters in the District voting on the proposition at any general municipal, primary or general election or two-thirds voter approval on any other election date. The legal debt limitation and debt margin of the District are as follows:

Legal Debt Limitation and Debt Margin

Constitutional Debt Limitation under Article VI, Section 26(b) (15% of 2019 assessed valuation)	$233,255,442
General Obligation Bonds Outstanding	186,573,953
Legal Debt Margin under Article VI, Sections 26(b)	$ 46,681,489

The District's legal debt limit and debt margin would be higher if (1) the amount in the Debt Service Fund available to pay principal of the bonds, and (2) the valuation of state assessed railroad and utility property that is physically located within the bounds of the District were both taken into account. Neither amount was included in the calculations of debt limit or debt margin.

Because of the manner in which tax collections are distributed to school districts from assessments of state assessed railroad and utility property (see **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – County Revenue"**), the cumbersome task of determining the valuation of such property physically located within a school district is not normally undertaken unless, without the value of such property included in the calculation, the school district would exceed its legal debt limit.

General Obligation Bonds Debt Service Requirements

The following schedule shows the yearly principal and interest requirements for all outstanding general obligation bonds of the District.

Fiscal Year ending June 30	Principal	Interest	Total
2021	$ 7,005,000	$ 6,007,155	$ 13,012,155
2022	7,240,000	5,812,720	13,052,720
2023	7,445,000	5,597,415	13,042,415
2024	7,655,000	5,411,725	13,066,725
2025	7,289,770	5,754,892	13,044,662
2026	7,464,133	5,586,030	13,050,163
2027	7,640,803	5,414,709	13,055,512
2028	6,372,690	6,635,547	13,008,237
2029	6,541,558	6,015,561	12,557,119
2030	8,340,000	4,299,294	12,639,294
2031	9,475,000	3,972,444	13,447,444
2032	9,865,000	3,593,556	13,458,556
2033	10,280,000	3,190,031	13,470,031
2034	10,715,000	2,767,981	13,482,981
2035	11,185,000	2,324,281	13,509,281
2036	11,670,000	1,824,432	13,494,432
2037	12,085,000	1,357,632	13,442,632
2038	12,430,000	995,082	13,425,082
2039	12,770,000	663,319	13,433,319
2040	13,105,000	311,244	13,416,244
Total	$186,573,954	$77,535,050	$264,109,004

The principal and interest requirements on the District's general obligation bonds are payable from amounts in the District's Debt Service Fund generated by a levy on all taxable tangible property in the District. The Debt Service Fund levy may be set, without limitation as to rate or amount, at the level required to make payments on the general obligation bonds. See **"FINANCIAL INFORMATION CONCERNING THE DISTRICT."**

Other Long-Term Obligations of the District

Certificates of Participation. In addition to the Series 2020 Certificates, the District has the following outstanding certificates of participation:

On April 7, 2016, the District approved delivery of Certificates of Participation, Series 2016, in the original principal amount of $6,000,000 (the **"Series 2016 Certificates"**). The Series 2016 Certificates represent the proportionate interests of the owners thereof right to receive basic rent payments to be made by the District, subject to annual appropriation, pursuant to a Lease Purchase Agreement dated as of April 1, 2016 (the **"Lease"**), entered into between U.S. Bank National Association, as lessor and trustee, and the District, as lessee.

On February 27, 2017, the District approved delivery of Certificates of Participation, Series 2017, in the original principal amount of $1,060,000. The Series 2017 Certificates represent the proportionate interests of the owners thereof right to receive basic rent payments to be made by the District, subject to annual appropriation, pursuant to the Lease as amended by a First Supplemental Lease Purchase Agreement dated as of February 1, 2017.

The following schedule shows the yearly rental payments that are payable by the District, subject to annual appropriation, and distributable to owners of all of the outstanding certificates of participation, including the Series 2020 Certificates. Such payments are payable from moneys in the District's Capital Projects Fund and are not payable from any money in the District's Debt Service Fund, which is available solely to make payments on any general obligation bonds of the District.

Fiscal Year Ending June 30	Prior Rental Payments		Series 2020 Certificates Rental Payments		Total Rental Payments
	Principal Portion	Interest Portion	Principal Portion	Interest Portion	
2021	$ 0.00	$ 185,005.00	$ 515,000.00	$ 171,018.40	$ 871,023.40
2022	400,000.00	185,005.00	490,000.00	274,575.00	1,349,580.00
2023	405,000.00	178,135.00	510,000.00	250,075.00	1,343,210.00
2024	415,000.00	170,665.00	540,000.00	224,575.00	1,350,240.00
2025	420,000.00	162,480.00	565,000.00	197,575.00	1,345,055.00
2026	435,000.00	153,660.00	595,000.00	169,325.00	1,352,985.00
2027	440,000.00	144,015.00	625,000.00	139,575.00	1,348,590.00
2028	455,000.00	133,887.50	655,000.00	108,325.00	1,352,212.50
2029	465,000.00	122,740.00	680,000.00	82,125.00	1,349,865.00
2030	470,000.00	110,765.00	695,000.00	68,525.00	1,344,290.00
2031	490,000.00	97,960.00	705,000.00	54,625.00	1,347,585.00
2032	500,000.00	83,770.00	715,000.00	46,693.76	1,345,463.76
2033	520,000.00	68,582.50	725,000.00	36,862.50	1,350,445.00
2034	530,000.00	52,342.50	735,000.00	25,987.50	1,343,330.00
2035	550,000.00	35,632.50	750,000.00	13,125.00	1,348,757.50
2036	565,000.00	18,052.50	0.00	0.00	583,052.50
Totals	$7,060,000.00	$1,902,697.50	$9,500,000.00	$1,862,987.16	$20,325,684.66

The District does not have any other outstanding indebtedness or long-term obligations.

Future Borrowing Plans

The District has a long-term capital plan that includes improving District facilities and replacing aging equipment that may require voter approval for additional general obligation bonds. The District does not anticipate seeking voter approval for additional general obligations in the next three years.

Overlapping or Underlying Indebtedness

The following table sets forth the approximate overlapping and underlying general obligation indebtedness of political subdivisions with boundaries overlapping the District as of June 1, 2020, unless otherwise noted, and the percent attributable (on the basis of assessed valuation figures for calendar year 2018) to the District. The table was compiled from publicly available information furnished by the jurisdictions responsible for the debt, and the District has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds or other long-term obligations such as leases, the amounts of which may be unknown to the District at this time and are not included below.

Taxing Jurisdiction	Outstanding General Obligation Debt	Approximate Percent Applicable	Approximate Amount Overlapping
St. Louis County	$ 82,330,000	5.54%	$4,561,082
City of Crestwood	0		0
City of Fenton	0		0
City of Green Park	0		0
City of Kirkwood	0		0
City of Lakeshire	0		0
City of Sunset Hills	0		0
Town of Grantwood Village	0		0
Affton Fire Protection District	0		0
Fenton Fire Protection District	20,000,000	13.67	2,734,000
Mehlville Fire Protection District	0		0
Kirkwood Library District	0		0
TOTAL	$102,330,000		$7,295,082

Source: St. Louis County Assessor's Office; State Auditor of Missouri – Bond Registration Reports; Municipal Securities Rulemaking Board's Electronic Municipal Market Access system.

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Accounting, Budgeting and Auditing Procedures

The District presents its governmental activities in fund 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 conformity with the requirements of Missouri law and DESE. This basis recognizes assets, liabilities, net assets/fund equity, revenues and expenditures when they result from modified cash transactions.

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. 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. Transactions have been recorded in the following funds for the accounting of all District funds:

- **General (Incidental) Fund**: The General Fund is the primary operating fund of the District. It is used to account for general activities of the District, including expenditures for noncertified employees, pupil transportation costs, plant operation, fringe benefits, student body activities, community services, food service and any expenditures not required or permitted to be accounted for in other funds.

- **Special Revenue (Teachers') Fund**: The Special Revenue Fund accounts for expenditures for certificated employees involved in administration and instruction. It includes revenues restricted by the State and the local tax levy for the payment of teachers' salaries and certain employee benefits.

- **Debt Service Fund**: The Debt Service Fund accounts for the accumulation of resources for the payment of principal, interest and fiscal charges on long-term debt.

- **Capital Projects Fund**: The Capital Projects Fund accounts for resources restricted for the acquisition or construction of specific capital projects or items. It accounts for the proceeds of long-term debt, taxes and other receipts designated for construction of major capital assets and all other capital outlay.

The Treasurer of the District is responsible for handling all moneys of the District and administering the above funds. All moneys received by the District from whatever source are credited to the appropriate fund. Moneys may be disbursed from such funds by the Treasurer only for the purpose for which they were levied, collected or received and only upon checks drawn by the Treasurer pursuant to orders of the Board or upon orders for payment issued by the Treasurer pursuant to orders of the Board.

An annual budget of estimated receipts and disbursements for the coming fiscal year is prepared by the Superintendent and is presented to the Board prior to July 1 for approval. The District's fiscal year is July 1 through June 30. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes and includes a statement of the rate of levy per hundred dollars of assessed valuation required to raise each amount shown on the budget as coming from District property taxes.

The financial records of the District are audited annually by an independent public accountant according to the modified cash basis of accounting. The most recent annual audit has been performed by Kerber, Eck & Braeckel LLP. The audited financial statements of the District for the fiscal year ended June 30, 2019, together with the independent auditor's report thereon, are included in this Official Statement at ***Appendix B***. A summary of significant accounting policies of the District is contained in the notes accompanying the financial statements in ***Appendix B***. The audited financial statements for earlier years with reports by the certified public accountants are available for examination in the District's office.

Sources of Revenue

The District finances its operations through the local property tax levy, State sales tax, State Aid (as defined below), federal grant programs and miscellaneous sources, including without limitation State Aid for Transportation, a State sales tax on cigarettes and a pro rata share of interest income from the counties in which it operates. Debt service on general obligation bonds is paid from amounts in the District's Debt Service Fund. The primary source of money in the Debt Service Fund is local property taxes derived from a debt service levy. As discussed below, the Debt Service Fund may, however, also contain money derived from transfers from the Incidental Fund, from the State Aid in the Classroom Trust Fund and from certain other taxes or payments-in-lieu-of-taxes that may be placed in the Debt Service Fund at the discretion of the Board. See **"Missouri School Finance Laws – *Transfers from the Incidental Fund to the Debt Service Fund and/or the Capital Projects Fund*."**

State and federal revenue, as well as "Proposition C" sales tax revenue (included in the **"Local Revenue"** category below), are received on a continuous monthly basis throughout the fiscal year. Local taxes, however, are received primarily in January, over six months into a district's fiscal year. Districts that receive a smaller percentage of revenue from State and federal aid and depend more on local revenues will typically carry a larger fund balance than other districts that may be receiving a larger percent of their revenue from State and federal aid amounts rather than local taxes.

Current. For the 2018-2019 fiscal year, the District's sources of revenue were as follows:

Source	Amount	%
Local Revenue:		
Property Taxes	$ 58,217,486.84	41.65%
Proposition C Sales Tax	6,380,822.80	4.56
Other	16,655,582.82	11.92
County Revenue:		
Railroad & Utility Property Taxes	1,219,143.98	0.87
Fines, Forfeitures & Other	54,153.86	0.04
State Revenue	7,856,484.98	5.62
Federal Revenue	1,028,718.15	0.74
Other Revenue[1]	48,372,199.91	34.60
Total Revenue	$139,784,593.34	100.00%

(1) Includes proceeds from the sale of the District's $40,000,000 General Obligation Bonds, Series 2019A and $8,040,000 General Obligation Refunding Bonds, Series 2019B (together, the "Series 2019 Bonds").

Source: District's Annual Secretary of the Board Report for fiscal year ended June 30, 2019.

Historical. The table below shows the allocation of revenues received by the District for the past five fiscal years:

Source	2015	2016	2017	2018	2019
Local Revenue[1]	$ 70,431,688.51	$71,711,667.73	$74,054,732.80	$75,670,643.68	$82,527,190.30
State Revenue	4,562,521.95	5,002,163.02	5,335,592.53	5,996,558.99	7,856,484.98
Federal Revenue	1,340,436.71	1,326,946.87	1,360,435.39	1,214,342.74	1,028,718.15
Other Revenue	34,122,543.19[2]	9,925,058.21[3]	79,426.08	277,204.28	48,372,199.91[4]
Total	$110,457,190.36[2]	$87,965,835.83[3]	$80,830,186.80	$83,158,749.69	$139,784,593.34[4]

(1) Includes County sources of revenue.

(2) Includes proceeds from the sale of the District's $34,035,000 General Obligation Bonds, Series 2014.

(3) Includes proceeds from the sale of the District's $9,865,000 General Obligation Refunding Bonds, Series 2015.

(4) Includes proceeds from the sale of the Series 2019 Bonds.

Source: District's Annual Secretary of the Board Reports for fiscal years ended June 30, 2015 through 2019.

Local Revenue

The primary sources of "local revenue" are (1) taxes upon real and personal property within a district, excluding railroad and utility property taxes, which are more fully described below, and (2) receipts from a 1% State sales tax (commonly referred to as **"Proposition C revenues"**) approved by the voters in 1982.

Proposition C revenues are deemed to be "local" revenues for school district accounting purposes. Proposition C revenues are distributed to each school district based on the district's weighted average daily attendance (see **"*Weighted ADA*"** under **"Missouri School Finance Laws"** below). For the 2018-2019 fiscal year, each school district received approximately $1,007 per pupil from Proposition C revenues based upon each district's 2017-2018 Weighted ADA. For the 2019-2020 fiscal year, each school district was expected to receive approximately $1,036 per pupil from Proposition C revenues based upon each district's 2018-2019 Weighted ADA; however, in its June 2020 School Finance Memo, DESE reported a final payment of approximately $1,006 per pupil from Proposition C revenues. For the 2020-2021 fiscal year, each school district is expected to receive approximately $1,050 per pupil from Proposition C revenues based upon each district's 2019-2020 Weighted ADA; however, this is a preliminary estimate and subject to change.

As previously discussed under **"RISK FACTORS AND INVESTMENT CONSIDERATIONS – Potential Risks Relating to COVID-19,"** the recent outbreak of COVID-19 caused all school districts in the

State, including the District, to discontinue in-person classes and caused numerous counties and municipalities across the State to enact "stay-in-place" orders, requiring individuals in those areas to remain in their residences, except to procure "essential services," and businesses in those areas, other than those deemed to be "essential businesses," to cease operations. The COVID-19 pandemic and the restrictions imposed by the State and various local governmental entities across the State to combat the spread of COVID-19 are expected to negatively impact the State economy and, therefore, are expected to result in a decrease of Proposition C revenues, Classroom Trust Fund moneys and State Aid distributed to school districts during the 2020-2021 fiscal year, and may result in a decrease in such revenues, moneys and State Aid in fiscal years thereafter. See the section below captioned **"Missouri School Finance Laws."**

On March 27, 2020, DESE released Administrative Memo FAS-20-002 (the **"Administrative Memo"**) to address how school district closures resulting from the COVID-19 outbreak may impact student attendance reporting and the average daily attendance (**"ADA"**) and Weighted ADA metrics used to calculate the distribution of Proposition C revenues, Classroom Trust Fund moneys and State Aid to each school district. According to the Administrative Memo, DESE will not require school districts to make-up school hours lost during the 2019-2020 fiscal year due to school district closures caused by COVID-19. DESE will consider those lost school hours as "not-in-session" hours, so no "attendance" hours or "absent" hours will be reported for that time. As a result, the District's Weighted ADA for the 2019-2020 fiscal year, which will be used in calculating the distribution of Proposition C revenues to the District for the 2020-2021 fiscal year, will not likely be significantly reduced as a result of the COVID-19 outbreak. However, in the Administrative Memo, DESE reminded school districts that, if a school district's ADA for any fiscal year is substantially reduced for an extended period, "whenever there has existed within the school district an infectious disease, contagion, epidemic, plague or similar condition" (like COVID-19), Section 163.021, RSMo, allows the apportionment of school funds and all other distribution of school moneys, such as Proposition C revenues, to be made on the basis of the school district's ADA (or Weighted ADA) for the next preceding fiscal year in which such condition existed. Therefore, if the District's Weighted ADA for the 2019-2020 fiscal year (or any future fiscal year) is substantially reduced as a result of the COVID-19 outbreak, the District will be allowed to base its Proposition C revenue distributions for the 2020-2021 fiscal year (or any then current fiscal year) on its Weighted ADA for the 2018-2019 fiscal year (or the fiscal year immediately preceding the fiscal year in which the infections disease outbreak existed).

Nonetheless, in the Administrative Memo, DESE has urged school districts to exercise extreme caution as they move forward with their budgeting process for the 2020-2021 fiscal year and to anticipate a reduction in the State's Proposition C revenues available for distribution to school districts due to the negative impact COVID-19 is expected to have on the State's economy. See also the captions **"*State Adequacy Target*"** and **"*Classroom Trust Fund (Gambling Revenue) Distributions*"** under **"Missouri School Finance Laws"** below for a further discussion on the potential impact the COVID-19 pandemic may have on the Weighted ADA and State Adequacy Target metrics used in calculating the District's future State Aid payments and the State's future distribution of Classroom Trust Fund moneys to the District.

County Revenue

For school taxation purposes, all state assessed railroad and utility property within a county is taxed uniformly at a rate determined by averaging the tax rates of all school districts in the county. No determination is made of the assessed value of the railroad and utility property that is physically located within the boundaries of each school district. Such tax collections for each county are distributed to the school districts within that county according to a formula based in part on total student enrollments in each district and in part on the taxes levied by each district. County revenue also includes certain fines and forfeitures collected with respect to violations within the boundaries of the school district.

State Revenue

The primary source of State revenue or "State Aid" is provided under a formula enacted under Chapter 163, RSMo. See **"Missouri School Finance Laws"** for a description of the State Aid distribution laws.

Federal Revenue

School districts receive certain grants and other revenue from the federal government that are required to be used for the specified purposes of the grant or funding program.

The federal "No Child Left Behind" law required that every public school student score at a "proficient" level or higher in math and reading by 2014. Each state established its own proficiency levels. Federal sanctions for school districts that failed to meet established proficiency standards included allowing parents and students in underperforming schools within a district to request a transfer to a school within the district that met proficiency standards. In addition, schools that continued to fail to meet proficiency standards were required to make additional changes in staffing, curriculum and management. Federal sanctions applied only to public schools that received Title I federal money.

In July of 2012, the State earned a waiver from the No Child Left Behind law when the United States Department of Education (the **"DOE"**) approved the State's proposed accountability system aimed at replacing the existing accountability measures of the No Child Left Behind law. This waiver expired August 1, 2016. The State's proposed system, Top 10 by 20, outlines a plan for the State to be in the top 10 states by 2020, with a focus on students becoming college and career ready by graduation.

The federal "Every Student Succeeds Act" (**"ESSA"**) was signed into law on December 10, 2015. ESSA replaces the "No Child Left Behind Act." Each state education agency must develop a state accountability plan (**"ESSA Plan"**) that incorporates testing based on challenging academic standards. The ESSA Plans were required to be submitted to the DOE in 2017. Under ESSA, states can decide how much weight to give standardized tests in their accountability systems and determine what consequences, if any, should attach to poor performance. However, at least 95% of eligible students are required to take the state-chosen standardized tests, and federal funding can be withheld if states fall below the 95% threshold.

The State submitted its plan to the DOE on September 13, 2017 in order to meet the September 18, 2017 deadline. The DOE approved the State's plan on January 16, 2018. Under ESSA, the State will continue to test students through the Missouri Assessment Program.

Missouri School Finance Laws

State Aid. The amount of State Aid for school districts in Missouri is calculated using a formula that is primarily student-needs-based.

Property Tax Levy Requirements. The sum of a district's local property tax levies in its Incidental and Teachers' Funds must be at least $2.75 per $100 of assessed valuation in order for the district to receive increases in State Aid above the level of State Aid it received in the 2005-2006 fiscal year. Levy reductions required as a result of a "Hancock rollback" (see **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Tax Rates – *Operating Levy*"** below) will not affect a district's eligibility for State Aid increases.

The Formula. A district's State Aid is determined by first multiplying the district's weighted average daily attendance (**"Weighted ADA"**) by the state adequacy target (**"State Adequacy Target"**). This figure may be adjusted upward by a dollar value modifier (**"DVM"**). The product of the Weighted ADA multiplied by the State Adequacy Target multiplied by the DVM is then reduced by a district's local effort (**"Local Effort"**) to calculate a district's final State Aid amount. The State Aid amount is distributed to the districts on a monthly basis.

On June 1, 2020, the Governor announced a total of $131.3 million in restrictions for State Aid distributions to school districts in June 2020. Additionally, due to further State revenue declines resulting from COVID-19, on June 30, 2020, the Governor announced $123.4 million in restrictions for State Aid foundation formula payments to school districts for the current 2020-2021 fiscal year, which will result in a decrease from the $3,553,211,885 in foundation formula State Aid payments originally budgeted and approved by the Missouri General Assembly for the 2020-2021 fiscal year to approximately $3,429,853,210 in foundation formula State Aid payments for the 2020-2021 fiscal year. According to an Administrative Memo from DESE dated June 30, 2020, as a result of the total $123.4 million in restrictions for State Aid in the 2020-2021 fiscal year "school districts will receive a reduced July payment of State Aid to reflect the $123.4 million spending restriction and any shortfall in Classroom Trust Fund revenue."

Weighted ADA. Weighted ADA is based upon regular term ADA plus summer school ADA, with additional weight assigned in certain circumstances for students who qualify for free and reduced price lunch (**"FRL"**), receive special education services (**"IEP"**) or possess limited English language proficiency (**"LEP"**). These FRL, IEP and LEP students are weighted to the extent they exceed certain thresholds (based on the percentage of students in each of the categories) in certain high performing districts (**"Performance Districts"**), which thresholds can change every two years. For fiscal years 2017 and 2018, DESE revised the thresholds downward as required under Senate Bill 586, which modified the definition of State Adequacy Target to require that a future recalculation of the State Adequacy Target never result in a decrease from the State Adequacy Target as calculated for fiscal years 2017 and 2018. For fiscal years 2019 and 2020, DESE revised the thresholds downward for FRL and IEP and upward for LEP. Beginning with the 2018-2019 fiscal year, certain school districts who operate early childhood education programs, such as the District, are also be able to claim a portion of their pre-kindergarten FRL students in their calculation of ADA; however, the portion of pre-kindergarten FRL students included in the calculation of ADA cannot exceed 4% of the total number of FRL students between the ages of 5 and 18 who are included in the school district's calculation of ADA. The District's State Aid revenues would be adversely affected by decreases in its Weighted ADA resulting from decreased enrollment generally and, specifically, decreased enrollment of FRL, IEP and LEP students. However, in the event that the District's Weighted ADA is substantially reduced for any current fiscal year, the District may use the higher of the District's Weighted ADA for the immediately preceding fiscal year or the second preceding fiscal year. This process is designed to absorb a one-year attendance irregularity.

State Adequacy Target. The State Aid formula requires DESE to calculate a "State Adequacy Target," which is intended to be the minimum amount of funds a school district needs in order to educate each student. DESE's calculation of the State Adequacy Target is based upon amounts spent, excluding federal and State transportation revenues, by Performance Districts. Every two years, using the most current list of Performance Districts, DESE will recalculate the State Adequacy Target. The recalculation can never result in a decrease from the State Adequacy Target as calculated for fiscal years 2017 and 2018 and any State Adequacy Target figure calculated subsequent to fiscal year 2018. For the fiscal year ended June 30, 2019, the State Adequacy Target was approximately $6,291 per pupil.

For the fiscal year ended June 30, 2020, the State Adequacy Target was expected to be $6,375 per pupil; however, due to the economic impact resulting from the COVID-19 pandemic, the State has experienced a dramatic revenue shortfall. On June 1, 2020, the Governor of Missouri announced a total of $131.3 million in restrictions for State Aid distributions to school districts in June 2020. According to an administrative memo from DESE dated June 1, 2020, this restriction of funds, together with other restrictions announced earlier, will result in school districts receiving approximately 96.5% of State Aid based on the formula requirements for the fiscal year ended June 30, 2020, based on a full State Adequacy Target of $6,375. DESE's memo also states, "The timing of the shortfalls, however, will cause the majority of the reduction to be reflected in the June payment. . . . With these withholds, the June payment will be reduced to $193 million [from approximately $315 million], a 39% decrease."

For the fiscal year ending June 30, 2021, the State Adequacy Target is expected to be $6,375 per pupil; however, this is a preliminary estimate and subject to change.

Dollar Value Modifier. The DVM is an index of the relative purchasing power of a dollar in different areas of the State. The DVM is calculated as one plus 15% of the difference of the regional wage ratio (the ratio of the regional wage per job divided by the State median wage per job) minus one. The law provides that the DVM can never be less than 1.000. DESE revises the DVM for each district on an annual basis. The DVM for the District for 2019-2020 was 1.092, and the DVM for the District for 2020-2021 will be 1.089.

Local Effort. For the 2006-2007 fiscal year, the Local Effort figure utilized in a district's State Aid calculation was the amount of locally generated revenue that the district would have received in the 2004-2005 fiscal year if its operating levy was set at $3.43. The $3.43 amount is called the "performance levy." For all years subsequent to the 2006-2007 fiscal year, a district's Local Effort amount has been frozen at the 2006-2007 amount, except for adjustments due to increased locally collected fines or decreased assessed valuation in the district. Growth in assessed valuation and operating levy increases will result in additional local revenue to the district, without affecting State Aid payments.

Categorical-Source Add-Ons. In addition to State Aid distributed pursuant to the formula as described above, the formula provides for the distribution of certain categorical sources of State Aid to school districts. These include (1) 75% of allowable transportation costs, (2) the career ladder entitlement, (3) the vocational education entitlement and (4) the educational and screening program entitlements. According to DESE's June 2020 School Finance Memo, school districts received approximately 13% less transportation funding than was originally appropriated for the fiscal year ended June 30, 2020.

Classroom Trust Fund (Gambling Revenue) Distributions. A portion of the State Aid received under the formula will be in the form of a distribution from the "Classroom Trust Fund," a fund in the State treasury containing a portion of the State's gambling revenues. This money is distributed to school districts on the basis of ADA (versus *Weighted* ADA, which applies to the basic formula distribution). The funds deposited into the Classroom Trust Fund are not earmarked for a particular fund or expense and may be spent at the discretion of the local school district except that, beginning with the 2010-2011 fiscal year, all proceeds of the Classroom Trust Fund in excess of amounts received in the 2009-2010 fiscal year must be placed in the Teachers' or Incidental Fund. Classroom Trust Fund dollars do not increase the amount of State Aid. For the 2018-2019 fiscal year, each school district received approximately $413 per pupil based on its 2017-2018 ADA.

For the 2019-2020 fiscal year, each school district was expected to receive approximately $409 per pupil based on its 2018-2019 ADA; however, according to a May 2020 School Finance Memo released by DESE, there was no Classroom Trust Fund payment to school districts in May 2020 due to casino closures caused by the outbreak of COVID-19. This resulted in a final Classroom Trust Fund payment of approximately $327 per pupil.

For the 2020-2021 fiscal year, each school district is expected to receive approximately $427 per pupil based on its 2019-2020 ADA; however, this is a preliminary estimate and subject to change.

Mandatory Deposit and Expenditures of Certain Amounts in the Teachers' Fund. The following State and local revenues must be deposited in the Teachers' Fund: (1) 75% of basic formula State Aid, excluding State Aid distributed from the Classroom Trust Fund (gambling revenues); (2) 75% of one-half of the district's local share of Proposition C revenues; (3) 100% of the career ladder State matching payments; and (4) 100% of local revenue from fines and escheats based on violations or abandoned property within the district's boundaries.

In addition to these mandatory deposits, school districts are also required to spend for certificated staff compensation and tuition expenditures each year the amounts described in clauses (1) and (2) of the preceding paragraph. Since the 2007-2008 fiscal year, school districts are further required to spend for certificated staff compensation and tuition expenditures each year, per the second preceding year's Weighted ADA, as much as was spent in the previous year from local and county tax revenues deposited in the Teachers' Fund, plus the amount of any transfers from the Incidental Fund to the Teachers' Fund that are calculated to be local and county tax sources. This amount is to be determined by dividing local and county tax sources in the Incidental Fund by total revenue in the Incidental Fund. Commencing with the 2006-2007 fiscal year, the formula provides that certificated staff compensation now includes the costs of public school retirement and Medicare for those staff members. These items were previously paid from the Incidental Fund.

Failure to satisfy the deposit and expenditure requirements applicable to the Teachers' Fund will result in a deduction of the amount of the expenditure shortfall from a district's basic formula State Aid for the following year, unless the district receives an exemption from the State Board of Education.

A school board may transfer any portion of the unrestricted balance remaining in the Incidental Fund to the Teachers' Fund. Any district that uses a transfer from the Incidental Fund to pay for more than 25% of the annual certificated compensation obligation of the district, and has an Incidental Fund balance on June 30 in any year in excess of 50% of the combined Incidental and Teachers' Fund expenditures for the fiscal year just ended, will be required to transfer the excess from the Incidental Fund to the Teachers' Fund.

Limited Sources of Funds for Capital Expenditures. School districts may only pay for capital outlays from the Capital Projects Fund. Sources of revenues in the Capital Projects Fund are limited to: (1) proceeds of general obligation bonds (which are repaid from a Debt Service Fund levy) and lease financings; (2) revenue from the school district's local property tax levy for the Capital Projects Fund; (3) certain permitted transfers from the Incidental Fund; and (4) a portion of the funds distributed to school districts from the Classroom Trust Fund.

Capital Projects Fund Levy. Prior to setting tax rates for the Incidental and Teachers' Funds, each school district must annually set the tax rate for the Capital Projects Fund as necessary to meet the expenditures of the Capital Projects Fund for capital outlays, except that the tax rate set for the Capital Projects Fund may not be in an amount that would result in the reduction of the equalized combined tax rates for the Incidental and Teachers' Funds to an amount below $2.75. The District does not currently levy a property tax for its Capital Projects Fund.

Transfers from the Incidental Fund to the Capital Projects Fund. In addition to money generated from the Capital Projects Fund levy, each school district may transfer money from the Incidental Fund to the Capital Projects Fund for certain purposes, including: (1) the amount to be expended for transportation equipment that is considered an allowable cost under the State Board of Education rules for transportation reimbursements during the current year; (2) the amount necessary to satisfy obligations of the Capital Projects Fund for State-approved area vocational-technical schools; (3) current year obligations for lease-purchase obligations entered into prior to January 1, 1997; (4) the amount necessary to repay costs of one or more guaranteed energy savings performance contracts to renovate buildings in the school district, provided that the contract specified that no payment or total of payments shall be required from the school district until at least an equal total amount of energy and energy-related operating savings and payments from the vendor pursuant to the contract have been realized; and (5) to satisfy current year capital project expenditures, an amount not to exceed the greater of (a) $162,326 or (b) seven percent (7%) of the State Adequacy Target (see ***"State Adequacy Target"*** above) times the district's Weighted ADA. The District made no transfer from the Incidental Fund to the Capital Projects Fund under this provision during the 2018-2019 fiscal year.

Transfers from the Incidental Fund to the Debt Service Fund and/or the Capital Projects Fund. If a school district is not using the $162,326 or seven percent (7%) transfer discussed in parts (5)(a) and (5)(b) of the prior paragraph and is not making payments on lease purchases pursuant to Section 177.088, RSMo, then the school district may transfer from the Incidental Fund to the Debt Service and/or the Capital Projects Fund the greater of (1) the State Aid received in the 2005-2006 school year as a result of no more than eighteen (18) cents of the sum of the Debt Service Fund levy and Capital Projects Fund levy used in the foundation formula and placed in the Capital Projects Fund or Debt Service Fund, or (2) five percent (5%) of the State Adequacy Target (see ***"State Adequacy Target"*** above) times the district's Weighted ADA. The District made no transfer from the Incidental Fund to the Debt Service Fund or the Capital Projects Fund under this provision during the 2018-2019 fiscal year.

Fund Balances Summary

The following Summary Statement of Revenues, Expenditures and Changes in Fund Balances was prepared from the District's audited financial statements for the fiscal years ended June 30, 2015 through 2019. The statement set forth below should be read in conjunction with the other financial statements and notes set forth in ***Appendix B*** of this Official Statement and the financial statements on file at the District's office.

Summary Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Funds

	2015	2016	2017	2018	2019
General (Incidental) Fund					
Balance—Beginning of Year	$23,135,958	$22,205,436	$20,203,734	$22,156,926	$ 21,789,813
Revenues	30,312,364	31,815,486	33,026,767	31,120,526	31,839,743
Expenditures	(25,729,616)	(26,617,977)	(27,008,669)	(29,237,927)	(30,085,500)
Transfers In (Out)	(5,513,270)	(7,199,211)	(4,064,906)	(2,249,712)	(645,953)
Balance—End of Year	$22,205,436	$20,203,734	$22,156,926	$21,789,813	$ 22,898,103
Special Revenue (Teachers') Fund					
Balance—Beginning of Year	$ 0	$ 0	$ 0	$ 0	$ 0
Revenues	34,200,322	34,214,757	35,082,755	38,680,139	41,743,867
Expenditures	(37,302,064)	(38,872,316)	(39,147,661)	(40,929,851)	(42,389,820)
Transfers In (Out)	3,101,742	4,657,559	4,064,906	2,249,712	645,953
Balance—End of Year	$ 0	$ 0	$ 0	$ 0	$ 0
Debt Service Fund					
Balance—Beginning of Year	$ 6,446,500	$ 7,465,151	$ 7,952,277	$ 9,719,704	$ 12,260,888
Revenues	8,656,604	19,932,058(1)	10,435,720	11,508,022	21,299,411(1)
Expenditures	(7,637,953)	(19,444,932)(2)	(8,668,293)	(8,966,838)	(23,132,062)(2)
Transfers In (Out)	0	0	0	0	0
Balance—End of Year	$ 7,465,151	$ 7,952,277(1)(2)	$ 9,719,704	$12,260,888	$ 10,428,237(1)(2)
Capital Projects Fund					
Balance—Beginning of Year	$ 3,257,064	$32,928,519	$19,990,841	$ 6,786,240	$ 4,649,163
Revenues	37,287,901(3)(4)	2,303,534(3)(6)	3,911,210(3)(6)	6,265,639(3)(6)(7)	44,854,851(3)(4)
Expenditures	(10,027,974)(5)	(17,782,864)	(17,115,811)	(8,402,716)	(5,974,323)
Transfers In (Out)	2,411,528	2,541,652	0	0	0
Balance—End of Year	$32,928,519(3)(4)(5)	$19,990,841(3)(6)	$ 6,786,240(3)(6)	$ 4,649,163(3)(6)(7)	$ 43,529,691(3)(4)
Total Governmental Funds					
Balance—Beginning of Year	$ 32,839,522	$ 62,599,106	$48,146,852	$38,662,870	$ 38,699,864
Revenues	110,457,191(3)(4)	88,265,835(1)(3)(6)	82,456,452(3)(6)	87,574,326(3)(6)(7)	139,737,872(1)(3)(4)
Expenditures	(80,697,607)(5)	(102,718,089)(2)	(91,940,434)	(87,537,332)	(101,581,705)(2)
Transfers In (Out)	0	0	0	0	0
Balance—End of Year	$ 62,599,106(3)(4)(5)	$ 48,146,852(1)(2)(3)(6)	$38,662,870(3)(6)	$38,699,864(3)(6)(7)	$ 76,856,031(1)(2)(3)(4)

(1) Includes proceeds from the sale of general obligation refunding bonds.
(2) Includes deposit of refunding bonds with escrow agent.
(3) Includes proceeds from the sale of property.
(4) Includes proceeds from the sale of general obligation bonds.
(5) Includes prepayment of the District's Lease Participation Certificates, Series 2011 and Lease Participation Certificates, Series 2013.
(6) Includes proceeds from the delivery of the Series 2016 Certificates.
(7) Includes proceeds from the delivery of the Series 2017 Certificates.
Source: District's Audited Financial Statements for fiscal years ended June 30, 2015 through 2019.

Risk Management

General. The District is exposed to various risks of loss from, among things, tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains several policies of insurance, providing coverage that includes casualties to the District's facilities and general liability insurance, which policies are subject to certain deductible clauses. The District also maintains a partially self-funded medical health care plan covering substantially all of its employees. There has been no significant reduction in insurance coverage from the previous year.

Self-Funded Insurance. The District has an employee health self-insurance program. For additional information regarding the District's employee health self-insurance program, see Note 9 to the District's financial statements included in ***Appendix B*** to this Official Statement.

Pension and Employee Retirement Plans

General. The District contributes to two cost-sharing multiple-employer defined benefit pension plans on behalf of its employees: (1) The Public School Retirement System of Missouri (**"PSRS"**), which provides retirement, disability and death benefits to full-time (and certain part-time) certificated employees of school districts and certain other educational entities in Missouri and employees of certain related employers; and (2) The Public Education Employee Retirement System of Missouri (**"PEERS"**), which provides retirement and disability benefits to employees of school districts and certain other educational entities in Missouri and of certain related employers who work 20 or more hours per week and do not contribute to PSRS. Benefit provisions relating to both PSRS and PEERS are set forth in Chapter 169, RSMo. The statutes assign responsibility for the administration of both plans to a seven-member Board of Trustees of PSRS (the **"PSRS Board"**). PSRS and PEERS had a combined total of 534 contributing employers during the fiscal year ended June 30, 2019.

PSRS and PEERS issue a publicly available financial report that includes financial statements and required supplementary information. The PSRS/PEERS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019 (the **"2019 PSRS/PEERS CAFR"**), the comprehensive financial report for the plans, is available at www.psrs-peers.org/About-Us/Resources/Annual-Report. The link to the 2019 PSRS/PEERS CAFR is provided for general background information only, and the information in the 2019 PSRS/PEERS CAFR is not incorporated by reference herein. The 2019 PSRS/PEERS CAFR provides detailed information about PSRS and PEERS, including their respective financial positions, investment policy and performance information, actuarial information and assumptions affecting plan design and policies and certain statistical information about the plans.

PSRS and PEERS Contributions. Employees who contribute to PSRS are not eligible to make Social Security contributions, except in limited circumstances. For the fiscal year ended June 30, 2019, PSRS contributing employees were required to contribute 14.5% of their annual covered salary and their employers, including the District, were required to contribute a matching amount of 14.5% of each contributing employee's covered salary. The contribution requirements of members and the District are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 1.0% in aggregate of PSRS contributing member covered pay of the previous year.

Employees who contribute to PEERS are eligible to make Social Security contributions. For the fiscal year ended June 30, 2019, PEERS contributing employees were required to contribute 6.86% of their annual covered salary and their employers, including the District, were required to contribute a matching amount of 6.86% of each contributing employee's covered salary. The contribution requirements of members and the District are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 0.5% in aggregate of PEERS contributing member covered pay of the previous year.

PSRS and PEERS Funded Status. PSRS and PEERS reported funded ratios of 84.4% and 86.4%, respectively, as of June 30, 2019, according to the 2019 PSRS/PEERS CAFR. Funded ratios are intended to estimate the ability of current plan assets to satisfy projected future liabilities. The PSRS and PEERS funded ratios are determined by dividing the smoothed actuarial value of plan assets by the plan's actuarial accrued liability determined under the entry age normal cost method with normal costs calculated as a level percentage of payrolls, along with certain actuarial assumptions based on an experience study conducted in 2016. PSRS and PEERS amortize unfunded actuarial liabilities using a closed 30-year method. Additional assumptions and methods used to determine the actuarial funded status of PSRS and PEERS are set forth in the Actuarial Section of the 2019 PSRS/PEERS CAFR. The funding objective of each plan, as stated in each plan's Actuarial Funding Policy, is to achieve a funded ratio of 100% over a closed 30-year period.

The following provides a historical comparison of actual employer contributions to actuarially determined contributions and the historical funded status for the plans for the years shown.

Schedule of Employer Contributions

	PSRS			PEERS		
Year Ended June 30,	**Actuarially Determined Contribution**	**Actual Employer Contributions**	**Contribution Excess/ (Deficiency)[1]**	**Actuarially Determined Contribution**	**Actual Employer Contributions**	**Contribution Excess/ (Deficiency)[1]**
2019	$628,513,916	$712,545,096	$ 84,031,180	$113,567,475	$120,042,046	$ 6,474,571
2018	533,062,186	696,970,397	163,908,211	97,653,104	115,103,143	17,450,039
2017	642,821,624	684,857,718	42,036,094	108,807,233	111,239,585	2,432,352
2016	643,155,536	669,953,683	26,798,147	104,011,593	106,654,638	2,643,045
2015	666,438,984	656,924,899	(9,514,085)	105,739,092	103,624,310	(2,114,782)

(1) The annual statutory increase in the total contribution rate may not exceed 1.0% of pay for PSRS and 0.5% of pay for PEERS. The limitation on contribution increases resulted in a deficiency for some of the years presented. Contributions were funded to the maximum statutory limit each year.

Source: "Schedules of Employer Contributions" in the Financial Section of the 2019 PSRS/PEERS CAFR.

Schedule of Funding Progress
(Dollar amounts in thousands)

	PSRS			PEERS		
Year Ended June 30,	**Actuarial Value of Assets**	**Actuarial Accrued Liability**	**Funded Ratio**	**Actuarial Value of Assets**	**Actuarial Accrued Liability**	**Funded Ratio**
2019	$40,498,479	$47,973,829	84.4%	$5,019,868	$5,809,485	86.4%
2018	39,211,452	46,702,002	84.0	4,774,781	5,542,478	86.1
2017	37,373,740	44,501,771	84.0	4,470,270	5,209,369	85.8
2016	35,419,278	41,744,619	84.8	4,157,427	4,809,666	86.4
2015	34,073,415	40,610,540	83.9	3,915,199	4,512,317	86.8

Source: "Schedule of Funding Progress" in the Actuarial Section of the 2019 PSRS/PEERS CAFR.

As stated in the GASB 68 footnote disclosure prepared by PSRS and PEERS and provided to the District, the District's contributions to PSRS and PEERS for the years shown were as follows:

District Contributions to PSRS and PEERS

	PSRS		PEERS	
Year Ended June 30,	**Annual Contribution[1]**	**Contribution (% of Payroll)[2]**	**Annual Contribution[1]**	**Contribution (% of Payroll)**
2018	$5,000,461	14.37%	$681,060	6.86%
2017	4,855,890	14.41	636,127	6.86
2016	4,834,261	14.41	616,699	6.86
2015	4,611,302	14.34	611,183	6.86

(1) The annual contributions equaled the amounts required by the PSRS Board for each year.

(2) The percentages shown are less than 14.50% because the District has certain PSRS members who are required to contribute to Social Security under the requirements of Section 169.070, RSMo, known as the "2/3's statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate, and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

Source: Financial Statement Information Related to the Public School and Education Employee Retirement Systems of Missouri for Lindbergh R-VIII Schools, 2018.

The District's contributions to PSRS and PEERS during the fiscal year ended June 30, 2019 were $5,190,657 and $696,975, respectively, which constituted approximately 6.71% of the District's total expenditures during the fiscal year. The District was required to contribute 14.5% of covered payroll for PSRS contributing employees and 6.86% of covered payroll for PEERS contributing employees during the fiscal year ended June 30, 2020, equal to the contribution percentages for the fiscal years ended June 30, 2018 and June 30, 2019.

Estimated Proportionate Share of PSRS/PEERS Liability. The District has not implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, because the District's financial statements are prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting different from accounting principles generally accepted in the United States of America. PSRS and PEERS, however, have implemented GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*. Accordingly, PSRS and PEERS are required annually to provide each contributing Missouri school district reports estimating each district's proportionate share of the net pension liability of PSRS and PEERS as of the end of the prior fiscal year. The estimate is computed for each district by multiplying the net pension liability of a plan (calculated by determining the difference between the plan's total pension liability and fiduciary net position) by a percentage reflecting the district's proportionate share of contributions to the plan during the fiscal year (calculated by dividing the District's actual contributions by the actual contributions of all participating employers for PSRS and PEERS, respectively, for the fiscal year ended June 30, 2018). At June 30, 2019 (measured as of June 30, 2018), the District's proportionate share of the net pension liability of PSRS and PEERS was $53,377,298 and $4,610,774, respectively, as determined by PSRS and PEERS on an accrual basis of accounting. At June 30, 2018, the District's contribution to PSRS and PEERS represented 0.7172% and 0.5967%, respectively, of the overall contributions to PSRS and PEERS during the fiscal year. In addition, for the year ended June 30, 2019, the district recognized pension expense of $6,455,911 for PSRS and $966,030 for PEERS, its proportionate share of the total pension expense. Detailed information about the calculation of the net pension liability of the plans, including information about the assumptions used, is available in the 2019 PSRS/PEERS CAFR.

The net pension liability of PSRS and PEERS is based on a 7.5% discount rate, which was also the assumed investment rate of return for the plans effective for the fiscal year ended June 30, 2019. PSRS and PEERS further advised the District that its proportionate share of the net pension liability using a 1.0% higher or lower discount rate at June 30, 2019 (measured as of June 30, 2018) would be as follows:

Proportionate Share of Net Pension Liability Sensitivity

	1.0% Decrease (6.5%)	**Current Discount Rate (7.5%)**	**1.0% Increase (8.5%)**
District's proportionate share of PSRS net pension liability	$95,682,796	$53,377,298	$18,217,016
District's proportionate share of PEERS net pension liability / (asset)	$ 8,682,612	$ 4,610,774	$ 1,195,741

For the fiscal year ended June 30, 2017, the PSRS Board revised the actuarial assumed rate of return from 8.0% to 7.75% along with several other revisions and changes in assumptions made by the PSRS Board in light of the actuarial experience studies and asset-liability study conducted in fiscal year 2016. For the fiscal year ended June 30, 2018, the PSRS Board revised the actuarial assumed rate of return from 7.75% to 7.6% and increased the assumption for cost-of-living adjustments for the June 30, 2017 valuations, which were relevant for the fiscal year ended June 30, 2018. For the fiscal year ended June 30, 2019, the PSRS Board revised the actuarial assumed rate of return from 7.6% to 7.5% for the June 30, 2018 valuations, which are relevant for the fiscal year ended June 30, 2019.

For additional information regarding the District's pensions and employee retirement plans, see Note 6 to the District's financial statements included in ***Appendix B*** to this Official Statement. For additional information regarding PSRS and PEERS, see the 2019 PSRS/PEERS CAFR.

Other Postemployment Benefits

In addition to pensions, many state and local governments, including the District, provide other postemployment benefits (**"OPEB"**) as part of the total compensation offered to attract and retain the services of qualified employees. For information specific to the District's OPEB obligations, see Note 8 to the District's financial statements included in ***Appendix B*** to this Official Statement.

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT

Property Valuations

Assessment Procedure. All taxable real and personal property within the District is assessed annually by the County Assessor. Missouri law requires that personal property be assessed at various levels up to 33-1/3% of true value and that real property be assessed at the following percentages of true value:

Residential real property	19%
Agricultural and horticultural real property	12%
Utility, industrial, commercial, railroad and all other real property	32%

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the State legislature adopted a maintenance law in 1986. On January 1 in every odd-numbered year, the County Assessor must adjust the assessed valuation of all real property located within the county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the County Board of Equalization. The Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Current Assessed Valuation. The following table shows the total locally assessed valuation and the estimated actual valuation, by category, of all taxable tangible property situated in the District (excluding assessed valuation amounts attributable to state assessed railroad and utility property located within the District) according to the assessment for calendar year 2019 for property owned as of January 1, 2019, as adjusted through December 31, 2019.

Type of Property	Total Assessed Valuation	Assessment Rate	Estimated Actual Valuation	% of Actual Valuation
Real:				
Residential	$1,002,704,630	19.00%	$5,277,392,789	75.56%
Agricultural	338,620	12.00%	2,821,833	0.04
Commercial[1]	385,291,440	32.00%	1,204,035,750	17.24
Total Real	$1,388,334,690		$6,484,250,372	92.84%
Personal[1]	166,701,590	33.33%[2]	500,105,270	7.16
Total Real & Personal	$1,555,036,280		$6,984,355,642	100.00%

(1) Includes locally assessed railroad and utility property.

(2) Assumes all personal property is assessed at 33 1/3%; because certain subclasses of tangible personal property are assessed at less than 33 1/3%, the estimated actual valuation for personal property would likely be greater than that shown above. See ***"Assessment Procedure"*** discussed above.

Source: St. Louis County Department of Revenue.

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the District (excluding assessed valuation amounts attributable to state assessed railroad and utility property located within the District) according to the assessments of January 1, as adjusted through December 31, in each of the following years has been as follows:

Calendar Year	Assessed Valuation	% Change
2019	$1,555,036,280	+13.28%
2018	1,372,738,740	-0.97
2017	1,386,197,050	+9.39
2016	1,267,181,520	+0.93
2015	1,255,523,810	N/A

Source: District's Audited Financial Statements for the fiscal years ended June 30, 2015 through 2018 and St. Louis County Department of Revenue.

Property Tax Levies and Collections

Generally. Property taxes are levied and collected for the District by the County, for which the County receives a collection fee of 1.5% of the gross tax collections made.

The District is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the District's debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk. As required under SB 711 (discussed below), the District must informally project nonbinding tax levies for the year and return such projected tax levies to the County Clerk in April. The District must fix its ad valorem property tax rates and certify them to the County Clerk no later than October 1 for entry in the tax books. Taxes are levied at the District's tax rate per $100 of assessed valuation. The Missouri State Auditor is responsible for reviewing the rate of tax to ensure that it does not exceed constitutional rate limits.

Real and personal property within the District is assessed by the County Assessor. The County Assessor is responsible for preparing the tax rolls each year and for submitting tax rolls to the Board of Equalization of the County. The Board of Equalization has the authority to question and determine the proper value of property and then adjust and equalize individual properties appearing on the tax rolls. After local appeal procedures have been completed, the books are finalized and sent to the County Collector. The County Collector extends the taxes on the tax rolls and issues the tax statements in early December.

The County Collector is required to make disbursements of collected taxes to the District each month. Because of the tax collection procedure described above, the District receives the bulk of its moneys from local property taxes in the months of December, January and February.

District's Rights in Event of Tax Delinquency. Taxes are due by December 31 and become delinquent if not paid to the County Collector by that time. All tracts of land and city lots on which delinquent taxes are due are charged with a penalty of 18% of each year's delinquency. Taxes on real estate become delinquent on January 1, and the County Collector is required to enforce the State's lien by offering the property for sale in August. If the offering does not produce a bid equal to the delinquent taxes plus interest, penalty and costs, the property is offered for sale again the following year. If the second offering also does not produce a bid adequate to cover the amount due, the property is sold the following year to the highest bidder. Tax sales at the first or second offerings are subject to the owner's redemption rights. Delinquent personal property taxes constitute a debt of the person assessed with the taxes, and a personal judgment can be rendered for such taxes against the debtor. Personal property taxes become delinquent on January 1. Collection suits may be commenced on or after February 1 and must be commenced within three years.

Tax Abatement and Tax Increment Financing

Under State law, tax abatement is available for redevelopers of areas determined by the governing body of a city to be "blighted." The Land Clearance for Redevelopment Authority Law authorizes ten-year tax abatement pursuant to Sections 99.700 to 99.715, RSMo. In lieu of ten-year tax abatement, a redeveloper that is an urban redevelopment corporation formed pursuant to Chapter 353, RSMo, may seek real property tax abatement for a total period of 25 years. In addition, Chapter 100, RSMo and Article VI, Section 27(b) of the Missouri Constitution authorize real and personal property tax abatement for corporations for certain projects. For additional information regarding tax abatement within the District, see Note 5 to the District's financial statements included in ***Appendix B*** to this Official Statement.

In addition, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo, makes available tax increment financing for redevelopment projects in certain areas determined by the governing body of a city or county to be a "blighted area," "conservation area" or "economic development area," each as defined in such statute. Currently, certain portions of the District are located in tax increment financing redevelopment areas (**"TIF Redevelopment Areas"**). Tax increment financing does not diminish the amount of property tax revenues collected by the District in an affected area compared to prior to the establishment of a TIF Redevelopment Area but instead acts to freeze such revenues at current levels (the **"Base"**) and deprives the District and other taxing districts of all or part of future increases in ad valorem real property tax revenues that otherwise would have resulted from increases in assessed valuation above the Base (the **"TIF Increment"**). The

TIF Increment is captured by the TIF Redevelopment Areas until the tax increment financing obligations issued are repaid or the tax increment financing period terminates.

According to the County Assessor's office, the assessed valuation of the property within the TIF Redevelopment Areas within the District was at or below the Base for the past five years. For additional information regarding tax increment financing within the District, see Note 5 to the District's financial statements included in ***Appendix B*** to this Official Statement.

Tax Rates

Debt Service Levy. The District's debt service levy for the 2019-2020 fiscal year was $0.8330 per $100 of assessed valuation. Once indebtedness has been approved by the requisite number of voters voting therefor and bonds are issued, the District is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The Board of Education may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

Operating Levy. The operating tax levy of a school district (consisting of all ad valorem taxes levied except the debt service levy) cannot exceed the **"tax rate ceiling"** for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy that, when charged against a district's assessed valuation for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by the lesser of actual assessment growth, 5% or the Consumer Price Index.

Under Article X, Section 11(b) of the Missouri Constitution, a school district may increase its operating levy up to $2.75 per $100 of assessed valuation without voter approval. Any increase above $2.75, however, must be approved by a majority of the voters voting on the proposition. Further, pursuant to Article X, Section 11(c) of the Missouri Constitution, any increase above $6.00 must be approved by two-thirds of the voters voting on the proposition. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate (as adjusted pursuant to the provisions of the Hancock Amendment and SB 711, more fully explained below).

Article X, Section 22(a) of the Missouri Constitution (commonly known as the **"Hancock Amendment"**), approved in 1980, places limitations on total State revenues and the levying or increasing of taxes without voter approval. The Missouri Supreme Court has interpreted the definition of "total State revenues" to exclude voter-approved tax increases. The Hancock Amendment also includes provisions for rolling back tax rates. If the assessed valuation of property, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the Consumer Price Index from the previous year (or 5%, if greater), the maximum authorized current levy must be reduced to yield the same gross revenue from existing property, adjusted for changes in the Consumer Price Index, as could have been collected at the existing authorized levy on the prior assessed value. This reduction is often referred to as a **"Hancock rollback."**

In 2008, through the enactment of Senate Bill 711 (**"SB 711"**), the Missouri General Assembly approved further limitations on the amount of property taxes that can be imposed by a local governmental unit. Prior to the enactment of SB 711, a Hancock rollback would not necessarily result in a reduction of a district's *actual* operating tax levy if its current tax levy was less than its current tax levy *ceiling*, due to the district's voluntary rollback from the maximum authorized tax levy. Under SB 711, in reassessment years (odd-numbered years), the Hancock rollback is applied to a district's *actual* operating tax levy, regardless of whether that levy is at the district's tax levy *ceiling*. This further reduction is sometimes referred to as an **"SB 711 rollback."** In non-reassessment years (even-numbered years), the operating levy may be increased to the district's tax levy ceiling (as adjusted by the Hancock rollback), only after a public hearing and adoption of a resolution or policy statement justifying the action.

Under the provisions of an initiative petition adopted by the voters of Missouri on November 2, 1982, commonly known as **"Proposition C,"** revenues generated by a 1% State sales tax are credited to a special trust fund for school districts and are deemed to be "local" revenues for school district accounting purposes. Proposition C revenues are distributed to each school district within the State on the basis of eligible pupils. Under Proposition C, after determining its budget and the levy rate needed to produce required revenues to fund the budget, a school district must reduce the operating levy by an amount sufficient to decrease the revenues it would have received therefrom by an amount equal to 50% of the revenues received through Proposition C during the prior year. School districts may submit propositions to voters to forgo all or a part of the reduction in the operating levy that would otherwise be required under the terms of Proposition C. The District's voters previously approved a proposition to forgo all of the reduction in the operating levy which would otherwise be required under the terms of Proposition C which allows the District to levy up to its tax rate ceiling.

For the fiscal year ended June 30, 2020, the District's operating levy (all funds except the debt service fund levy) was $3.1892 per $100 of assessed valuation, which was equal to the District's tax rate ceiling for said fiscal year.

The tax levy for debt service on the District's general obligation bonds is exempt from the calculations of and limitations upon the tax rate ceiling.

History of Tax Levies

The following table shows the District's tax levies (per $100 of assessed valuation) for each of the following years:

Fiscal Year Ended June 30	General Incidental Fund	Special Revenue Teachers' Fund	Debt Service Fund	Capital Projects Fund	Total Levy
2019	$1.2000	$2.3025	$0.8330	$0.0000	$4.3355
2018	1.2000	2.2431	0.7900	0.0000	4.2331
2017	1.5000	2.1731	0.7730	0.0000	4.4461
2016	1.5000	2.1754	0.7530	0.0000	4.4284
2015	1.5000	2.3100	0.6830	0.0000	4.4930

Source: District's Annual Secretary of the Board Reports for fiscal years ended June 30, 2015 through 2019.

[Remainder of Page Intentionally Left Blank]

Tax Collection Record

Taxes are levied based on the assessed valuation following Board of Equalization review, which typically occurs in August. As a result of resolution of tax cases, the addition of undeclared personal property and other changes in assessment following Board of Equalization review, tax bills may be changed following the original levy and some taxpayers may be obligated to pay additional taxes or pay less taxes. The following table sets forth tax collection information for the District in each of the following years:

Fiscal Year Ended June 30	Total Levy (per $100 of Assessed Value)	Assessed Valuation	Total Taxes Levied(1)	Current Taxes Collected Amount	Current Taxes Collected %	Current and Delinquent Taxes Collected Amount	Current and Delinquent Taxes Collected %
2019	$4.3355	$1,372,738,740	$59,515,088	$57,986,416	97.43%	$58,217,487	97.82%
2018	4.2331	1,386,197,050	58,679,107	56,114,306	95.63	56,114,306	95.63
2017	4.4461	1,267,181,520	56,340,158	54,689,483	97.07	55,055,990	97.72
2016	4.4284	1,255,523,810	55,599,616	53,971,370	97.07	54,032,334	97.18
2015	4.4930	1,199,688,760	53,902,016	52,335,497	97.09	52,605,167	97.59

(1) Total Taxes Levied are based on assessed valuation as of December 31 of each year and are calculated by dividing Assessed Valuation by 100 and multiplying by the Total Levy.

Source: District's Audited Financial Statements for the fiscal years ended June 30, 2015 through 2019.

Major Property Taxpayers

The following table sets forth a list of the largest property taxpayers in the District based on the valuation of property owned as of January 1, 2019, as adjusted through December 31, 2019. The District has not independently verified the accuracy or completeness of such information.

	Owner	Type of Use	Assessed Valuation	Percentage of Total Assessed Valuation
1.	Sunset Hills Owner LLC	Shopping Center	$15,806,160	1.02%
2.	Friendship Village of South County	Senior Living Community	11,044,350	0.71
3.	Missouri American Water Company	Utility	9,032,620	0.58
4.	Gravois Bluffs III LLC	Shopping Center	8,941,480	0.57
5.	NHP/MCSHANE SAMC LLC	Medical Center	8,799,770	0.57
6.	Gravois Bluffs II LLC	Shopping Center	8,449,220	0.54
7.	Summit at Gravois Bluffs LLC	Shopping Center	7,622,310	0.49
8.	Fenton Development LLC	Shopping Center	6,033,350	0.39
9.	Gravois Bluffs LLC	Shopping Center	5,825,820	0.37
10.	EAN Holdings LLC	Property Holding Company	5,369,880	0.35
	Total		$86,924,960	5.59%

Source: St. Louis County Department of Revenue.

* * *

THIS PAGE INTENTIONALLY

LEFT BLANK

APPENDIX B

AUDITED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2019

THIS PAGE INTENTIONALLY

LEFT BLANK

LINDBERGH SCHOOLS

FINANCIAL STATEMENTS

June 30, 2019

LINDBERGH SCHOOLS

TABLE OF CONTENTS

TABLE OF CONTENTS

Kerber, Eck & Braeckel LLP

CPAs and
Management Consultants

One South Memorial Drive, Ste. 900
St. Louis, MO 63102
ph 314.231.6232
fax 314.880.9307
www.kebcpa.com

Independent Auditors' Report

Board of Education
Lindbergh Schools

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of Lindbergh Schools as of June 30, 2019, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

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

Other Matters

Other Information

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

The supplementary information on pages 26-34, and schedule of selected statistics on pages 36-42, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The schedule of expenditures of federal awards on page 47 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2019, on our consideration of the Lindbergh Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lindbergh Schools' internal control over financial reporting and compliance.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
December 2, 2019

LINDBERGH SCHOOLS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS
June 30, 2019

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

See notes to financial statements.

LINDBERGH SCHOOLS

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
Year ended June 30, 2019

Function/Program	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Program revenues: Capital grants and contributions	Net (expense) revenue and changes in net position: Total governmental activities
Governmental activities					
Instruction	$ 39,637,292	$ 1,070,219	$ 3,180	$ -	$ (38,563,893)
Attendance	196,248	-	-	-	(196,248)
Guidance	1,790,359	532	-	-	(1,789,827)
Health, psych, speech and audio	620,070	-	-	-	(620,070)
Improvement of instruction	829,960	-	-	-	(829,960)
Professional development	115,391	-	-	-	(115,391)
Media services	1,192,133	-	-	-	(1,192,133)
Board of education services	517,656	-	-	-	(517,656)
Executive administration	4,986,446	-	178,101	-	(4,808,345)
Building level administration	3,768,237	145,396	-	-	(3,622,841)
Business central service	749,092	-	-	-	(749,092)
Operation of plant	8,420,927	-	-	-	(8,420,927)
Security services	326,991	-	-	-	(326,991)
Pupil transportation	2,692,232	-	426,036	-	(2,266,196)
Food services	2,700,593	1,940,026	558,490	-	(202,077)
Central office support services	591,500	35,232	-	-	(556,268)
Community services	4,094,322	4,356,737	168,500	-	430,915
Facilities acquisition and construction	4,983,175	-	-	-	(4,983,175)
Debt service:					
Principal	19,725,000	-	-	-	(19,725,000)
Interest and other charges	3,634,709	-	-	-	(3,634,709)
Total governmental activities	$ 101,572,333	$ 7,548,142	$ 1,334,307	$ -	(92,689,884)

General revenues	
Taxes	
Property taxes, levied for general purposes	49,027,633
Property taxes, levied for debt service	11,185,642
Other taxes	207,452
Prop C - sales tax	6,380,823
Federal, state and county aid not restricted to specific purposes	9,005,475
Interest and investment earnings	5,807,952
Bond proceeds	40,000,000
Refunding bond proceeds	8,040,000
Miscellaneous	1,247,526
Total general revenues	130,902,503
Change in net position	38,212,619
Net position at July 1, 2018	41,941,349
Net position at June 30, 2019	$ 80,153,968

See notes to financial statements.

LINDBERGH SCHOOLS

BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
June 30, 2019

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

Reconciliation to Statement of Net Position

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

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

See notes to financial statements.

LINDBERGH SCHOOLS

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

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

Reconciliation to Statement of Activities

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

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

See notes to financial statements.

LINDBERGH SCHOOLS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS - PROPRIETARY FUND
June 30, 2019

	Governmental Activities - Internal Service Fund
ASSETS	
Cash	$ 3,297,937
NET POSITION	
Unrestricted	$ 3,297,937

See notes to financial statements.

LINDBERGH SCHOOLS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - MODIFIED CASH BASIS - PROPRIETARY FUND
Year ended June 30, 2019

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

See notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Principles Determining the Scope of Reporting Entity

Generally accepted accounting principles require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in the applicable GASB statements have been considered and there are no other agencies or entities that should be presented with the District.

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

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as program revenues include charges paid by the students for goods and services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. The emphasis is placed on major funds. Each major fund is presented in a separate column while nonmajor funds, if applicable, are aggregated and presented in a single column.

The major funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the District and is used to account for expenditures for noncertified employees, pupil transportation, operation of plant, fringe benefits, student body activities, community services, the food service program and any expenditures not required or permitted to be accounted for in other funds.

Special Revenue Fund

The Special Revenue Fund is used to account for specific revenue sources that are restricted, committed or assigned for the payment of salaries and certain employee benefits for certified personnel.

Debt Service Fund

The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned for the periodic payment of principal, interest and fiscal charges on general long-term debt.

Capital Projects Fund

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

Proprietary Fund

Internal Service Fund

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

Net Position

In the government-wide and proprietary fund financial statements, equity is classified as net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments. The remaining balance of net position is reported as unrestricted. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

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

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

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned for those purposes, a negative unassigned fund balance may be reported.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions. The District has not reported any nonspendable or committed fund balances.

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

Basis of Accounting

The government-wide financial statements and fund financial statements are prepared using a modified cash basis of accounting. This basis of accounting recognizes assets, net position/fund equity, revenues and expenditures/expenses when they result from cash transactions except that the purchase of investments are recorded as assets and payroll withholdings are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, general obligation bonds payable and obligations under capital leases) and certain expenses (such as expenses for goods or services received but not yet paid) are not recorded in these financial statements.

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

Cash and Investments

Cash resources from all funds, except the Debt Service Fund, are combined to form a pool of cash and temporary investments which is managed by the District's Chief Financial Officer. State law requires that all deposits of the Debt Service Fund be kept separate from all other funds of the District. Interest income earned is allocated to contributing funds based on each fund's proportionate share of funds invested.

The District may invest in United States Treasury-bills, notes, bonds, government agency and instrumentality obligations, repurchase agreements collateralized by government securities, time certificates of deposit and A1-P1 commercial paper.

Restricted Assets

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

Interfund Activity

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

Teachers' Salaries

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

NOTE 2 – CASH AND INVESTMENTS

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

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

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

		Investment maturities
	Cost	0 to 1 year
Deposits		
Cash on hand	$ 2,950	N/A
Demand deposits	(613,158)	N/A
	(610,208)	
Investments - external investment pools		
Missouri Security Investment Program		
Money market funds	71,188,517	71,188,517
Term investments	9,500,000	9,500,000
Certificates of deposit	486,000	486,000
	81,174,517	$ 81,174,517
Total deposits and investments	$80,564,309	

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District has a custodial credit risk policy for repurchase agreement investments and for certificate of deposits which requires these funds to be collateralized at least 100% or greater of the balance plus any demand deposit with the depository, less any insurance (FDIC or NCUSIF), as applicable. The District's deposits were not exposed to custodial credit risk at year end.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the District or its agent, but not in the government's name. The District does not have a policy for custodial credit risk for investments. The District's investments were not exposed to custodial credit risk at year end.

Investment Interest Rate Risk

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

Credit Risk

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

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

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

Concentration of Investment Credit Risk

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

NOTE 3 – TAXES

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

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

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

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

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

	Unadjusted	Adjusted
General Fund	$ 1.2000	$ 1.2000
Special Revenue Fund	2.3025	2.3025
Debt Service Fund	0.8330	0.8330
Capital Projects Fund	0.0000	0.0000
Total	$ 4.3355	$ 4.3355

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

NOTE 4 – LONG-TERM OBLIGATIONS

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

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

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

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

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

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

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

Early Extinguishment and Advanced Refunding

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

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

Certificates of Participation

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

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

Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized Article VI general obligation bonds of a District to fifteen (15%) percent of the assessed valuation of the District (including state-assessed railroad and utilities). The legal debt margin, computed excluding the assessed valuation of State assessed railroad and utilities, of the District at June 30, 2019, was:

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

NOTE 5 – TAX ABATEMENTS

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

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

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

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

NOTE 6 – PENSION PLANS

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

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

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

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

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

NOTE 7 – CONTINGENCIES

Grant Audits

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

Litigation

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

NOTE 8 – POST EMPLOYMENT BENEFITS

The District allows employees who retire from the District to participate in the District's health, dental and life insurance plans. Upon meeting the retirement requirements per PSRS and PEERS, the employees can elect to participate in the District's plans. The retirees must pay for 100% of their coverage for each plan in which they elect to participate. The premiums are based on a single blended rate used for both active employees and retirees. The difference between the amount the retiree is required to pay and the actual cost to the District is considered to be a post employment benefit. The District has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay as you go basis. A stand alone financial report is not available for the plan. During the year ended June 30, 2019, 313 retirees participated in the District's insurance plans and paid premiums totaling $1,403,209.

NOTE 9 – SELF-INSURANCE PLAN

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

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

NOTE 10 – COST SAVINGS REDUCTION PROGRAM

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

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

LINDBERGH SCHOOLS

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

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

See notes to supplementary information.

LINDBERGH SCHOOLS

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

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

See notes to supplementary information.

LINDBERGH SCHOOLS

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

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

See notes to supplementary information.

LINDBERGH SCHOOLS

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

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

See notes to supplementary information.

LINDBERGH SCHOOLS

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

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

See notes to supplementary information.

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

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

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

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

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

7. Capital outlay acquired through certificates of participation are not reported as an expenditure and the proceeds are not reported as another financing source for budgetary purposes.

LINDBERGH SCHOOLS

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

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

Total revenues	$ 139,737,872
Less debt service revenue	(21,299,411)
Total operating revenue	$ 118,438,461

LINDBERGH SCHOOLS

SCHEDULE OF EXPENDITURES PAID BY OBJECT
ALL GOVERNMENTAL FUNDS - MODIFIED CASH BASIS - UNAUDITED
Year ended June 30, 2019

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

Total expenditures	$ 101,581,705
Less debt service expenditures	(23,132,062)
Total operating expenditures	$ 78,449,643

LINDBERGH SCHOOLS

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

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

Kerber, Eck & Braeckel LLP

CPAs and
Management Consultants

One South Memorial Drive, Ste. 900
St. Louis, MO 63102
ph 314.231.6232
fax 314.880.9307
www.kebcpa.com

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

Board of Education
Lindbergh Schools

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Lindbergh Schools complied in all material respects, with the specific requirements above. An examination involves performing procedures to obtain evidence about whether Lindbergh Schools complied with the specific requirements, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Lindbergh Schools' compliance with specified requirements.

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

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

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
December 2, 2019

LINDBERGH SCHOOLS

SCHEDULE OF SELECTED STATISTICS – UNAUDITED

Entity Number: 096-093

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

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

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

2. Average Daily Attendance (ADA)

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

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

3. September Membership

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

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

4. Free and Reduced Priced Lunch FTE Count

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

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

5. Finance

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

5.8	Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records.	True
5.9	If a $162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected date for the projects to be undertaken.	True
5.10	The district published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The District has a professional development committee plan adopted by the Board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment.	True
5.12	The amount spent for approved professional development committee plan activities was:	$105,551

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

Findings #: N/A

Management Letter Comment #: N/A

6. Transportation

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The District's transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	▪ **Eligible ADT**	2,939.5
	▪ **Ineligible ADT**	1,075.0
6.4	The schools' transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district-operated and contracted mileage for the year was:	436,897
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	▪ **Eligible Miles**	404,271
	▪ **Ineligible Miles (Non-Route/Disapproved)**	32,626
6.7	Number of days the schools operated the school transportation system during the regular school year:	175

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

Findings #: N/A

Management Letter Comment #: N/A

Kerber, Eck & Braeckel LLP

CPAs and
Management Consultants

One South Memorial Drive, Ste. 900
St. Louis, MO 63102
ph 314.231.6232
fax 314.880.9307
www.kebcpa.com

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Education
Lindbergh Schools

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

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lindbergh Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Lindbergh Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Lindbergh Schools' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lindbergh Schools' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
December 2, 2019

Kerber, Eck & Braeckel LLP

CPAs and
Management Consultants

One South Memorial Drive, Ste. 900
St. Louis, MO 63102
ph 314.231.6232
fax 314.880.9307
www.kebcpa.com

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

Board of Education
Lindbergh Schools

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Lindbergh Schools' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Lindbergh Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Lindbergh Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
December 2, 2019

LINDBERGH SCHOOLS

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

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

The accompanying notes are an integral part of this schedule.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District and is reported on the modified cash basis of accounting, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The District has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 – SUBRECIPIENTS

There have been no awards passed through to subrecipients.

LINDBERGH SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report issued on financial statements: Unmodified opinion

Internal control over financial reporting:

Material weaknesses identified? No

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

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness identified? No

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

Type of auditors' report issued on compliance for major programs: Unmodified opinion

Any audit findings disclosed that are required to be reported under 2 CFR Section 200.516(a) of the Uniform Guidance? No

The programs tested as a major program are as follows:

CFDA Number(s)	Name of Program or Cluster
10.553, 10.555	Child Nutrition Cluster

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

Auditee qualified as a low-risk auditee? No

SECTION II – FINANCIAL STATEMENT FINDINGS

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

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

Finding 2018-001

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

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

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

THIS PAGE INTENTIONALLY

LEFT BLANK

APPENDIX C

DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF DOCUMENTS

Definitions of Words and Terms

In addition to the words and terms defined elsewhere in the Official Statement, the following words and terms used in the Official Statement shall have the following meanings:

"Additional Certificates" means any Certificates executed and delivered pursuant to the Declaration of Trust.

"Arbitrage Instructions" means the arbitrage investment instructions included in the Tax Compliance Agreement.

"Authorized Representative" means the President of the Board of Education, the Secretary of the Board of Education or the Chief Financial Officer of the District or any other person designated as an Authorized Representative by the President of the Board of Education, such designation being approved by the governing body of the District by a resolution that is filed with the Trustee.

"Available Revenues" means, for any Fiscal Year, any balances of the District from previous Fiscal Years encumbered to pay Rent, amounts budgeted or appropriated by the District for such Fiscal Year plus any unencumbered balances of the District from previous Fiscal Years that are legally available to pay Rent during such Fiscal Year, plus all moneys and investments, including earnings thereon, held by the Trustee pursuant to the Declaration of Trust.

"Basic Rent" means the Basic Rent Payments comprised of a Principal Portion and an Interest Portion as set forth in the Lease.

"Basic Rent Payment Date" means each March 1 and September 1 during the Lease Term, commencing on March 1, 2021.

"Business Day" means a day other than (a) a Saturday or Sunday, or (b) a day on which banks located in any city in which the payment office of the Trustee or any paying agent is located are required or authorized by law to remain closed.

"Certificates" means the Series 2020 Certificates and any Additional Certificates delivered pursuant to the Declaration of Trust.

"Completion Certificate" means the certificate of the District given to the Trustee in accordance with the Lease and the Declaration of Trust, evidencing substantial completion of the Project.

"Completion Date" means the date of completion of the installation of the Equipment as that date shall be certified as provided in the Lease.

"Contract" means one of any agreements between the District and various parties, if any, providing for the acquisition and installation of various portions of the Equipment.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate dated as of August 1, 2020, executed by the District, as from time to time amended.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, execution, sale and delivery of the Certificates, including advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, legal fees of Special Counsel and other parties to the transaction and all other initial fees and disbursements contemplated by the Lease and the Declaration of Trust.

"Debt Service Fund" means the "Debt Service Fund" established pursuant to the Declaration of Trust.

"Declaration of Trust" means the Declaration of Trust dated as of August 1, 2020, by the Trustee, as the same may from time to time be amended or supplemented in accordance with its terms.

"Directive" means an instrument in writing executed in one or more counterparts by the Owners of Certificates, as determined from the records of the Trustee kept pursuant to the Declaration of Trust, or their lawful attorneys-in-fact, representing no less than a majority of the aggregate unpaid Principal Portion represented by the then Outstanding Certificates.

"District" means Lindbergh Schools, a school district duly created, organized and existing under and by virtue of the laws of the State of Missouri, and its successors.

"Energy Contract" means the Energy Savings Performance Contract between the District and Navitas, LLC, dated July 9, 2019, as the same may from time to time be amended or supplemented in accordance with its terms.

"Equipment" means the personal property described in the Lease, including any modifications, additions, improvements, replacements or substitutions thereto or therefor.

"Event of Default" means (a) with respect to the Declaration of Trust, an Event of Default as described under the caption **"SUMMARY OF CERTAIN PROVISIONS OF THE DECLARATION OF TRUST – Events of Default,"** and (b) with respect to the Lease, an Event of Default as described under the caption **"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE – Events of Default."**

"Event of Lease Default" means an Event of Default under the Lease.

"Event of Nonappropriation" means a nonrenewal of the Lease by the District which will be deemed to have occurred if the District fails to budget, appropriate or otherwise provide for sufficient funds to pay Basic Rent and any reasonably anticipated Supplemental Rent to come due during the immediately following Renewal Term.

"Fiscal Year" means the fiscal year of the District, currently the twelve-month period beginning July 1.

"Funds" means, collectively, the Project Fund and the Debt Service Fund and all accounts therein.

"Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are held in a custodial or trust account for the benefit of the District.

"Interest Portion" means the portion of each Basic Rent Payment that represents the payment of interest as set forth in the Lease.

“Investment Securities” means and includes any of the following securities, if and to the extent the same are permitted by law:

(a) Government Obligations.

(b) bonds, notes or other obligations of the State of Missouri, or any political subdivision of the State of Missouri, that at the time of their purchase are rated in either of the two highest rating categories by a nationally recognized rating service.

(c) repurchase agreements with any bank, bank holding company, savings and loan association, trust company, or other financial institution organized under the laws of the United States or any state, that are continuously and fully secured by any one or more of the securities described in clause (a), (b) or (d) and have a market value at all times at least equal to the principal amount of such repurchase agreements and are held in a custodial or trust account for the benefit of the District.

(d) obligations of the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks and Farmers Home Administration.

(e) certificates of deposit or time deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit or time deposits shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described in clauses (a) through (d) above, inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit or time deposits.

(f) any other securities or investments that are lawful for the investment of moneys held in such funds or accounts under the laws of the State of Missouri.

“Lease” means the Lease Purchase Agreement, dated as of August 1, 2020, between the Trustee, as lessor, and the District, as lessee, as amended and supplemented from time to time in accordance with its terms.

“Lease Term” means the Original Term and all Renewal Terms.

“Net Proceeds” means the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all reasonable expenses, including attorneys’ fees, incurred in the collection thereof.

“Notice by Mail” or **“Notice”** of any action or condition **“by Mail”** means a written notice meeting the requirements of the Declaration of Trust mailed by first-class mail to the Owners of specified Certificates, at the addresses shown on the registration books maintained by the Registrar pursuant to the Declaration of Trust.

“Opinion of Counsel” means a written opinion of counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to the District.

“Original Term” means the period from the delivery of the Lease until the end of the Fiscal Year then in effect.

“Outstanding” means, as of the date of determination, all Certificates theretofore executed and delivered pursuant to the Declaration of Trust except (a) Certificates theretofore canceled by the Trustee or surrendered to the Trustee for cancellation, (b) Certificates for the transfer or exchange of or in lieu of or in substitution for which other Certificates shall have been executed and delivered by the Trustee pursuant to the

Declaration of Trust, (c) Certificates whose payment or prepayment has been provided for in accordance with the Declaration of Trust, and (d) Certificates paid or deemed to be paid pursuant to the Declaration of Trust.

"Owner" or **"Registered Owner"** of a Certificate means the owner of such Certificate as shown on the register kept by the Registrar pursuant to the Declaration of Trust.

"Prepayment Date" means any date set for prepayment of the Principal Portion of Basic Rent represented by Certificates.

"Prepayment Price" means, with respect to any Certificate (or portion thereof), the amount specified in the Declaration of Trust.

"Principal Portion" means the principal portion of the Basic Rent Payments as set forth in the Lease.

"Proceeds" means the aggregate moneys initially paid to the Trustee for each series of Certificates.

"Project" means the energy conservation improvements to District facilities, as further described in the Energy Contract, including the acquisition and installation of the Equipment.

"Project Costs" means all reasonable or necessary expenses related or incidental to the Project, including the expenses of studies, engineering services, legal and other special services and all other necessary and incidental expenses. Project Costs include Costs of Issuance.

"Project Fund" means the "Project Fund" established pursuant to the Declaration of Trust.

"Purchase Price" means the amount designated as such in the Lease that the District shall pay to the Trustee to purchase the Trustee's interest in the Equipment.

"Record Date" means the fifteenth day (whether or not a Business Day) of the month prior to the applicable Basic Rent Payment Date.

"Registrar" means the Trustee when acting in that capacity, or its successor as Registrar.

"Renewal Term" means each renewal term of the Lease, each having a duration of one year and a term coextensive with the then current Fiscal Year, except that the last possible Renewal Term shall end on June 30, 2035.

"Rent" means, collectively, Basic Rent and Supplemental Rent.

"Rent Payment" means a payment of Rent.

"Securities Depository" means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

"Series 2020 Certificates" means the $9,500,000 aggregate principal amount of Lindbergh Schools Certificates of Participation, Series 2020, executed and delivered pursuant to the Declaration of Trust.

"Special Counsel" means Gilmore & Bell, P.C., or any other attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds or other obligations issued by states and political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America.

"State" means the State of Missouri.

"Supplemental Lease" means any agreement supplemental or amendatory to the Lease entered into by the District and the Trustee pursuant to the Lease and the Declaration of Trust.

"Supplemental Rent" means all amounts due under the Lease other than Basic Rent.

"Supplemental Rent Payment" means a payment of Supplemental Rent.

"Tax Compliance Agreement" means the Tax Compliance Agreement dated as of August 1, 2020, between the District and the Trustee, as from time to time amended.

"Trust Estate" means the assets, property and interests held by the Trustee pursuant to the Declaration of Trust and the Lease.

"Trustee" means UMB Bank, N.A., St. Louis, Missouri, and its successor or successors and their respective assigns.

SUMMARY OF CERTAIN PROVISIONS OF THE DECLARATION OF TRUST

The following is a summary of certain provisions contained in the Declaration of Trust. The following is not a comprehensive description, however, and is qualified in its entirety by reference to the Declaration of Trust for a complete recital of the terms thereof.

Trust Estate

In order to secure the payment of the principal of, premium, if any, and interest on the Certificates, and to secure the performance and observance of all covenants and conditions contained in the Certificates and the Declaration of Trust, and to declare the terms and conditions upon, and subject to which, the Certificates are intended to be sold, held, secured and enforced, and in consideration of the premises set forth in the Declaration of Trust and of the purchase and acceptance of the Certificates by the Owners thereof, the Trustee has executed and delivered the Declaration of Trust and has declared that it will hold all of the assets, property and interests received by it under the terms of the Declaration of Trust and the Lease and all agreements and instruments contemplated thereby (except any compensation, indemnification or other amounts which may be due directly to the Trustee thereunder) (collectively, the **"Trust Estate"**), as trustee, upon the terms and trusts set forth in the Declaration of Trust for the equal and proportionate benefit, security and protection of all present and future Owners of the Certificates, without privilege, priority or distinction as to the lien or otherwise of any of the Certificates over any of the other Certificates.

All moneys deposited with or paid to the Trustee for account of the Debt Service Fund or the Project Fund under the Declaration of Trust shall be held by the Trustee in trust and shall be applied only in accordance with the Declaration of Trust and the Lease and until used or applied as therein provided, shall constitute part of the Trust Estate and shall not be subject to any lien other than the lien of the Declaration of Trust.

Additional Certificates

Upon the execution and delivery of a Supplemental Lease that provides for an increase in the amount of Basic Rent payable under the Lease and so long as no Event of Default or Event of Nonappropriation exists, Additional Certificates evidencing the right of the Owners thereof to receive the Principal Portion and the Interest Portion of such additional Basic Rent may be executed and delivered under and equally and ratably secured by the Declaration of Trust on a parity with the Series 2020 Certificates and any other Additional Certificates, at any time and from time to time, for any of the following purposes:

(a) To provide funds to pay all or any part of the costs of repairing, replacing or restoring the Project in the event of damage, destruction or condemnation thereto or thereof, but only to the extent that such costs exceed the Net Proceeds of the insurance or condemnation awards out of which such costs are to be paid pursuant to the Lease.

(b) To provide funds to pay all or any part of the costs of acquiring and installing additions to the Project or other improvements that may be added to the Project, all as the District may deem necessary or desirable.

(c) To provide funds for refunding all or any portion of the Certificates of any series then Outstanding, including the payment of any premium thereon and interest to accrue to the designated Prepayment Date and any expenses in connection with such refunding.

(d) Any other purpose permitted by law as the District may deem necessary or desirable.

The principal amount of any Additional Certificates may include an amount sufficient to pay the costs and expenses of delivery, any required funding of reserves and such capitalized amounts as are permitted by law.

Establishment of Funds

The Declaration of Trust establishes the following Funds:

(a) Project Fund.

(b) Debt Service Fund.

All Funds established pursuant to the Declaration of Trust shall be held by the Trustee in trust and for the benefit of the Certificate Owners. The money in all of the Funds shall be applied as provided in the Declaration of Trust.

Disbursements from the Project Fund

Moneys in the Project Fund shall be used to pay for Project Costs, including Costs of Issuance. Payment shall be made from moneys in the Project Fund upon receipt by the Trustee of a requisition certificate therefor signed by an Authorized Representative of the District and, except for requisitions for Costs of Issuance, a contractor, engineer or architect (which contractor, engineer or architect shall not be an employee of the District), which requisition certificate shall contain the statements, representations and certificates set forth in the form thereof attached to the Declaration of Trust and shall be otherwise substantially in such form.

In making disbursements for Project Costs, the Trustee shall be entitled to conclusively rely upon each written requisition certificate executed as described above without inquiry or investigation and shall have no obligation to determine if and when the signature of the contractor, engineer, or architect are required on such requisition certificate. It is understood that the Trustee shall *not* make any inspections of the Project, make any provision to obtain completion bonds, mechanic's or materialmen's lien releases or otherwise supervise any phase of the acquisition or installation of the Equipment. The receipt by the Trustee of a requisition certificate executed as described above shall constitute unto the Trustee an irrevocable determination that all conditions precedent to the payment of the specified amounts from the Project Fund have been completed. The Trustee shall make disbursements to pay Project Costs for which any such request is made within five Business Days of the receipt of a properly executed certificate.

Disposition upon Completion of the Project

The Completion Date of the Project and the payment of all Project Costs (other than Project Costs for which sufficient amounts are retained in the Project Fund) shall be evidenced by the filing with the Trustee of the Completion Certificate. As soon as practicable thereafter any balance remaining in the Project Fund shall be transferred and deposited without further authorization to the Debt Service Fund.

Disposition upon Acceleration

In the event of the acceleration of Certificates pursuant to the Declaration of Trust, any moneys then remaining in the Project Fund shall be transferred and deposited to the credit of the Debt Service Fund.

Application of Moneys in the Debt Service Fund

Except as otherwise provided in the Declaration of Trust, all amounts in the Debt Service Fund shall be used and withdrawn by the Trustee solely to pay Basic Rent represented by the Certificates when due and payable (including principal and accrued interest with respect to any Certificates paid prior to maturity pursuant to the Declaration of Trust).

Investment of Moneys in Funds

Moneys held in the Project Fund and the Debt Service Fund shall, subject to the requirements of the Arbitrage Instructions and as provided in the Declaration of Trust, be invested and reinvested by the Trustee, pursuant to written direction of the District, signed by an Authorized Representative of the District, in Investment Securities that mature or are subject to redemption by the holder prior to the date such funds will be needed. In the absence of such instructions, the Trustee shall invest moneys in Government Obligations. The Trustee is specifically authorized to implement its automated cash investment system to assure that cash on hand is invested and to charge its normal cash management fees, which may be deducted from income earned on investments.

The Trustee shall sell and reduce to cash a sufficient amount of such Investment Securities held by the Trustee in any Fund whenever the cash balance in such Fund is insufficient for the purpose of such Fund. Any such Investment Securities shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Fund in which such moneys are originally held, and the interest accruing thereon and any profit realized from such Investment Securities shall be credited to such Fund, and any loss resulting from such Investment Securities shall be charged to such Fund.

For purposes of determining the amount in any Fund, the value of any investments shall be computed at the market value thereof, the purchase price thereof or principal amount, whichever is lowest. The Funds shall be valued on March 1 of each year, after any payments required to be made on such date have been made.

Events of Default

The occurrence of any of the following events is defined as an "Event of Default" under the Declaration of Trust:

(a) Default in the due and punctual payment of any Interest Portion of Basic Rent represented by a Certificate; or

(b) Default in the due and punctual payment of the Principal Portion of Basic Rent represented by a Certificate, whether at the stated payment date thereof or the Prepayment Date set therefor in accordance with the terms of the Declaration of Trust; or

(c) Any Event of Lease Default.

Acceleration

Upon the occurrence of an Event of Default, the Trustee may, and upon receipt of a Directive shall, by notice in writing delivered to the District, declare the Principal Portion and Interest Portion of Basic Rent represented by the Certificates Outstanding to the end of the then current Fiscal Year immediately due and payable.

Application of Moneys

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Declaration of Trust shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee (including without limitation attorneys' fees and expenses), be deposited into the Debt Service Fund and all moneys in the Debt Service Fund shall be applied as follows:

(a) unless the Principal Portions of Basic Rent represented by all the Certificates shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of the Interest Portions of Basic Rent represented by the Certificates in the order of the maturity of the installments of such interest and, to the payment ratably, according to the amount due on such installments, to the persons entitled thereto, without any discrimination or privilege; and

SECOND - To the payment to the persons entitled thereto of the unpaid Principal Portions of Basic Rent represented by any Certificates that shall have become or have been declared due and payable (other than Principal Portions of Basic Rent represented by Certificates with respect to the payment of which moneys are held pursuant to the provisions of the Declaration of Trust) in the order of such due dates, with interest from the respective dates upon which they became or were declared due and payable and, if the amount available shall not be sufficient to pay in full the Principal Portions of Basic Rent represented by Certificates due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege except as to any difference in the respective rates of interest specified respecting the Certificates.

(b) If the Principal Portions of Basic Rent represented by all Certificates shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the Principal Portions and the Interest Portions of the Basic Rent then due and unpaid upon the Certificates without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Certificate over any other Certificate, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege except as to any difference in the respective rates of interest specified respecting the Certificates.

(c) If the Principal Portions of Basic Rent represented by all Certificates shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Declaration of Trust then subject to the provisions of paragraph (b) of this section in the event that the Principal Portions of Basic Rent represented by all the Certificates shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this section.

Whenever moneys are to be applied pursuant to the provisions of the Declaration of Trust, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for the application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be a Basic Rent Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Owner of any Certificate until such Certificate shall be presented to the Trustee for appropriate endorsement or for cancellation if paid in full.

Whenever the Principal Portion and the Interest Portion of all Certificates have been paid under the provisions of the Declaration of Trust and all fees, expenses and charges of the Trustee have been paid, any balance remaining in the Debt Service Fund shall be paid to the District.

Remedies Cumulative

Upon the occurrence of an Event of Lease Default or Event of Nonappropriation, the Trustee may exercise any remedies available under the Lease and, to the extent consistent therewith, may sell, lease or manage all or any portion of the Equipment and apply the net proceeds thereof in accordance with the Declaration of Trust and, whether or not it has done so, may pursue any other remedy available to it under the Lease or at law or in equity.

No remedy by the terms of the Declaration of Trust conferred upon or reserved to the Trustee or to the Certificate Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Certificate Owners under the Declaration of Trust or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default under the Declaration of Trust whether by the Trustee or by the Certificate Owners shall extend to or shall affect any subsequent default or shall impair any rights or remedies consequent thereon.

Remedies Vested in Trustee

All remedies and rights of action (including the right to file proof of claims) under the Declaration of Trust or under any of the Certificates may be enforced by the Trustee without the possession of any of the Certificates or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Certificates. Any recovery of judgment or other amounts shall be for the equal benefit of the Owners of the Outstanding Certificates.

Rights and Remedies of Certificate Owners

No Owner of any Certificates shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Lease or the Declaration of Trust, for the execution of any trust thereof, for the appointment of a receiver or to enforce any other remedy thereunder or hereunder, unless (a) an Event of Default or an Event of Nonappropriation has occurred; (b) the Owners shall have made by a Directive a written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) such Certificate Owners have provided to the Trustee indemnification satisfactory to the Trustee; and (d) the Trustee shall thereafter fail or shall refuse to exercise the powers granted in the Declaration of Trust or to institute such action suit or proceedings in its, his, her or their name or names. Such notification, request and indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and the trusts of the Declaration of Trust and to any action or cause of action for the enforcement of the Declaration of Trust or for the appointment of a receiver or for any other right or remedy hereunder. No one or more Owners of the Certificates shall have any right in any manner whatsoever to affect, to disturb or to prejudice the lien of the Declaration of Trust by its, his, her or their action or to enforce any right or remedy hereunder except in the manner herein provided and all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of all Certificates then Outstanding. Nothing in the Declaration of Trust contained shall, however, affect or impair the right of any Certificate Owner to enforce the payment of the Principal Portion and the Interest Portion of the Basic Rent represented by any Certificate at and after the maturity or earlier prepayment thereof.

Waivers of Defaults

The Trustee shall waive any Event of Default and its consequences and rescind any declaration of maturity of principal upon the written request of the Owners of (a) a majority in aggregate principal amount of all Certificates then Outstanding with respect to which a default in the payment of Principal Portion of Basic Rent represented thereby exists; or (b) a majority in aggregate principal amount of all Certificates then Outstanding in the case of any other default; provided, however, that there shall not be waived (1) any Event of Default respecting the payment of the Principal Portion of Basic Rent represented by any Certificate at its maturity date, or (2) any Event of Default respecting the payment of the Interest Portion of Basic Rent represented by any Certificate, unless prior to such waiver or rescission, all arrears of principal and interest when due, as the case may be, and all fees, charges and expenses of the Trustee in connection with such default shall have been paid or provided for and, in case any such waiver or rescission or in case any proceeding(s) taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Trustee, the District and the Certificate Owners shall be restored to their former positions and rights under the Declaration of Trust, respectively, but no such waiver or rescission shall extend to any subsequent or other default or impair any right consequent thereon.

Duties of Trustee

The Trustee shall, prior to an Event of Default or Event of Nonappropriation, and after the curing of all Events of Default or Events of Nonappropriation that may have occurred, perform only such duties as are specifically set forth in the Declaration of Trust. The Trustee will have no implied duties. The permissive right or power to take any action may not be construed as a duty to take action under any circumstances, and the Trustee will not be liable except in the event of its negligence or willful misconduct. The Trustee shall, during the existence of any Event of Default or Event of Nonappropriation, exercise such of the rights and powers vested in it by the Declaration of Trust, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

Removal or Resignation of the Trustee; Appointment of a Successor Trustee

The Trustee may be removed at any time by written direction of an Authorized Representative (provided that no Event of Default or Event of Nonappropriation has occurred and is continuing) or by a Directive or shall resign at any time the Trustee shall cease to be eligible in accordance with the Declaration of Trust, or shall become incapable of acting, or shall be adjudged as bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the property or affairs for the purpose of rehabilitation, conservation or liquidation, and thereupon a successor Trustee shall be appointed by written direction of an Authorized Representative (provided that no Event of Default or Event of Nonappropriation has occurred and is continuing) or by a Directive. Written notice of any removal or resignation shall be given to the District and the Owners.

The Trustee may at any time resign by giving written notice of such resignation to the District and by giving the Certificate Owners Notice by Mail of such resignation at the addresses listed on the registration books kept by the Trustee pursuant to the Declaration of Trust. Upon receiving such notice of resignation, a successor Trustee shall be appointed by written direction of an Authorized Representative (provided that no Event of Default or Event of Nonappropriation has occurred and is continuing) or by a Directive.

Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Certificate Owner (on behalf of himself and all other Certificate Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under the Declaration of Trust shall signify its acceptance of such appointment by executing and delivering to the District and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee held by it as security for the Certificates, including its interest in the Lease, with like effect as if originally named Trustee in the Declaration of Trust and the duties and obligations of the predecessor Trustee under the Declaration of Trust shall thereafter cease and terminate; but, nevertheless at the request of the District or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under the Declaration of Trust and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth in the Declaration of Trust. Upon request of the successor Trustee, the District shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee, such successor Trustee shall cause Notice by Mail of such acceptance to be given to the Owners at the addresses listed on the registration books kept by the Trustee pursuant to the Declaration of Trust.

Any Trustee appointed under the provisions of the Declaration of Trust in succession to the Trustee shall be a state or national trust company or bank having the powers of a trust company and being duly authorized to execute trust powers having its payment office in the State, in good standing in the State, having a combined capital and surplus of at least fifty million dollars ($50,000,000), and subject to supervision and examination by federal or State authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this paragraph the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this paragraph, the Trustee shall resign immediately in the manner and with the effect specified above.

Amendments to Declaration of Trust and Lease Not Requiring Consent of Owners

The Declaration of Trust and the Lease and the rights and obligations of the District, of the Trustee and of the Owners of the Certificates may be modified or amended from time to time and at any time by an agreement which the parties thereto may enter into without the consent of any Certificate Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Trustee in the Declaration of Trust, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Certificates (or any portion thereof), or to surrender any right or power reserved to or conferred upon the District; provided, however, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Trustee or the security of the Owners of the Certificates;

(b) to add to the covenants and agreements of the District in the Lease, other covenants and agreements thereafter to be observed or to surrender any right or power therein reserved to or conferred upon the Trustee or the District; provided, however, that no such covenant, agreement or surrender shall materially adversely affect the security of the Owners of the Certificates;

(c) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Declaration of Trust or the Lease, or in regard to matters or questions arising under the Declaration of Trust or the Lease as the Trustee and the District may deem necessary or desirable and not inconsistent with said agreements, or as may be requested by the District or the Trustee and which shall not materially adversely affect the security of the Owners of the Certificates;

(d) to modify, amend or supplement the Declaration of Trust in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the security of the Owners of the Certificates;

(e) to provide for any additional procedures, covenants or agreements necessary to maintain the exclusion of the Interest Portion of Basic Rent from gross income for purposes of federal income taxation;

(f) to provide for the execution and delivery of Additional Certificates; or

(g) to make any other change that, in the sole judgment of the Trustee, does not have a materially adverse effect on the security of the Certificate Owners.

Amendments to Declaration of Trust and Lease Requiring Consent of Owners

The Declaration of Trust, the Lease and the rights and obligations of the District and of the Owners of the Certificates and of the Trustee may be modified or amended from time to time and at any time by an amendment or supplement thereto which the parties thereto may enter into when the written consent of the Trustee and the District, if not a party thereto, and the Owners of a majority in aggregate Principal Portion of Basic Rent Payments represented by the Certificates then Outstanding shall have been filed with the Trustee. No such modification or amendment shall (a) extend the stated maturity or mandatory Prepayment Date, if any, of any Certificate, or reduce the amount of principal represented thereby, or extend the time of payment or reduce the amount of any Prepayment Price provided in the Declaration of Trust for the payment of any Certificate, or reduce the rate of interest with respect thereto, or extend the time of payment of interest with respect thereto without the consent of the Owner of each Certificate so affected, (b) reduce the aforesaid percentage of Certificates the consent of the Owners of which is required to effect any such modification or amendment, except in connection with the delivery of any Additional Certificates, or permit the creation of any lien on the moneys in the Project Fund or the Debt Service Fund or deprive the Owners of the trust created by the Declaration of Trust with respect to the moneys in the Project Fund and the Debt Service Fund, or (c) create a preference or priority of any Certificate or Certificates over any other Certificate or Certificates without the consent of the Owners of all of the Certificates then Outstanding. Promptly after the execution by the Trustee of any amendment pursuant to this paragraph, the Trustee shall give Notice by Mail, setting forth in general terms the substance of such amendment to the Owners at the addresses listed on the registration books kept by the Trustee pursuant to the Declaration of Trust. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amendment.

Discharge of Declaration of Trust

When (a) the obligations of the District under the Lease shall have been satisfied in connection with the exercise by the District of its option to purchase the Equipment in accordance with the Lease by the irrevocable deposit in escrow of cash or Government Obligations (maturing as to principal and interest in such amounts and at such times as are necessary to make any required payments without reinvestment of any earnings thereon) or both cash and such Government Obligations, and (b) the District shall have delivered to the Trustee, (1) an Opinion of Counsel to the effect that the conditions for such discharge contained in the Declaration of Trust have been satisfied or irrevocably provided for and (2) if sufficiency of the deposited moneys is dependent upon investment earnings, an accountant's certificate verifying the sufficiency of cash or Government Obligations or both so deposited for the payment of the Principal Portion and Interest Portion of the Certificates and any applicable Prepayment Price to be paid with respect to the Certificates and (c) the District shall have deposited sufficient moneys to pay the fees, charges and expenses of the Trustee (or has made provision satisfactory to the Trustee for their payment), thereupon the obligations created by the Declaration of Trust shall cease, determine and become void except for the right of the Certificate Owners and the obligation of the Trustee to apply such moneys and Government Obligations to the payment of the Certificates as set forth in the Declaration of Trust; provided, however, that all provisions of the Declaration of Trust relating to the compensation or indemnification of the Trustee shall survive the satisfaction and discharge of the Declaration of Trust.

After all amounts owing to the Certificate Owners have been paid under the Declaration of Trust and under the Lease and all fees, expenses and charges of the Trustee have been paid, the Trustee shall turn over to the District any surplus in the Debt Service Fund and all balances remaining in any other Funds other than moneys and Government Obligations held for the payment of the Certificates at maturity or on prepayment, which moneys and Government Obligations shall continue to be held by the Trustee in trust for the benefit of the Certificate Owners and shall be applied by the Trustee to the payment, when due, of the Principal Portions and any premium and Interest Portions of Basic Rent represented by the Certificates.

SUMMARY OF CERTAIN PROVISIONS OF THE LEASE

The following is a summary of certain provisions of the Lease. The following is not a comprehensive description, however, and is qualified in its entirety by reference to the Lease for a full recital of the provisions thereof.

Lease of Equipment

The Trustee demises, leases and lets to the District, and the District rents, leases and hires from the Trustee, the Equipment in accordance with the Lease for the Lease Term.

Lease Term

The Original Term of the Lease shall terminate June 30, 2021. The Lease Term may be continued, solely at the option of the District, at the end of the Original Term or any Renewal Term for an additional one year, provided that the final Renewal Term shall not extend beyond June 30, 2035. At the end of the Original Term and at the end of each Renewal Term, unless an Event of Nonappropriation has occurred or the District has exercised its option to purchase the Trustee's interest in the Equipment and for no other reason, the District shall be deemed to have exercised its option to continue the Lease for the next Renewal Term. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except for any difference in the Rent as provided in the Lease.

Basic Rent

The District shall promptly pay all Basic Rent, subject to the terms of the Lease, in lawful money of the United States of America on each Basic Rent Payment Date in such amounts as are described in the Lease. A portion of each Basic Rent Payment is paid as, and represents payment of, interest as set forth in the Lease (said interest to be attributable to the various principal components in accordance with the per annum rates set forth in the Lease).

To provide for the timely payment of Basic Rent, the District shall pay to the Trustee for deposit in the Debt Service Fund not less than five Business Days before each Basic Rent Payment Date, the amount due on such Basic Rent Payment Date.

The District will, in accordance with the requirements of law and its normal budgeting procedures, fully budget and appropriate sufficient funds for the current Fiscal Year to make the Rent Payments scheduled to come due during the Original Term, and to meet its other obligations for the Original Term, and such funds will not be expended for other purposes.

Supplemental Rent

The District shall pay, subject to the terms of the Lease, as Supplemental Rent (a) all taxes and assessments, general and special, if any, which may be lawfully taxed, charged, levied, assessed or imposed upon or against or be payable for or in respect of the Equipment, including any taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against personal property, and further including all charges, assessments and other general governmental charges and impositions whatsoever, foreseen or unforeseen, which if not paid when due would impair the security of the Trustee or encumber the Equipment; (b) all amounts advanced by the Trustee to maintain or repair the Equipment and all other payments of whatever nature which the District has agreed to pay or assume under the Lease; (c) all expenses, including attorneys' fees and expenses to the extent permitted by law, incurred in connection with the enforcement of any rights under the Lease by the Trustee; (d) all fees, charges and expenses of the Trustee; and (e) any payments required to be made pursuant to the Arbitrage Instructions. Amounts required to be paid under this paragraph shall be paid directly to the person or entity owed.

Nonappropriation

The District is obligated only to pay periodic payments under the Lease as may lawfully be made from Available Revenues. If an Event of Nonappropriation occurs, the Lease shall be deemed terminated at the end of the then current Original Term or Renewal Term. An Event of Nonappropriation shall be deemed to have occurred if the District fails to budget, appropriate or otherwise provide for sufficient funds to pay Basic Rent and any reasonably anticipated Supplemental Rent to come due during the immediately following Renewal Term. The District agrees to deliver notice to the Trustee of such termination at least 90 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If the Lease is terminated subsequent to an Event of Nonappropriation, the District agrees peaceably to transfer and surrender possession of the Equipment to the Trustee.

Maintenance and Modification of Equipment

The District will at its own expense (a) keep the Equipment in a safe condition, (b) with respect to the Equipment, comply with all applicable health and safety standards and all other industrial requirements or restrictions enacted or promulgated by the State, or any political subdivision or agency thereof, or by the government of the United States of America or any agency thereof, and (c) keep the Equipment in good repair and in good operating condition and make from time to time all necessary repairs thereto and renewals and replacements thereof; provided, however, that the District will have no obligation to operate, maintain, preserve, repair, replace or renew any element or unit of the Equipment the maintenance, repair, replacement or renewal of which becomes uneconomical to the District because of damage, destruction or obsolescence, or change in economic or business conditions, or change in government standards and regulations. The District shall not permit or suffer others to commit a nuisance in or about the Equipment or itself commit a nuisance in connection with its use or occupancy of the Equipment. The District will pay all costs and expenses of operation of the Equipment.

The District may, also at its own expense, make from time to time any additions, modifications or improvements to the Equipment that it may deem desirable for its business purposes and that do not materially impair the structural strength or effective use, or materially decrease the value, of the Equipment. All additions, modifications or improvements made by the District shall (1) be made in a workmanlike manner and in strict compliance with all laws and ordinances applicable thereto, (2) when commenced, be pursued to completion with due diligence and (3) when completed, be deemed a part of the Equipment.

During the Lease Term, the Equipment will be used by the District only for the purpose of performing essential governmental or proprietary functions of the District consistent with the permissible scope of the District's authority.

Insurance

The District shall, during the Lease Term, cause the Equipment to be kept continuously insured against such risks customarily insured against for property such as the Equipment and shall pay (except as otherwise provided in the Lease), as the same become due, all premiums in respect thereof, such insurance to include the following policies of insurance:

(a) To the extent insurable, insurance insuring the Equipment against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State in an amount not less than the greater of the Principal Portion of the Certificates then Outstanding or the replacement value of the Equipment and issued by such insurance company or companies authorized to do business in the State as may be selected by the District. The policy or policies of such insurance shall name the District and the Trustee as insureds, as their respective interests may appear. All proceeds from such policies of insurance shall be applied as provided in the Lease.

(b) Comprehensive general accident and public liability insurance (including coverage for all losses whatsoever arising from the ownership, maintenance, operation or use of any automobile, truck or other motor vehicle), under which the District and the Trustee are named as insureds, in an amount not less than the limits of liability set by Section 537.610 of the Revised Statutes of Missouri, as amended.

(c) Workers' compensation and unemployment coverages to the extent, if any, required by the laws of the State.

(d) Performance and labor and material payment bonds with respect to the Contracts in the full amount of the Contracts from surety companies qualified to do business in the State.

Not less than 15 days prior to the expiration dates of the expiring policies, originals or copies of the required policies or certificates evidencing such insurance shall be delivered by the District to the Trustee. All policies of such insurance, and all renewals thereof, shall contain a provision that such insurance may not be cancelled by the issuer thereof without at least 30 days' written notice to the District and the Trustee.

Nothing in the Lease shall be construed as preventing the District from satisfying the insurance requirements therein set forth by using blanket policies of insurance or self-insurance provided each and all of the requirements and specifications of the Lease respecting insurance are complied with.

Damage, Destruction and Condemnation

The District shall bear the risk of loss with respect to the Equipment during the Lease Term. If (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be nonexistent or deficient or taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, the District will cause the Net Proceeds of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment, unless the District shall have exercised its option to purchase the Trustee's interest in the Equipment by making payment of the Purchase Price as provided in the Lease. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to the District and shall be held and appropriated by the District for the exclusive purpose of paying Rent under the Lease.

If the District determines that the repair, restoration, modification or improvement of the Equipment is not economically feasible or in the best interest of the District, then, in lieu of making such repair, restoration, modification or improvement and if permitted by law, the District shall promptly purchase the Trustee's interest in the Equipment pursuant to the Lease by paying the Purchase Price and any Net Proceeds shall be applied by the District to such payment to the extent required for such payment. Any balance of the Net Proceeds remaining after paying the Purchase Price shall belong to the District.

If the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement referred to above and the District has not elected to purchase the Trustee's interest in the Equipment pursuant to the Lease, the District shall complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds and, if the District shall make any such payments, the District shall not be entitled to any reimbursement therefor from the Trustee nor shall the District be entitled to any diminution of Rent.

Eminent Domain

Under State statutes, the District has the power to condemn property for its purposes, and the District acknowledges that condemnation of the Equipment would adversely affect the Trustee. The District has agreed to the terms of the acquisition of the Equipment, at the District's option, and to the use of the Equipment, all as set forth in the Lease. Any acquisition of the Trustee's interest in the Equipment or rights to its use by the District (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with the Lease, including payment of Rent Payments and the applicable Purchase Price. If the District allows the Lease to expire without exercising its option to purchase (whether by failure to exercise its option to extend the Lease for a Renewal Term, failure to exercise its option to purchase at the conclusion of the maximum Lease Term or failure to cure an Event of Default), that action shall constitute an irrevocable determination by the District that the Equipment is not required by it for any public purpose for the term of the Lease.

The District covenants and agrees, to the extent it may lawfully do so, that if for any reason it exercises the power of eminent domain with respect to the Equipment, the appraisement value of the Equipment shall not be less than the Rent Payments then due plus the then applicable Purchase Price.

In the event that title to all or a portion of the Equipment is challenged or threatened by means of competent legal or equitable action, the District covenants that it shall cooperate with the Trustee and shall take all reasonable actions, including where appropriate the lawful exercise of the District's power of eminent domain, in order to quiet title to the Equipment in the District.

Option to Purchase the Equipment

The District shall have the option to purchase the Trustee's interest in the Equipment, upon giving written notice to the Trustee at least 30 days before the date of purchase, at the following times and on the following terms:

(a) At any time on or after the date stated for optional prepayment in the Declaration of Trust, upon payment in full of Rent Payments then due under the Lease plus a Purchase Price equal to the remaining Principal Portions of Basic Rent for the maximum Lease Term plus the Interest Portion of Basic Rent accrued to the prepayment date;

(b) On any date upon deposit of funds or Government Obligations or both with the Trustee in accordance with the Declaration of Trust in the amount necessary to provide for the Basic Rent Payments until and on, and the Purchase Price calculated as described in (a) above on the Certificates to, any date occurring on or after the date stated for optional prepayment in the Declaration of Trust; or

(c) In the event of substantial damage to or destruction or condemnation (other than condemnation by the District or any entity controlled by or otherwise affiliated with the District) of, or loss of title to, substantially all of the Equipment, or if as a result of changes in the constitution of Missouri or legislative or administrative action by the State or the United States, the Lease or the Declaration of Trust becomes unenforceable, on the date the District specifies as the purchase date in the District's notice to the Trustee of its exercise of the purchase option, upon payment in full of the Rent Payments then due under the Lease plus then remaining Principal Portions of Basic Rent for the maximum Lease Term and the Interest Portion of Basic Rent to the purchase date.

Unless the maturity date of any Certificates Outstanding shall have been extended pursuant to the Declaration of Trust, then upon payment in full of all Rent Payments through March 1, 2035, the District shall be deemed to have purchased the Equipment pursuant to the Lease.

Determination of Fair Rent and Purchase Price

The District agrees and determines that the Rent under the Lease during the Original Term and any Renewal Term represents the fair value of the use of the Equipment and that the Purchase Price required to exercise the District's option to purchase the Trustee's interest in the Equipment pursuant to the Lease represents, as of the end of the Original Term or any Renewal Term, the fair Purchase Price of the Equipment. The District determines that the Rent does not exceed a reasonable amount so as to place the District under an economic practical compulsion to renew the Lease or to exercise its option to purchase the Equipment under the Lease. In making such determinations, the District has given consideration to the costs of the Equipment, the uses and purposes for which the Equipment will be employed by the District, the benefit to the District by reason of the acquisition and installation of the Equipment and the use and occupancy of the Equipment pursuant to the terms and provisions of the Lease and the District's option to purchase the Equipment. The District determines and declares that the acquisition and installation of the Equipment and the leasing of the Equipment pursuant to the Lease will result in Equipment of comparable quality and meeting the same requirements and standards as would be necessary if the acquisition and installation of the Equipment were performed by the District other than pursuant to the Lease. The District determines and declares that the maximum Lease Term does not exceed the useful life of the Equipment.

Events of Default

Any of the following shall constitute an "Event of Default" under the Lease (referred to herein as an Event of Lease Default):

(a) Failure by the District to make any deposits required by the Lease to pay Basic Rent in the Debt Service Fund at the time specified therein;

(b) Failure by the District to make any Supplemental Rent Payment when due and the continuance of such failure for ten days after written notice specifying such failure and requesting that it be remedied is given to the District by the Trustee;

(c) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Lease, other than as referred to in subparagraph (a) or (b) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to the District by the Trustee unless the Trustee shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected;

(d) Any statement, representation or warranty made by the District in or pursuant to the Lease or the execution, delivery or performance of it shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;

(e) Any provision of the Lease shall at any time for any reason cease to be valid and binding on the District, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the District or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of the Trustee; or

(f) The District becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to or acquiesces in the appointment of a trustee, receiver or custodian for the District or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee, receiver or custodian is appointed for the District or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee, receiver or custodian is appointed by the District and is not discharged within 60 days; or any bankruptcy, reorganization, debt arrangement, moratorium or any proceeding under bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against the District and, if instituted against the District, is consented to or acquiesced in by the District or is not dismissed within 60 days.

In the event the District fails to comply with the Continuing Disclosure Certificate, such failure shall not be an Event of Default under the Lease.

Remedies on Default

Whenever any Event of Default exists, the Trustee shall have the right, without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to the District, the Trustee may declare all Rent payable by the District under the Lease to the end of the then current Original Term or Renewal Term to be due;

(b) With or without terminating the Lease, the Trustee may take possession of the Equipment (in which event the District shall take all actions necessary to authorize, execute and deliver to the Trustee all documents necessary to vest in the Trustee all of the District's interest in the Equipment) and sell the Equipment or lease the Equipment or, for the account of the District, sublease the Equipment continuing to hold the District liable for the difference between (1) the Rent payable by the District under the Lease for the then current Original Term or Renewal Term, as the case may be, and (2) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of the Trustee in exercising its remedies under the Lease, including without limitation all expenses of taking possession, removing, storing, reconditioning, and selling or leasing or subleasing the Equipment and all brokerage, auctioneers and attorneys' fees);

(c) The Trustee may terminate any rights the District may have in any funds held by the Trustee under the Declaration of Trust; and

(d) The Trustee may take whatever action at law or in equity necessary or desirable to enforce its rights in the Equipment and under the Lease.

No remedy in the Lease conferred upon or reserved to the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Lease now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it in the Lease it shall not be necessary to give any notice, other than such notice as may be required in the Lease.

* * *

THIS PAGE INTENTIONALLY

LEFT BLANK

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

THIS PAGE INTENTIONALLY

LEFT BLANK

CONTINUING DISCLOSURE CERTIFICATE

Dated as of August 1, 2020

By

LINDBERGH SCHOOLS

relating to

$9,500,000
LINDBERGH SCHOOLS
CERTIFICATES OF PARTICIPATION
SERIES 2020

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated as of August 1, 2020 (this **"Continuing Disclosure Certificate"**), is executed and delivered by Lindbergh Schools (the **"Issuer"**).

RECITALS

1. This Continuing Disclosure Certificate is executed and delivered by the Issuer in connection with the delivery of $9,500,000 original principal amount of Certificates of Participation, Series 2020 (the **"Series 2020 Certificates"**), pursuant to a Declaration of Trust dated as of August 1, 2020, between UMB Bank, N.A. and the Issuer (the **"Declaration of Trust"**).

2. The Issuer is entering into this Continuing Disclosure Certificate for the benefit of the Beneficial Owners of the Series 2020 Certificates and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the **"Rule"**). The Issuer is the only **"obligated person"** (as defined by the Rule) with responsibility for continuing disclosure hereunder.

In consideration of the covenants and agreements herein, the Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Declaration of Trust, which apply to any capitalized term used in this Continuing Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report filed by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Certificate.

"Beneficial Owner" means any registered owner of any Series 2020 Certificates and any person which (1) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2020 Certificates (including persons holding Series 2020 Certificates through nominees, depositories or other intermediaries), or (2) is treated as the owner of any Series 2020 Certificates for federal income tax purposes.

"Dissemination Agent" means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Continuing Disclosure Certificate and which has filed with the Issuer a written acceptance of such designation.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

"Fiscal Year" means the 12-month period beginning on July 1 and ending on June 30 or any other 12-month period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

"Material Events" means any of the events listed in **Section 3** of this Continuing Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

"Participating Underwriter" means any of the original underwriters of the Series 2020 Certificates required to comply with the Rule in connection with the offering of the Series 2020 Certificates.

Section 2. Provision of Annual Reports.

(1) The Issuer shall, not later than **January 1** immediately following the end of the Issuer's Fiscal Year, commencing with the Fiscal Year ending **June 30, 2020**, provide to the MSRB, through EMMA, the following financial information and operating data (the **"Annual Report"**):

(a) The audited financial statements of the Issuer for the prior Fiscal Year prepared in accordance with the accounting principles described in the notes to the financial statements set forth in **Appendix B** of the final Official Statement for the Series 2020 Certificates. If audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Series 2020 Certificates, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.

(b) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement, as described in **Exhibit A,** in substantially the same format contained in the final Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an **"obligated person"** (as defined by the Rule), which have been filed with the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be filed as a single document or as separate documents comprising a package and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be filed separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

(2) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events. No later than 10 business days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Series 2020 Certificates (**"Material Events"**):

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the securities, or other material events affecting the tax status of the securities;
(7) modifications to rights of security holders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the securities, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the obligated person;
(13) the consummation of a merger, consolidation or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
(15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
(16) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

For purposes of the events identified in paragraphs (1) – (16) above, the term "securities" means the Series 2020 Certificates, "security holders" means the Series 2020 Certificate holders, and "obligated person" means the Issuer. For purposes of the events identified in paragraphs (15) and (16) above, the term "financial obligation" means (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

If the Issuer has not filed the Annual Report to the MSRB by the date required in **Section 2(1)**, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Certificate shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Series 2020 Certificates. If the Issuer's obligations under this Continuing Disclosure Certificate are assumed in full by some other entity, such entity shall be responsible for compliance with this Continuing Disclosure Certificate in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Series 2020 Certificates, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Certificate. If the Issuer shall ever fail to comply with its obligations to file an Annual Report or to report the occurrence of a Material Event, the Issuer shall appoint and retain a Dissemination Agent.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Certificate, the Issuer may not amend this Continuing Disclosure Certificate as it relates to the Series 2020 Certificates and no provision of this Continuing Disclosure Certificate as it relates to the Series 2020 Certificates may be waived, unless Special Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that (1) the amendment is being made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer, or type of business conducted, (2) the undertaking of the Issuer contained in this Continuing Disclosure Certificate, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Certificate, as well as any change in circumstances, and (3) the amendment does not materially impair the interests of the holders of the Series 2020 Certificates.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Certificate, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (a) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (b) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Certificate, the Issuer shall have no obligation under this Continuing Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Certificate, any Participating Underwriter or any Beneficial Owner of the Series 2020 Certificates may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Certificate. A default under this Continuing Disclosure Certificate shall not be deemed an event of default under the Declaration of Trust or the Series 2020 Certificates, and the sole remedy under this Continuing Disclosure Certificate in the event of any failure of the Issuer to comply with this Continuing Disclosure Certificate shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriter and the Beneficial Owners from time to time of the Series 2020 Certificates and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Certificate, the Declaration of Trust or the Series 2020 Certificates shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Missouri.

LINDBERGH SCHOOLS

By: ___________________________________
Title: President of the Board of Education

EXHIBIT A

FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

The financial information and operating data contained in the tables located under the following sections of ***Appendix A*** to the final Official Statement:

1. **"THE DISTRICT – History of Enrollment."**

2. **"DEBT STRUCTURE OF THE DISTRICT – Overview," "– Current Long-Term General Obligation Indebtedness"** and **"– General Obligation Bonds Debt Service Requirements."**

3. **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Property Valuations – *History of Property Valuations*," "– History of Tax Levies," "– Tax Collection Record"** and **"– Major Property Taxpayers."**

THIS PAGE INTENTIONALLY

LEFT BLANK

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The Series 2020 Certificates are available in book-entry only form and beneficial ownership interests therein may be purchased in the principal amount of $5,000 or any integral multiple thereof. Purchasers of the Series 2020 Certificates will not receive certificates representing their interests in the Series 2020 Certificates.

The following information concerning The Depository Trust Company (**"DTC"**), New York, New York and DTC's book-entry system has been obtained from sources the District believes to be reliable. However, the District takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

General. DTC will act as securities depository for the Series 2020 Certificates. The Series 2020 Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Series 2020 Certificates, in the aggregate principal amount of such issue, and will be deposited with DTC.

So long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2020 Certificates, the Beneficial Owners of the Series 2020 Certificates will not receive or have the right to receive physical delivery of the Series 2020 Certificates, and references herein to the owners of the Series 2020 Certificates shall mean Cede & Co. and shall not mean the Beneficial Owners of the Series 2020 Certificates.

DTC and its Participants. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants (**"Direct Participants"**) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (**"DTCC"**). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**"Indirect Participants"**). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at http://www.dtcc.com.

Purchase of Ownership Interests. Purchases of the Series 2020 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2020 Certificate (**"Beneficial Owner"**) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Series 2020 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2020 Certificates, except in the event that use of the book-entry system for the Series 2020 Certificates is discontinued.

Transfers. To facilitate subsequent transfers, all Series 2020 Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2020 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Certificates, such as prepayments, defaults and proposed amendments to the related documents. For example, Beneficial Owners of Series 2020 Certificates may wish to ascertain that the nominee holding the Series 2020 Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them. Prepayment notices shall be sent to DTC. If less than all of the Series 2020 Certificates within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be prepaid.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020 Certificates unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2020 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments with Respect to the Series 2020 Certificates. So long as any Series 2020 Certificate is registered in the name of DTC's nominee, all payments of Principal Portions, prepayment premium, if any, and Interest Portions with respect to such Series 2020 Certificate will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of prepayment proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC and disbursement of such payments to Beneficial Owners is the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry System. DTC may discontinue providing its services as depository with respect to the Series 2020 Certificates at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered. The District may decide to discontinue using the book-entry transfer system through DTC (or a successor securities depository). If the District discontinues use of the system, certificates will be printed and delivered.

None of the Underwriter, the Trustee or the District will have any responsibility or obligations to any Direct Participants or Indirect Participants or the persons for whom they act with respect to (1) the accuracy of any records maintained by DTC or any such Direct Participant or Indirect Participant; (2) the payment by any Participant of any amount due to any Beneficial Owner in respect of the Principal Portions, premium, if any, or Interest Portions with respect to the Series 2020 Certificates; (3) the delivery by any such Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Declaration of Trust to be given to owners of the Series 2020 Certificates; (4) the selection of the Beneficial Owners to receive payment in the event of any partial prepayment of the Series 2020 Certificates; or (5) any consent given or other action taken by DTC as owner of the Series 2020 Certificates.

The information above concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the District, the Trustee or the Underwriter. The District, the Trustee and the Underwriter make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners will act in accordance with the procedures described above or in a timely manner.