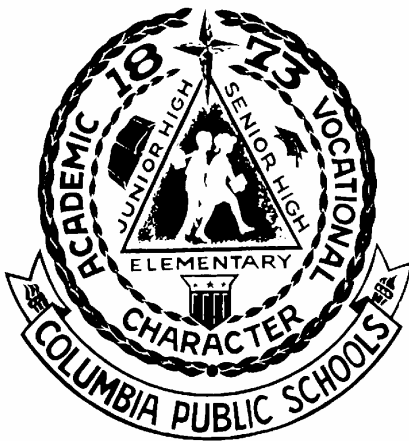


Comprehensive Annual Financial Report



*Columbia Public School District
Columbia, Missouri*

For Fiscal Year Ended June 30, 2007

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2007**

**COLUMBIA PUBLIC SCHOOL DISTRICT
1818 West Worley
Columbia, Missouri 65203**

REPORT ISSUED BY DEPARTMENT OF BUSINESS SERVICES

Ms. Linda Quinley, Director of Business Services

Mr. David Martin CPA, Assistant Director of Business Services

Ms. Heather McArthur, CPA, Senior Accountant

Mr. Brian Benter CPA, Accountant

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Introductory Section



Dr. Phyllis A. Chase
Superintendent of Schools

916 Bernadette Drive (573) 214-3700
Columbia, Missouri 65203

October 25, 2007

Members, Board of Education
Columbia Public School District
Columbia, Missouri

State law and the District's adopted policy require an audit of the books of accounts, financial records and transactions of all funds of the District. This report is published to fulfill that requirement for the fiscal year ended June 30, 2007.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Gerding, Korte & Chitwood, P.C., Certified Public Accountants, have issued an unqualified ("clean") opinion on the District's financial statements for the year ended June 30, 2007. The independent auditors' report is located at the front of the financial section of this report. The independent auditors' report on internal control and compliance issued in connection with the Single Audit is located in the Single Audit Section.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The area served by the Columbia Public School District encompasses 303 square miles and includes a population that is estimated to exceed 120,000. This area includes the City of Columbia with a population of approximately 85,000.

The Columbia Public School District was organized on January 7, 1873. The first high school opened in 1895 on the site where Jefferson Junior High School now stands and in 1909 a bond issue was voted for Columbia High School, now the original wing of the Jefferson Junior High School building. Today, the District includes nineteen elementary schools, three middle schools, three junior high schools, two senior high schools, one alternative school, and one vocational school. Total enrollment (K-12) in the District is 17,090 students. Enrollment growth reflects the growth of the community. For the period 1997 through 2007 overall enrollment of the District increased by 8.3%. Projections indicate that student enrollment will increase approximately 2% over the next five years.

The District provides a comprehensive curriculum to meet the needs of a diverse student population. Course offerings at the senior high schools vary from those that are considered college preparatory to those that prepare students to enter particular vocations upon graduating from high school. The District also provides an extensive adult education program with approximately 4,800 part-time and full-time adult students enrolled annually in more than 2,600 courses. Approximately 15% of the school population is served by the Special Education Department of the Columbia Public School District. Specially trained teachers provide services to students needing both modified programs and specialized instruction. The District has developed programs for exceptional pupils that include services for students with mental or orthopedic handicaps, speech or language disorders, learning disabilities, behavior disorders, and auditory or visual handicaps, as well as services for infants and pre-school severely handicapped children. It is the goal of the Columbia Public School District to provide appropriate instructional services for each child according to individual and unique needs.

The Columbia Public School District contracts with First Student, Inc. to provide transportation for eligible students to and from school and on school sponsored activity trips. Approximately 13,000 students are eligible to be transported to and from school on a daily basis. One hundred forty-one (141) school buses are used in the transportation program. Most buses serve multiple routes.

The Columbia Public School District Foundation (Foundation) provides annual program grants to the District from funds raised through its own fundraising efforts. The Foundation is a legally separate entity but is considered a component unit of the District and is presented in the district-wide financial statements.

An elected seven-member board governs the District. The Columbia School District Board (the Board) is the basic level of government that has financial accountability and control over all activities related to public school education in the District. The District is not a component unit of another reporting entity. The Board meets prior to July 1 and adopts the annual budget. The budget serves as the foundation for the District's financial planning and control. The budget is prepared by fund and function and may be amended at this level only by the approval of a majority of the members of the Board of Education. The administration may amend the budget only at the object and location (school or building) level without seeking the approval of the Board. The Board of Education approved budget amendments for the year ended June 30, 2007, at its August 24, 2006, February 12, 2007, May 14, 2007, and June 11, 2007, meetings.

The District is committed to developing, maintaining, and improving effective management systems and controls. The District makes conscientious efforts to employ highly qualified employees through active recruitment and thorough evaluations. Further, operations are continually evaluated to assure they function effectively and provide appropriate levels of supervision and segregation of duties.

Local Economy

Columbia is located midway between St. Louis and Kansas City at the crossroads of Interstate 70 and U.S. Highway 63. Medical and research facilities form a major portion of the Columbia economic base. Five hospitals employ a significant portion of the Columbia area work force in medically related occupations. Columbia's medical facilities are comparable to those found in a typical city of nearly half a million in population. In addition, Columbia serves as the home of several insurance companies and many light industrial facilities. Education is also a significant portion of the Columbia economic base with the University of Missouri and two private colleges serving more than 25,000 students and the Columbia Public Schools with an enrollment of approximately 17,000 students.

To attract new industry to the community, the City of Columbia has implemented an industrial revenue bond program. In addition, the Columbia Industrial Development Corporation assists industry in land purchases, construction, and financing.

Other area industry consists of printing, structural metal fabrication, structural materials production, electronic products, and bottling and food processing.

The economic diversity of Columbia, along with the high quality of education offered here, makes Columbia an attractive community. As such, Columbia continues to experience stable growth, and enjoys a low unemployment rate (3.5% in June 2007).

Long-Term Financial Planning

The District has several advisory committees established to assist in various areas related to the overall growth of the District. These committees either directly or indirectly impact the future financial planning of the District. Committees have been established in the following areas: Long-Range Facilities Planning, Energy and Environmental Issues, and Technology.

In addition, the District has continued to maintain and update a facilities and equipment plan by going to the voters every two years for an authorization to issue general obligation bonds for financing. Voters have approved 24 consecutive authorizations, totaling \$210.1 million, dating back to 1960.

Relevant Financial Policies

Risk Management

The District self-funded the medical benefits program in September of 1982. A third party administrator handles administration of the program. Stop-loss protection is maintained by a policy purchased to cover specific claims in excess of \$250,000 per individual.

In addition to the medical benefits program, the District began to self-fund its workers' compensation program in February of 1995. A third party administrator handles administration of this program. Stop-loss protection is maintained by policies purchased to cover aggregate claims exceeding 170% of premiums and specific claims in excess of \$350,000.

The District began to self-fund its dental benefits program as of January 1, 1997. Due to the benefits limit of this program (\$1,500 per participant, annually) no additional stop-loss coverage is maintained.

The conversion to the self-funded benefit programs has been successful in controlling fringe benefits costs. Programs implemented in previous years to help control medical costs continue to prove to be effective, although less so than in past years. These programs include the establishment of a preferred health provider network, utilization review, and large case management. Programs implemented to control costs associated with workers' compensation claims have also proven to be effective. These programs include a directed medical program, centralized reporting, and utilizing the loss control services of the District's third party administrator.

The District carries commercial insurance to cover various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

Cash Management

Cash temporarily idle during the year was invested in accordance with the Board of Education's investment policy. Investments during the year included U.S. Treasury Bills and various U.S. Agency securities.

The District's depository provides the District with an Automated Cash Management Account, allowing the District to earn interest on daily funds. The rate of interest paid the District for this account is 30 basis points above the current weekly discount auction rate of 13 week U.S. Treasury Bills.

Cash balances from all funds, except the Debt Service Fund and the Internal Service Funds, are combined and invested to the extent available in certificates of deposit and other short-term securities when these rates are greater than that available on the daily investment account. Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Separate accounts are maintained for the Debt Service Fund and the Internal Service Funds and interest is deposited directly into these accounts.

Investment decisions related to particular instruments are based on the rate available on the District's daily investment account and comparing these rates with comparative bids for locally issued certificates of deposit and available rates for instruments with similar maturities.

Awards and Acknowledgements

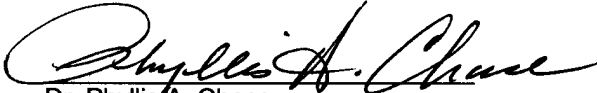
This past year, our Comprehensive Annual Financial Report earned both the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting. These awards are made only to governmental units which publish a comprehensive annual financial report which is easily readable, efficiently organized and conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The awards are valid for a period of one year only. We believe our current report continues to conform to GFOA and ASBO requirements, and we will submit it for determination of its eligibility for renewed awards.

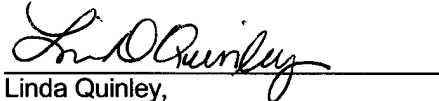
It is our intention that this Comprehensive Annual Financial Report will provide the District's management, outside investors, and interested local citizens with the most meaningful financial presentation possible. We are hopeful that all readers of the report will obtain a clear and concise picture of the District's financial condition as of June 30, 2007.

We want to express our appreciation to all staff members who assisted and contributed to the preparation of this report. We would also like to thank the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,


Dr. Phyllis A. Chase,
Superintendent


Dr. Nick Boren,
Chief Operations Officer


Linda Quinley,
Director of Business Services

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2007**

**COLUMBIA PUBLIC SCHOOL DISTRICT
1818 West Worley
Columbia, Missouri 65203**

BOARD OF EDUCATION

Ms. Karla DeSpain, President

Mr. Darin Preis, Vice-President

Mr. David P. Ballenger, Member

Mr. Steve Calloway, Member

Dr. Michelle Gadbois, Member

Ms. Jan Mees, Member

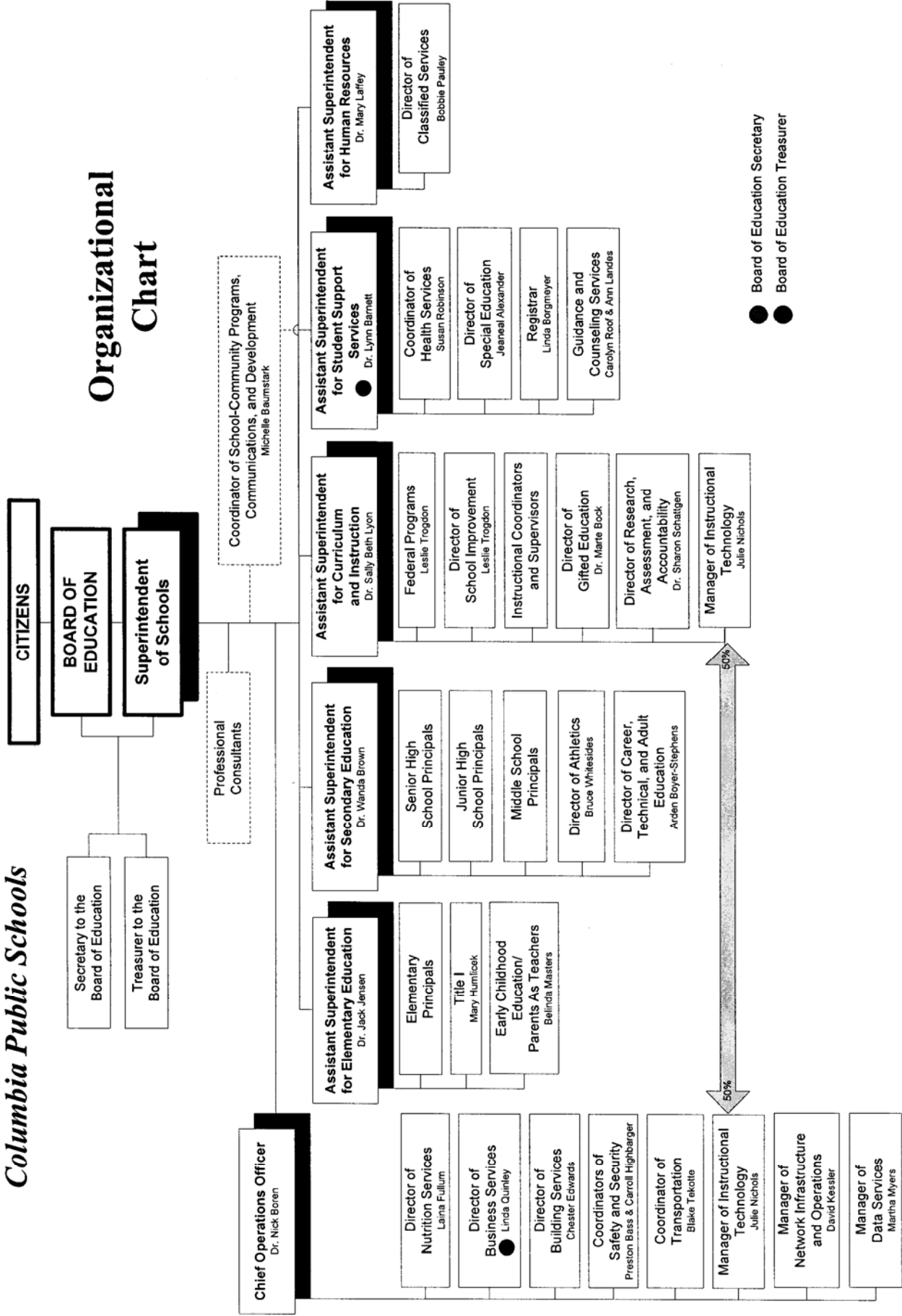
Dr. Tom Rose, Member

DISTRICT ADMINISTRATION

Dr. Phyllis A. Chase	Superintendent of Schools
Dr. Nick Boren	Chief Operations Officer
Dr. Sally Beth Lyon	Assistant Superintendent for Curriculum & Instruction
Dr. Jack Jensen	Assistant Superintendent for Elementary Education
Dr. Wanda Brown	Assistant Superintendent for Secondary Education
Dr. Lynn Barnett	Assistant Superintendent for Student Support Services/ Secretary to the Board of Education
Dr. Mary Laffey	Assistant Superintendent for Human Resources
Ms. Linda Quinley	Director of Business Services/ Treasurer to the Board of Education
Ms. Jeaneal Alexander	Director of Special Services
Ms. Laina Fullum	Director of Nutrition Services

Columbia Public Schools

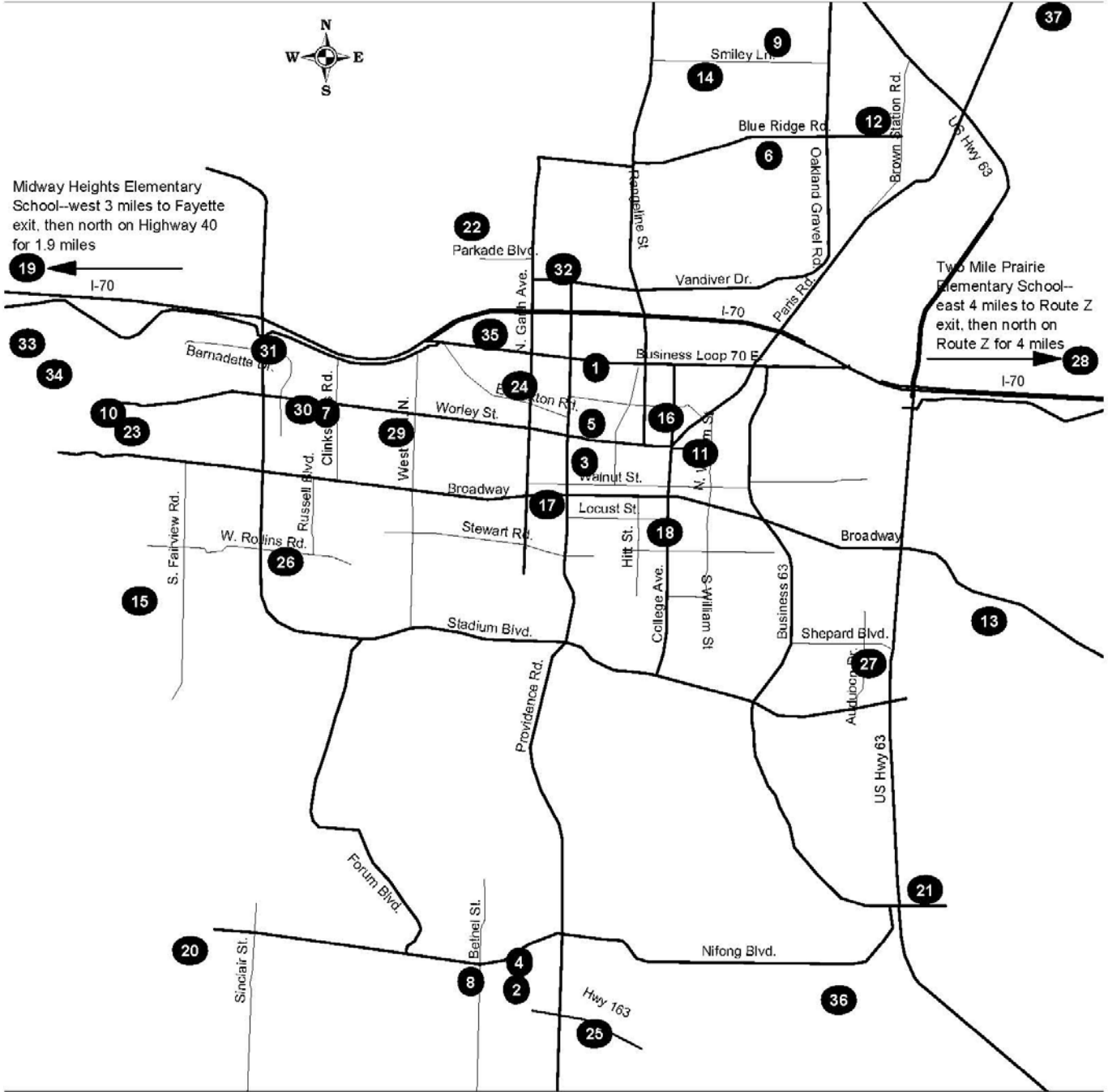
Organizational Chart



● Board of Education Secretary
● Board of Education Treasurer

Columbia Public School District

School District Map



- | | | | | | |
|----|------------------------------|----|----------------------------------|----|--------------------------------------------|
| 1 | Hickman High School | 13 | Cedar Ridge Elementary School | 25 | Rock Bridge Elementary School |
| 2 | Rock Bridge High School | 14 | Derby Ridge Elementary School | 26 | Russell Blvd. Elementary School |
| 3 | Douglass High School | 15 | Fairview Elementary School | 27 | Shepard Blvd. Elementary School |
| 4 | Columbia Area Career Center | 16 | Field Elementary School | 28 | Two Mile Prairie Elementary School |
| 5 | Jefferson Junior High School | 17 | Grant Elementary School | 29 | West Blvd. Elementary School |
| 6 | Oakland Junior High School | 18 | Lee Elementary School | 30 | Administration Building |
| 7 | West Junior High School | 19 | Midway Heights Elementary School | 31 | Business & Computer Services/Gifted Center |
| 8 | Gentry Middle School | 20 | Mill Creek Elementary School | 32 | Vandiver District Services Building |
| 9 | Lange Middle School | 21 | New Haven Elementary School | 33 | Building Services |
| 10 | Smithton Middle School | 22 | Parkade Elementary School | 34 | Health Occupations |
| 11 | Benton Elementary School | 23 | Paxton Keeley Elementary School | 35 | Parkade Center |
| 12 | Blue Ridge Elementary School | 24 | Ridgeway Elementary School | 36 | Bearfield School |
| | | | | 37 | Early Childhood Education Center |

Certificate of Achievement/GFOA _____

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Columbia Public School
District, Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "Thomas J. Blain".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

Certificate of Excellence/ASBO _____

Association of School Business Officials International



This Certificate of Excellence in Financial Reporting

is presented to

COLUMBIA PUBLIC SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2006

upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

A handwritten signature in black ink, appearing to be 'John D. Russo', written over a horizontal line.

Executive Director

A handwritten signature in black ink, appearing to be 'John D. Russo', written over a horizontal line.

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Financial Section



Professional Corporation
Certified Public Accountants

20 South Fifth Street
Columbia, MO 65201
(573) 449-1599
Fax: (573) 443-8603

www.gkccpas.com

INDEPENDENT AUDITORS' REPORT

Board of Education
Columbia Public School District
Columbia, Missouri

PARTNERS

Robert A. Gerding
Fred W. Korte, Jr.
Joseph E. Chitwood
James R. McGinnis
Travis W. Hundley

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Columbia Public School District, Columbia, Missouri, as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Columbia Public School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Columbia Public School District, Columbia, Missouri, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general and teachers funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 25, 2007, on our consideration of the Columbia Public School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Columbia Public School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

October 25, 2007


Gerding, Korte and Chitwood
Certified Public Accountants

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007**

The discussion and analysis of the Columbia Public School District's financial performance provides a narrative overview of financial activities by the management of the District for the fiscal year. The reader is encouraged to consider the information presented here in conjunction with additional information presented in the letter of transmittal, the financial statements, notes to the basic financial statements, and other supplementary information to enhance their understanding of the District's financial performance.

Financial Highlights

- The total assets of the Columbia Public School District exceeded its liabilities at the end of the 2007 fiscal year by \$89,841,270 (net assets). Of this amount, \$39,926,991 (unrestricted net assets) may be used to meet the District's ongoing obligations to taxpayers and creditors.
- The District's total net assets increased \$8,879,582. This increase was primarily the result of increases in capital assets exceeding depreciation expense for the year.
- The governmental funds reported a combined ending fund balance of \$78,298,095, a decrease of \$21,826,774 from the prior year. Of this amount, \$57,243,358 is available for spending at the District's discretion (unreserved, undesignated fund balance), within each respective fund.
- The combined unreserved fund balance for the General Fund and Teachers Fund is \$36,817,204, or 24.6% of the current year expenditures of these funds.
- The total long-term debt of the District decreased \$23,700,000 during the year as a result of principal payments made on the bonds.

Overview of the Financial Statements

The Financial Section of the comprehensive annual financial report consists of three parts:

- management's discussion and analysis (this section),
- basic financial statements (district-wide and fund financial statements), including notes to the basic financial statements, and
- combining and individual fund statements and schedules.

The basic financial statements consist of two different kinds of statements that present different views of the District's financial activities.

- District-wide financial statements – these financial statements provide information about the District's overall financial status both short-term (the recently completed fiscal year) and long-term. The district-wide statements include the Statement of Net Assets and Statement of Activities.
- Fund financial statements - these financial statements focus on individual funds of the District and report the District's operations in more detail than the district-wide statements.

The notes to the basic financial statements provide further explanation of some of the information in the statements and provide additional disclosures and more detailed data. This will allow statement readers to have a more complete description and understanding of the District's financial activities and position.

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007**

The combining and individual fund statements and schedules further explain and support the financial statements with combining schedules for nonmajor funds and comparisons of the District's budget to actual amounts for the year, as well as present financial information for the District's component unit.

The major features of the District's financial statements, including the portion of the District's activities reported and the type of information contained is shown in Table 1.

Table 1				
Major Features of the District-Wide and Fund Financial Statements				
	District-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses, such as food services and adult education	Instances in which the district administers resources on behalf of someone else, such as student groups
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances • Statement of revenues, expenditures, and changes in fund balances-budget and actual 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues expenses, and changes in net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary assets and liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year, or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during, or soon after the end of, the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The two district-wide statements report the District's net assets (Statement of Net Assets) and how they have changed (Statement of Activities). Net assets, which is the difference between the District's assets and liabilities, is one way to measure the District's overall financial position.

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007**

- Increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall financial position, additional non-financial factors, such as changes in the District's property tax base and the condition of its school buildings and other facilities, should be considered.

The district-wide statements are broken out into two parts, the primary government and the component unit. The primary government is further broken out into two categories:

- Governmental activities – Most of the District's basic services are included here, such as regular, vocational and special education, support services including operation of plant, transportation, community services and administration. These activities are primarily financed by property taxes and state formula aid.
- Business-type activities – The District charges fees and receives federal and state reimbursements to cover the costs of its food services operation and adult education program.

The District's component unit is the Columbia Public School District Foundation, which is a legally separate entity. Although the Board does not control the activities of the component unit, the component unit provides its resources solely to the District. The component unit's fiscal year end is December 31. The financial information presented for the component unit is for its fiscal year ending December 31, 2006.

This Management's Discussion and Analysis focuses on the primary government, which is under the control of the Board and District administration.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debt) or to show that it is properly using certain revenues (such as grants and bond proceeds).

The District has three kinds of funds:

- Governmental funds – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- Proprietary funds – The District has two types of proprietary funds, enterprise funds and internal service funds. The enterprise funds include the Food Services and Adult Education

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007**

Funds, for which the District charges fees and for which revenues are expected to cover all expenses. Enterprise funds are included as business-type activities in the district-wide financial statements. The internal service funds include three funds used to account for the District's self-insurance for medical, dental, and workers' compensation programs. These funds are used to allocate the costs of these programs to the functions that benefit from their use. Since internal service funds predominantly benefit governmental activities rather than business-type activities, they have been included in governmental activities in the district-wide financial statements.

- Fiduciary fund – The District serves as an agent, or fiduciary, and accounts for assets that belong to student groups in the fiduciary fund. The District is responsible for ensuring that the assets reported in this fund are used only for their intended purpose and to whom the assets belong. The District excludes this fund from the district-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

As noted above, net assets may serve over time as a useful indicator of the District's financial position. As of the end of the most recently completed fiscal year, assets exceeded liabilities by nearly \$90 million. Of that amount, 38% represents the District's investment in capital assets (land, buildings, equipment, etc.), 18% represents amounts that are subject to external restrictions on how they can be used (debt service, capital projects, teachers' salaries and benefits, etc.), and the remaining 44%, nearly \$40 million, is available to fund the ongoing operations of the District.

The long-term perspective shown in the district-wide statements indicates the District continues to remain financially sound. The District's current assets exceed current liabilities, indicating an ability to meet immediate financial needs. Obligations under long-term debt of the District decreased by \$23 million during the year, mostly due to principal payments made on general obligation bonds, and the District continues to be able to meet its obligations under long-term debt while also maintaining a reasonable balance of over \$11 million in net assets restricted for debt service.

Table 2 provides condensed information regarding the District's assets, liabilities, and net assets. As indicated previously, changes in net assets can serve as an indicator that the District's financial situation is improving or deteriorating.

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007**

Table 2 Condensed Statement of Net Assets June 30, 2007 With Comparative Totals for June 30, 2006 (In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and Other Assets	\$ 185,438	\$ 201,446	\$ 2,627	\$ 2,550	\$ 188,065	\$ 203,996
Capital Assets	153,099	145,731	537	545	153,636	146,276
Total Assets	<u>338,537</u>	<u>347,177</u>	<u>3,164</u>	<u>3,095</u>	<u>341,701</u>	<u>350,272</u>
Current Liabilities	104,089	98,184	273	338	104,362	98,522
Noncurrent Liabilities	147,345	170,598	153	190	147,498	170,788
Total Liabilities	<u>251,434</u>	<u>268,782</u>	<u>426</u>	<u>528</u>	<u>251,860</u>	<u>269,310</u>
Investment in Capital Assets, Net of Related Debt	33,973	24,613	536	545	34,509	25,158
Restricted	15,405	21,651	-	-	15,405	21,651
Unrestricted	<u>37,725</u>	<u>32,131</u>	<u>2,202</u>	<u>2,022</u>	<u>39,927</u>	<u>34,153</u>
Total Net Assets	<u>\$ 87,103</u>	<u>\$ 78,395</u>	<u>\$ 2,738</u>	<u>\$ 2,567</u>	<u>\$ 89,841</u>	<u>\$ 80,962</u>

As of June 30, 2007, the District is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same was also true for the prior fiscal year.

The District's total net assets increased \$8.7 million. This increase is primarily a result of an over \$9 million increase in capital assets. Restricted net assets decreased over \$6 million due to the increase in expenditures for teacher's salaries and benefits which was not offset by an increase in revenues. Unrestricted net assets increased almost \$6 million, which was primarily because of additional revenues received during the year that were not spent.

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007**

Table 3 provides a summary of the changes in net assets for the year ended June 30, 2007.

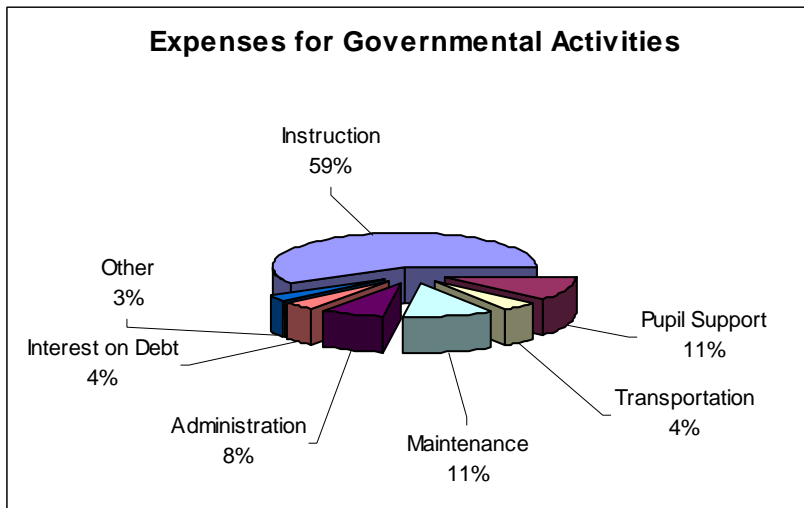
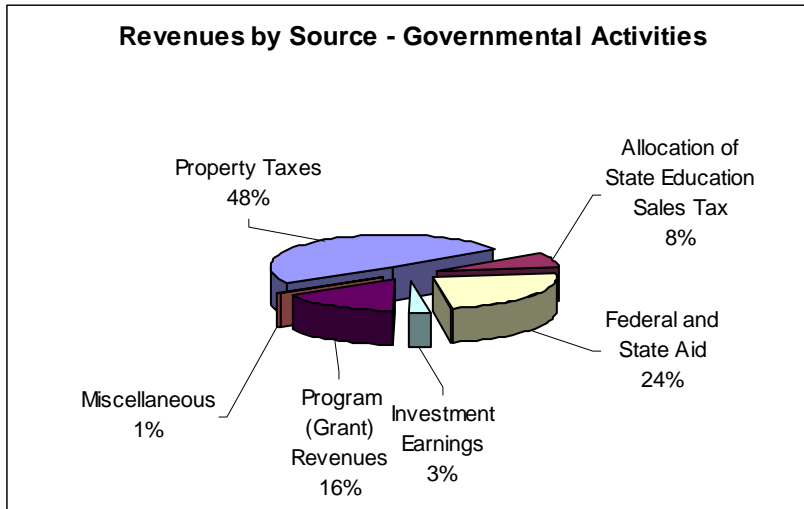
Table 3 Changes In Net Assets from Operating Results Year Ended June 30, 2007 With Comparative Totals for Year Ended June 30, 2006 (In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,014	\$ 1,045	\$ 4,112	\$ 3,662	\$ 5,126	\$ 4,707
Operating Grants and Contributions	24,382	31,488	3,777	3,645	28,159	35,133
Capital Grants and Contributions	2,223	979	-	-	2,223	979
General Revenues:						
Property Taxes	85,863	80,488	-	-	85,863	80,488
Allocation of Statewide Education Sales Tax	13,911	14,527	-	-	13,911	14,527
Federal and State Aid	43,071	34,431	-	-	43,071	34,431
Other	6,188	3,866	99	87	6,287	3,953
Total Revenues	<u>176,652</u>	<u>166,824</u>	<u>7,988</u>	<u>7,394</u>	<u>184,640</u>	<u>174,218</u>
Expenses:						
Instruction	98,744	89,593	-	-	98,744	89,593
Support Services						
Pupil/Instructional Support	19,037	17,043	-	-	19,037	17,043
Administration	13,261	12,061	-	-	13,261	12,061
Operation of plant	18,451	16,576	-	-	18,451	16,576
Pupil Transportation	7,303	6,945	-	-	7,303	6,945
Other	4,519	3,862	-	-	4,519	3,862
Interest Payments	6,629	6,895	-	-	6,629	6,895
Food Services	-	-	6,075	5,767	6,075	5,767
Adult Education	-	-	1,742	1,745	1,742	1,745
Total Expenses	<u>167,944</u>	<u>152,975</u>	<u>7,817</u>	<u>7,512</u>	<u>175,761</u>	<u>160,487</u>
Increase (decrease) in net assets	<u>\$ 8,708</u>	<u>\$ 13,849</u>	<u>\$ 171</u>	<u>\$ (118)</u>	<u>\$ 8,879</u>	<u>\$ 13,731</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007**

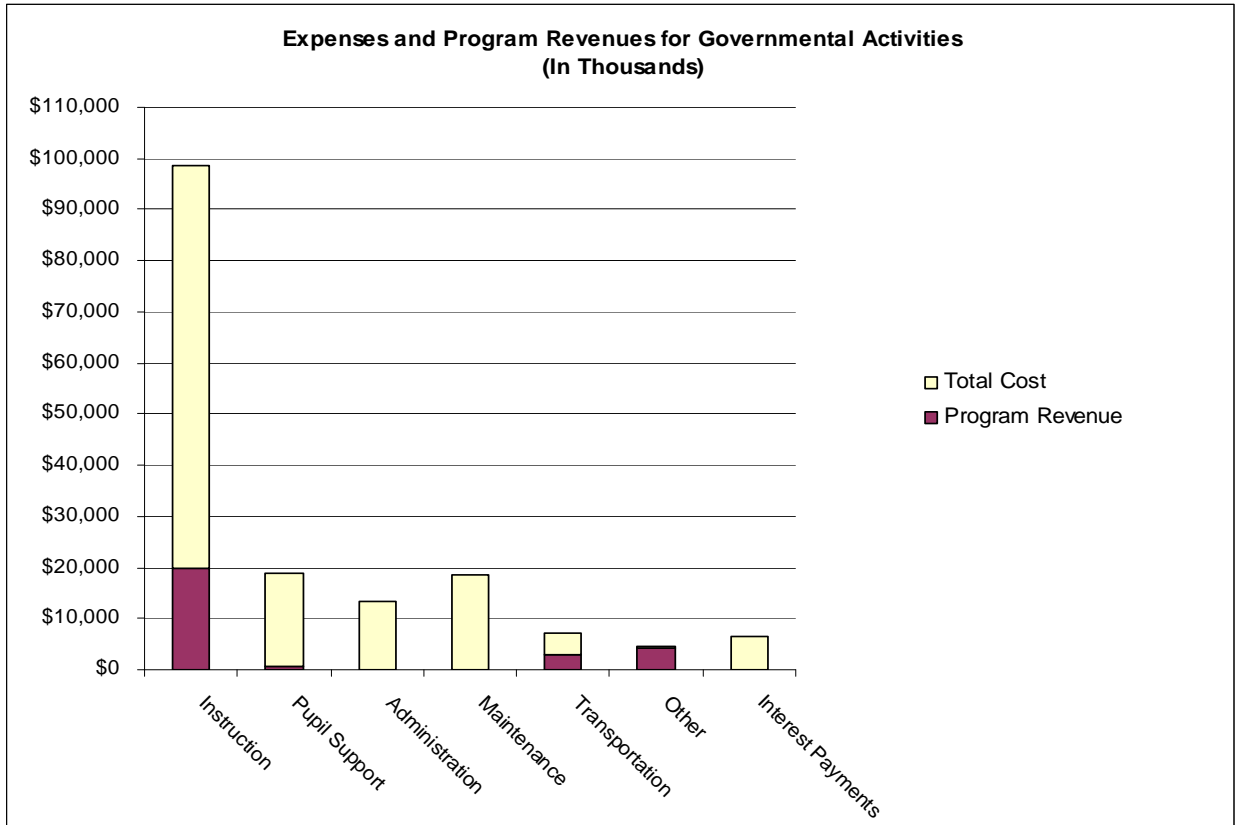
Governmental and Business-Type Activities

Expenses for Governmental Activities increased \$15 million. Of this increase, 61% (\$9 million) was for Instruction, primarily a result of increases in teachers' salaries and benefits. Revenues for Governmental Activities increased \$10 million. Of the \$10 million increase in revenues, approximately \$5 million was a result of additional state and federal grants and increases in state aid, and \$5 million was a result of increases in property taxes due to increases in assessed valuation.

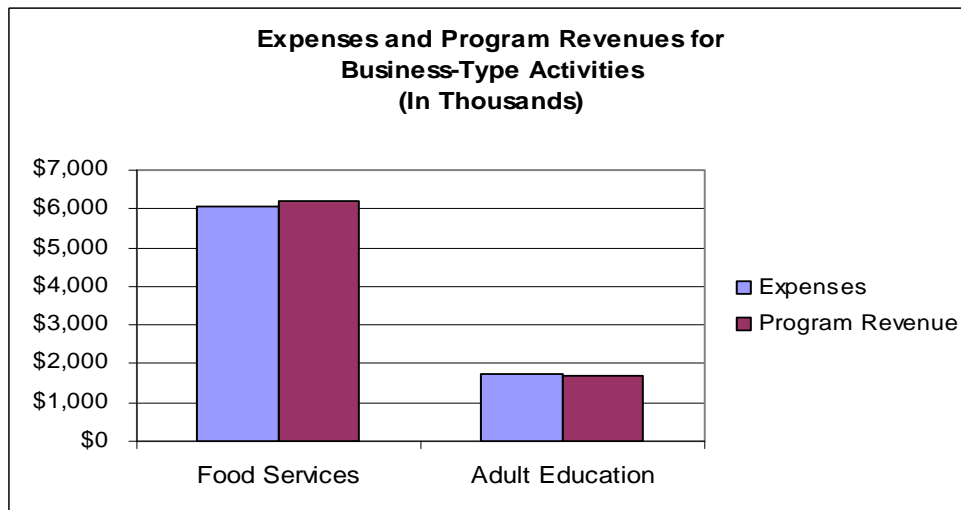
The District's Business-Type Activities continue to be entirely self-supporting and require no subsidy from the District's general fund. The Business-Type Activities are funded through amounts charged for the services they provide as well as federal and state grants. The increase in expenses for the Business-Type Activities is primarily because of salary increases.



**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007**



As displayed in the table above, program revenues account for only a small portion of total expenses for Governmental Activities. This contrasts with the table below that shows program revenues primarily fund the Business-Type Activities. This means that property taxes and other general revenues primarily fund Governmental Activities and Business-Type Activities are entirely self-funded through program revenues.



**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007**

Financial Analysis of the District's Funds

The District completed the year with a total governmental fund balance of \$78,298,095. This is a decrease of \$21,826,774 from the previous year, primarily a result of decreases in the Teachers Fund, Debt Service Fund and Capital Projects Fund. The overall position of the District's funds is strong and the District is able to meet all of its ongoing operational expenses without having to resort to any short-term borrowing.

The District refers to the combined balance of the General Fund and Teachers Fund as its "operating funds". The balance of the operating funds increased by \$99,225. Expenditures for the operating funds increased almost \$12 million in the current year. The increase was primarily because of salary and benefit increases for teachers and support staff. Revenues increased \$7 million due to increases in property taxes through increases in assessed valuation and increases in federal and state aid. Since expenditures have been growing faster than revenues, beginning in FY07-08, the District plans to use reserve fund balances to pay for the increasing costs of running the District.

The balance of the Debt Service Fund decreased \$12.5 million during the year. This was primarily because of bond principal and interest payments made during the year that were funded by restricted assets held in an escrow account from previous refunding bonds that have been issued.

The balance of the Capital Projects Fund decreased \$9.2 million during the year. This was an expected decrease in the balance of this fund as the timing of completion of capital projects often varies from the timing of issuance of general obligation bonds to finance the capital projects. The current year decrease was primarily a result of ongoing building addition and renovation projects.

The District completed the year with a balance of net assets of \$2,738,516 in its enterprise funds. These funds are nonmajor funds and are presented in the district-wide statements as Business-Type Activities. The financial position of these funds remains strong and they continue to be able to be funded entirely through charges for the services they provide and federal and state grants.

General Fund Budgetary Highlights

The District adopts a budget in June each year for the following fiscal year. However, it is anticipated that budget amendments will be made periodically as additional information becomes available. Generally, the original budget is amended two or three times a year. For the current year, the budget for the General Fund was amended on four occasions for the following reasons:

- Increased revenues \$530,000 for increases in expected interest earned on investment accounts and \$276,000 for the results of changes in final assessed valuations.
- Increased revenues and expenditures \$650,000 for insurance proceeds received for the March 2006 storm.
- Increased expenditures of \$320,000 to pay for increases in the District's costs for transportation and fuel.
- Increased revenues and expenditures for various federal and state grants.

Actual revenues were \$138,109 less than budgeted primarily due to local property taxes being less than anticipated. Actual expenditures were \$1,129,331 less than budgeted. Of this amount, \$107,000 was the result of salaries and benefits being less than estimated, nearly \$800,000 of this amount was the result of unspent budgets for services and supplies, and most of the remaining \$200,000 was due to several

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007**

summer maintenance projects that were not completed by June 30 and rolled forward to the next fiscal year.

Capital Assets

As of June 30, 2007, the District had \$153,099,284 and \$536,844, net of accumulated depreciation, invested in land, buildings, and equipment in Governmental Activities and Business-Type Activities, respectively. This also includes construction in progress of \$7,093,430 in Governmental Activities. (More detailed information regarding capital assets can be found in the notes to the basic financial statements, Note 10).

The District completed capital improvement projects totaling \$13.7 million. This included \$8 million for additions and renovations at Hickman High School, and \$4 million for various paving and drainage improvements and roofing projects throughout the District.

The District has a number of older buildings in use for instructional purposes. Generally, the buildings have been well maintained and are in good condition. However, the older buildings are in need of renovations for air conditioning and to accommodate the technology component of today's curriculum, as well as administrative functions.

Table 4 provides a summary of the District's capital assets as of June 30, 2007.

Table 4 Capital Assets June 30, 2007 With Comparative Totals for June 30, 2006 (Net of Depreciation, In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 5,181	\$ 3,861	\$ 38	\$ 38	\$ 5,219	\$ 3,899
Construction in Progress	7,093	13,140	-	-	7,093	13,140
Buildings	135,311	123,114	190	192	135,501	123,306
Mobile Classrooms	1,021	1,109	-	-	1,021	1,109
Equipment and Furniture	4,493	4,507	309	315	4,802	4,822
Total	\$ 153,099	\$ 145,731	\$ 537	\$ 545	\$ 153,636	\$ 146,276

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007**

Debt Administration

As of June 30, 2007, the District had \$144,680,000 in general obligation bonds outstanding. The District did not issue any general obligation bonds in the current year. (More detailed information regarding long-term debt can be found in the notes to the basic financial statements, Note 9).

The outstanding general obligation bonds of the District have a Moody's rating of Aa2, which is the same rating as the prior year.

Other Matters

At its 2005 Regular Session, the Missouri General Assembly approved, and the Governor signed, legislation that significantly changes the formula used by the state to determine the amount of state aid the District receives. Under the new formula, which is being phased in over 7 years beginning in 2007, the District currently projects it would receive very limited increases in state funding each year. The District does not anticipate that these increases will be adequate to cover the increased costs of running the District. The Board of Education has discussed the changes in state funding, and will continue to address the financing of future increases in the costs of running the District as a part of the process of developing the budgets for fiscal year 2009 and beyond.

The District has joined 236 other school districts in a lawsuit against the state questioning the constitutionality of both the new and old funding formulas in that they provide for inadequate and unfairly distributed funding among Missouri school districts. In September 2007, the Circuit Court ruled against the school districts holding that the funding formulas are constitutional. While the case is likely to be appealed, no formal decision to appeal the case has been made. The effects, if any, this case may have on the amount of funding the District receives from the state in the future is not known at this time.

The District completed a facilities study in 2007 and decided to begin a \$180 million capital improvement plan. The plan is to build a new high school and two elementary schools, complete various energy savings projects throughout the District, and improve the technology resources of the District. The project will consist of three \$60 million bond issues, the first of which was issued in July 2007.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the Columbia Public School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Business Services, Columbia Public School District, 916 Bernadette Drive, Columbia, MO 65203.

BASIC FINANCIAL STATEMENTS

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2007**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Columbia Public School District Foundation
ASSETS				
Cash and Cash Equivalents	\$ 6,028,624	\$ 936,995	\$ 6,965,619	\$ 542,026
Investments	61,376,627	1,045,778	62,422,405	453,186
Receivables (Net of Allowance for Uncollectibles)				
Local	95,269,082	97,442	95,366,524	5,200
State	1,161,506	-	1,161,506	-
Federal	546,970	397,643	944,613	-
Inventories	310,721	148,832	459,553	-
Prepaid Expenses	523,226	980	524,206	-
Restricted Assets				
Investment with Fiscal Agent - Refunding Escrow	20,220,790	-	20,220,790	-
Capital Assets (Net of Accumulated Depreciation)				
Land	5,181,048	37,763	5,218,811	-
Construction in Progress	7,093,430	-	7,093,430	-
Buildings	135,311,415	189,578	135,500,993	-
Mobile Classrooms	1,020,729	-	1,020,729	-
Furniture and Equipment	4,492,662	309,503	4,802,165	-
Total Assets	<u>338,536,830</u>	<u>3,164,514</u>	<u>341,701,344</u>	<u>1,000,412</u>
LIABILITIES				
Accounts Payable	4,048,446	49,098	4,097,544	-
Accrued Salaries and Payroll Taxes	7,713,192	72,050	7,785,242	-
Accrued Interest Payable	1,951,378	-	1,951,378	-
Unearned Revenue	90,375,616	151,887	90,527,503	-
Noncurrent Liabilities				
Due within One Year	40,355,000	26,000	40,381,000	-
Due in More than One Year	86,865,444	126,963	86,992,407	-
Liabilities Payable from Restricted Assets	20,125,000	-	20,125,000	-
Total Liabilities	<u>251,434,076</u>	<u>425,998</u>	<u>251,860,074</u>	<u>-</u>
NET ASSETS				
Investment in Capital Assets, Net of Related Debt	33,972,408	536,844	34,509,252	-
Restricted for:				
Debt Service	11,091,089	-	11,091,089	-
Capital Projects	1,874,441	-	1,874,441	-
Teachers' Salaries and Benefits	1,215,178	-	1,215,178	-
Other	1,224,319	-	1,224,319	-
Unrestricted	37,725,319	2,201,672	39,926,991	1,000,412
Total Net Assets	<u>\$ 87,102,754</u>	<u>\$ 2,738,516</u>	<u>\$ 89,841,270</u>	<u>\$ 1,000,412</u>

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities				
Instruction				
Regular Instruction	\$ 69,409,879	\$ 143,035	\$ 8,212,570	\$ 1,015,545
Special Education	23,869,576	-	8,010,545	-
Vocational Instruction	3,825,527	82,000	918,520	1,207,284
Student Activities - Athletics	1,357,904	108,908	-	-
Tuition to Other Districts	280,821	-	-	-
Total Instruction	<u>98,743,707</u>	<u>333,943</u>	<u>17,141,635</u>	<u>2,222,829</u>
Support Services				
Attendance	187,146	-	-	-
Guidance and Counseling	5,479,692	-	-	-
Health and Ancillary Services	3,096,930	22,500	89,010	-
Improvement of Instruction	2,749,239	-	479,935	-
Media Services	7,524,417	18,980	67,713	-
Board Services	368,499	-	-	-
General Administration	2,162,707	-	-	-
Building Administration	9,859,820	-	-	-
Business, Central Services	869,884	-	-	-
Operation of Plant	18,450,861	59,319	-	-
Pupil Transportation	7,302,948	-	3,014,587	-
Adult Literacy	263,542	-	183,737	-
Community Services	4,255,908	579,757	3,405,601	-
Total Support Services	<u>62,571,593</u>	<u>680,556</u>	<u>7,240,583</u>	<u>-</u>
Non-Instruction/Support Services				
Interest Payments, Bonds	6,629,051	-	-	-
Total Non-Instruction/Support Services	<u>6,629,051</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>167,944,351</u>	<u>1,014,499</u>	<u>24,382,218</u>	<u>2,222,829</u>
Business-Type Activities				
Food Services	6,075,353	3,167,898	3,018,874	-
Adult Education	1,741,502	944,217	757,837	-
Total Business-Type Activities	<u>7,816,855</u>	<u>4,112,115</u>	<u>3,776,711</u>	<u>-</u>
Total Primary Governmen	<u>\$ 175,761,206</u>	<u>\$ 5,126,614</u>	<u>\$ 28,158,929</u>	<u>\$ 2,222,829</u>
Component Unit				
Columbia Public School District Foundatio	\$ 121,439	\$ -	\$ 283,041	\$ -

General Revenues

Taxes

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Services

Property Taxes, Levied for Capital Projects

Other Taxes

Allocation of Statewide Education Sales Tax

Federal and State Aid Not Restricted to Specific Purposes

Interest and Investment Earnings

Miscellaneous

Total General Revenues

Changes in Net Assets

Net Assets, July 1

Net Assets, June 30

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

**Net (Expenses) Revenues
and Changes in Net Assets**

Primary Government			Component Unit
Governmental Activities	Business- Type Activities	Total	Columbia Public School District Foundation
\$ (60,038,729)	\$ -	\$ (60,038,729)	\$ -
(15,859,031)	-	(15,859,031)	-
(1,617,723)	-	(1,617,723)	-
(1,248,996)	-	(1,248,996)	-
<u>(280,821)</u>	<u>-</u>	<u>(280,821)</u>	<u>-</u>
<u>(79,045,300)</u>	<u>-</u>	<u>(79,045,300)</u>	<u>-</u>
(187,146)	-	(187,146)	-
(5,479,692)	-	(5,479,692)	-
(2,985,420)	-	(2,985,420)	-
(2,269,304)	-	(2,269,304)	-
(7,437,724)	-	(7,437,724)	-
(368,499)	-	(368,499)	-
(2,162,707)	-	(2,162,707)	-
(9,859,820)	-	(9,859,820)	-
(869,884)	-	(869,884)	-
(18,391,542)	-	(18,391,542)	-
(4,288,361)	-	(4,288,361)	-
(79,805)	-	(79,805)	-
<u>(270,550)</u>	<u>-</u>	<u>(270,550)</u>	<u>-</u>
<u>(54,650,454)</u>	<u>-</u>	<u>(54,650,454)</u>	<u>-</u>
<u>(6,629,051)</u>	<u>-</u>	<u>(6,629,051)</u>	<u>-</u>
<u>(6,629,051)</u>	<u>-</u>	<u>(6,629,051)</u>	<u>-</u>
<u>(140,324,805)</u>	<u>-</u>	<u>(140,324,805)</u>	<u>-</u>
-	111,419	111,419	-
-	<u>(39,448)</u>	<u>(39,448)</u>	<u>-</u>
-	<u>71,971</u>	<u>71,971</u>	<u>-</u>
<u>(140,324,805)</u>	<u>71,971</u>	<u>(140,252,834)</u>	<u>-</u>
-	-	-	161,602
69,364,896	-	69,364,896	-
14,252,740	-	14,252,740	-
177,646	-	177,646	-
2,067,302	-	2,067,302	-
13,910,834	-	13,910,834	-
43,071,267	-	43,071,267	-
4,831,876	99,596	4,931,472	-
1,356,259	-	1,356,259	-
<u>149,032,820</u>	<u>99,596</u>	<u>149,132,416</u>	<u>-</u>
8,708,015	171,567	8,879,582	161,602
78,394,739	2,566,949	80,961,688	838,810
<u>\$ 87,102,754</u>	<u>\$ 2,738,516</u>	<u>\$ 89,841,270</u>	<u>\$ 1,000,412</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007**

	<u>General</u>	<u>Teachers</u>	<u>Debt Service</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,148,974	\$ -	\$ 1,969,715
Investments	39,808,427	-	10,587,495
Receivables (Net of Allowance for Uncollectibles)			
Local	27,913,535	51,328,821	15,758,089
State	-	1,077,850	-
Federal	33,491	-	-
Due from Other Funds	1,713,141	-	-
Inventories	310,721	-	-
Prepaid Expenditures	467,797	54,404	-
Restricted Assets			
Investments with Fiscal Agent - Refunding Escrow	-	-	20,220,790
Total Assets	<u>\$ 71,396,086</u>	<u>\$ 52,461,075</u>	<u>\$ 48,536,089</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 1,467,455	\$ 29,110	\$ -
Due to Other Funds	-	1,713,141	-
Accrued Salaries and Payroll Taxes	7,189,350	471,779	-
Unearned Revenue	26,162,905	50,006,217	15,578,275
Total Liabilities	<u>34,819,710</u>	<u>52,220,247</u>	<u>15,578,275</u>
Fund Balances			
Reserved for			
Debt Service	-	-	20,220,790
Inventories	310,721	-	-
Prepaid Expenditures	467,797	54,404	-
Unreserved Reported in			
General Fund	35,797,858	-	-
Special Revenue Funds	-	186,424	-
Debt Service Fund	-	-	12,737,024
Capital Projects Fund	-	-	-
Total Fund Balances	<u>36,576,376</u>	<u>240,828</u>	<u>32,957,814</u>
Total Liabilities and Fund Balances	<u>\$ 71,396,086</u>	<u>\$ 52,461,075</u>	<u>\$ 48,536,089</u>

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

Governmental Fund Types

<u>Capital Projects</u>	<u>Nonmajor Fund Grants and Donations</u>	<u>Total Governmental Funds</u>
\$ -	\$ 1,391,340	\$ 4,510,029
7,707,335	-	58,103,257
195,945	56,286	95,252,676
-	83,656	1,161,506
-	513,479	546,970
-	-	1,713,141
-	-	310,721
-	1,025	523,226
-	-	20,220,790
<u>\$ 7,903,280</u>	<u>\$ 2,045,786</u>	<u>\$ 182,342,316</u>
\$ 210,354	\$ 739,581	\$ 2,446,500
-	-	1,713,141
-	52,063	7,713,192
394,168	29,823	92,171,388
<u>604,522</u>	<u>821,467</u>	<u>104,044,221</u>
-	-	20,220,790
-	-	310,721
-	1,025	523,226
-	-	35,797,858
-	1,223,294	1,409,718
-	-	12,737,024
7,298,758	-	7,298,758
<u>7,298,758</u>	<u>1,224,319</u>	<u>78,298,095</u>
<u>\$ 7,903,280</u>	<u>\$ 2,045,786</u>	

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

Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the funds.	153,099,284
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,795,772
Internal service funds are used by management to charge the costs of providing employee benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	3,206,425
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(149,296,822)</u>
Net assets of governmental activities	<u>\$ 87,102,754</u>

COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	General	Teachers
REVENUES		
Local	\$ 35,212,035	\$ 52,589,115
County	838,411	942,985
State	15,594,479	35,764,231
Federal	3,455,542	5,330,027
Tuition From Other Districts	41,000	77,149
Total Revenues	55,141,467	94,703,507
EXPENDITURES		
Current		
Instruction		
Regular Instruction	6,429,044	60,119,027
Special Instruction	3,795,638	19,657,292
Vocational Instruction	497,915	2,940,314
Student Activities - Athletics	240,694	675,408
Tuition To Other Districts	-	280,821
Total Instruction	10,963,291	83,672,862
Pupil Support Services		
Attendance	184,641	-
Guidance and Counseling	1,355,027	3,990,144
Health and Ancillary Services	1,926,317	1,024,632
Improvement of Instruction	1,244,335	1,378,144
Media Services	3,499,820	2,571,798
Total Support Services	8,210,140	8,964,718
Administration		
Board Services	365,459	-
General Administration	973,811	1,115,129
Building Administration	2,665,777	7,048,824
Business, Central Services	863,131	-
Total Administration	4,868,178	8,163,953
Other		
Operation of Plant	15,450,111	2,904
Pupil Transportation	7,281,360	-
Adult Literacy	-	66,822
Community Services	1,461,434	639,976
Total Other	24,192,905	709,702
Debt Service		
Principal	-	-
Interest and Fees	-	-
Total Debt Service	-	-
Capital Outlay and Construction		
Furniture and Equipment	-	-
Vehicles	-	-
Land and Site Improvements	-	-
Building Additions and Renovations	-	-
Total Capital Outlay and Construction	-	-
Total Expenditures	48,234,514	101,511,235
NET CHANGES IN FUND BALANCES	6,906,953	(6,807,728)
FUND BALANCES, JULY 1	29,669,423	7,048,556
FUND BALANCES, JUNE 30	\$ 36,576,376	\$ 240,828

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

Governmental Fund Types

	Debt Service	Capital Projects	Nonmajor Fund Grants and Donations	Total Governmental Funds
\$	16,440,823	\$ 879,968	\$ 1,438,773	\$ 106,560,714
	272,436	6,953	-	2,060,785
	1,580,147	757,016	2,166,705	55,862,578
	-	-	1,830,443	10,616,012
	-	-	-	118,149
	<u>18,293,406</u>	<u>1,643,937</u>	<u>5,435,921</u>	<u>175,218,238</u>
	-	-	1,850,907	68,398,978
	-	-	173,000	23,625,930
	-	-	551,015	3,989,244
	-	-	412,004	1,328,106
	-	-	-	280,821
	-	-	<u>2,986,926</u>	<u>97,623,079</u>
	-	-	-	184,641
	-	-	90,749	5,435,920
	-	-	114,457	3,065,406
	-	-	89,351	2,711,830
	-	-	77,040	6,148,658
	-	-	<u>371,597</u>	<u>17,546,455</u>
	-	-	-	365,459
	-	-	-	2,088,940
	-	-	-	9,714,601
	-	-	-	863,131
	-	-	-	<u>13,032,131</u>
	-	-	-	15,453,015
	-	-	21,210	7,302,570
	-	-	183,737	250,559
	-	-	<u>2,122,806</u>	<u>4,224,216</u>
	-	-	<u>2,327,753</u>	<u>27,230,360</u>
	23,700,000	-	-	23,700,000
	7,047,670	-	-	7,047,670
	<u>30,747,670</u>	-	-	<u>30,747,670</u>
	-	2,261,368	-	2,261,368
	-	152,845	-	152,845
	-	1,028,799	-	1,028,799
	-	<u>7,422,305</u>	-	<u>7,422,305</u>
	-	<u>10,865,317</u>	-	<u>10,865,317</u>
	<u>30,747,670</u>	<u>10,865,317</u>	<u>5,686,276</u>	<u>197,045,012</u>
	(12,454,264)	(9,221,380)	(250,355)	(21,826,774)
	<u>45,412,078</u>	<u>16,520,138</u>	<u>1,474,674</u>	<u>100,124,869</u>
\$	<u><u>32,957,814</u></u>	\$ <u><u>7,298,758</u></u>	\$ <u><u>1,224,319</u></u>	\$ <u><u>78,298,095</u></u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007**

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

Net changes in fund balances of total governmental funds	\$	(21,826,774)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period		7,368,035
Revenues in the Statement of Activities that do not provide current financial resources are not reported in the funds		685,128
The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount reflects payments made on outstanding bonds in the current period		23,700,000
Additional expenses for bond interest payable reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds		390,693
Expenses for issuance costs, premiums, discounts, and similar items related to the issuance of debt are reported in the governmental funds as expenditures at the time of issuance, and are deferred and amortized in the Statement of Activities		27,926
Expenses related to the increase of the liability for compensated absences reported in the Statement of Activities are reported as expenditures in the governmental funds		(475,233)
Internal service funds are used by the District to charge the costs of employee benefits to individual funds. The change in net assets of internal service funds is reported with governmental activities		(1,161,760)
Change in net assets of governmental activities	\$	<u><u>8,708,015</u></u>

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Local	\$ 33,499,037	\$ 35,494,592	\$ 35,212,035	\$ (282,557)
County	846,459	856,147	838,411	(17,736)
State	15,007,583	15,331,632	15,594,479	262,847
Federal	3,215,795	3,546,955	3,455,542	(91,413)
Tuition From Other Districts	50,250	50,250	41,000	(9,250)
Total Revenues	<u>52,619,124</u>	<u>55,279,576</u>	<u>55,141,467</u>	<u>(138,109)</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	7,032,140	6,617,326	6,429,044	188,282
Special Instruction	4,053,784	4,051,684	3,795,638	256,046
Vocational Instruction	626,439	551,439	497,915	53,524
Student Activities - Athletics	295,274	283,313	240,694	42,619
Total Instruction	<u>12,007,637</u>	<u>11,503,762</u>	<u>10,963,291</u>	<u>540,471</u>
Pupil Support Services				
Attendance	222,698	222,698	184,641	38,057
Guidance and Counseling	1,619,533	1,619,087	1,355,027	264,060
Health and Ancillary Services	1,789,173	1,807,673	1,926,317	(118,644)
Improvement of Instruction	1,295,986	1,304,311	1,244,335	59,976
Media Services	3,742,927	3,761,432	3,499,820	261,612
Total Support Services	<u>8,670,317</u>	<u>8,715,201</u>	<u>8,210,140</u>	<u>505,061</u>
Administration				
Board Services	364,775	364,775	365,459	(684)
General Administration	895,496	895,496	973,811	(78,315)
Building Administration	2,747,427	2,757,427	2,665,777	91,650
Business, Central Services	957,970	957,970	863,131	94,839
Total Administration	<u>4,965,668</u>	<u>4,975,668</u>	<u>4,868,178</u>	<u>107,490</u>
Other				
Operation of Plant	15,267,508	15,444,105	15,450,111	(6,006)
Pupil Transportation	6,955,164	7,261,460	7,281,360	(19,900)
Adult Literacy	4,870	4,870	-	4,870
Community Services	1,458,179	1,458,779	1,461,434	(2,655)
Total Other	<u>23,685,721</u>	<u>24,169,214</u>	<u>24,192,905</u>	<u>(23,691)</u>
Total Expenditures	<u>49,329,343</u>	<u>49,363,845</u>	<u>48,234,514</u>	<u>1,129,331</u>
REVENUES OVER (UNDER) EXPENDITURES	3,289,781	5,915,731	6,906,953	991,222
OTHER FINANCING USES				
Transfers Out	2,929,081	1,604,530	-	1,604,530
NET CHANGE IN FUND BALANCE	360,700	4,311,201	6,906,953	2,595,752
FUND BALANCE, JULY 1	<u>29,669,423</u>	<u>29,669,423</u>	<u>29,669,423</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 30,030,123</u>	<u>\$ 33,980,624</u>	<u>\$ 36,576,376</u>	<u>\$ 2,595,752</u>

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
TEACHERS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Local	\$ 51,194,565	\$ 51,406,112	\$ 52,589,115	\$ 1,183,003
County	907,708	977,219	942,985	(34,234)
State	33,894,209	35,137,701	35,764,231	626,530
Federal	5,445,199	5,445,199	5,330,027	(115,172)
Tuition From Other Districts	322,621	322,621	77,149	(245,472)
Total Revenues	<u>91,764,302</u>	<u>93,288,852</u>	<u>94,703,507</u>	<u>1,414,655</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	60,102,751	60,302,751	60,119,027	183,724
Special Instruction	20,050,874	20,050,874	19,657,292	393,582
Vocational Instruction	3,145,885	3,145,885	2,940,314	205,571
Student Activities - Athletics	523,966	523,966	675,408	(151,442)
Tuition To Other Districts	400,000	400,000	280,821	119,179
Total Instruction	<u>84,223,476</u>	<u>84,423,476</u>	<u>83,672,862</u>	<u>750,614</u>
Pupil Support Services				
Guidance and Counseling	4,008,408	4,008,408	3,990,144	18,264
Health and Ancillary Services	712,859	712,859	1,024,632	(311,773)
Improvement of Instruction	1,528,235	1,528,235	1,378,144	150,091
Media Services	2,559,505	2,559,505	2,571,798	(12,293)
Total Support Services	<u>8,809,007</u>	<u>8,809,007</u>	<u>8,964,718</u>	<u>(155,711)</u>
Administration				
General Administration	1,100,912	1,100,912	1,115,129	(14,217)
Building Administration	6,856,627	6,856,627	7,048,824	(192,197)
Total Administration	<u>7,957,539</u>	<u>7,957,539</u>	<u>8,163,953</u>	<u>(206,414)</u>
Other				
Operation of Plant	-	-	2,904	(2,904)
Adult Literacy	63,824	63,824	66,822	(2,998)
Community Services	688,093	688,093	639,976	48,117
Total Other	<u>751,917</u>	<u>751,917</u>	<u>709,702</u>	<u>45,119</u>
Total Expenditures	<u>101,741,939</u>	<u>101,941,939</u>	<u>101,511,235</u>	<u>433,608</u>
REVENUES OVER (UNDER) EXPENDITURES	(9,977,637)	(8,653,087)	(6,807,728)	1,845,359
OTHER FINANCING SOURCES				
Transfers In	2,929,081	1,604,531	-	(1,604,531)
NET CHANGE IN FUND BALANCE	(7,048,556)	(7,048,556)	(6,807,728)	240,828
FUND BALANCE, JULY 1	<u>7,048,556</u>	<u>7,048,556</u>	<u>7,048,556</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240,828</u>	<u>\$ 240,828</u>

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2007**

	<u>Business-Type Activities- Nonmajor Enterprise Funds</u>	<u>Governmental Activities- Internal Service Funds</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 936,995	\$ 1,518,595
Investments	1,045,778	3,273,370
Receivables (Net of Allowance for Uncollectibles)		
Local	97,442	16,406
Federal	397,643	-
Inventories	148,832	-
Prepaid Expenses	980	-
Total Current Assets	<u>2,627,670</u>	<u>4,808,371</u>
Noncurrent Assets		
Capital Assets (Net of Accumulated Depreciation)		
Land	37,763	-
Buildings	189,578	-
Furniture and Equipment	309,503	-
Total Noncurrent Assets	<u>536,844</u>	<u>-</u>
Total Assets	<u>3,164,514</u>	<u>4,808,371</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	49,098	1,601,946
Accrued Salaries and Payroll Taxes	72,050	-
Unearned Revenue	151,887	-
Total Current Liabilities	<u>273,035</u>	<u>1,601,946</u>
Noncurrent Liabilities		
Liability for Long - Term		
Compensated Absences	152,963	-
Total Liabilities	<u>425,998</u>	<u>1,601,946</u>
NET ASSETS		
Invested in Capital Assets	536,844	-
Unrestricted	2,201,672	3,206,425
Total Net Assets	<u>\$ 2,738,516</u>	<u>\$ 3,206,425</u>

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	Business-Type Activities- Nonmajor <u>Enterprise Funds</u>	Governmental Activities- Internal <u>Service Funds</u>
OPERATING REVENUES		
Food Sales	\$ 3,167,898	\$ -
Tuition	944,217	-
Insurance Premiums	-	16,422,832
Total Operating Revenues	4,112,115	16,422,832
OPERATING EXPENSES		
Food Purchased	2,354,523	-
Salaries and Wages	2,954,659	83,214
Fringe Benefits	980,031	20,221
Supplies	551,782	-
Purchased Services	249,438	6,674
Travel	29,223	-
Repairs	119,281	-
Donated Commodities Used	337,700	-
Financial Aid	177,471	-
Excess Loss Insurance	-	265,492
Administration Fees	-	324,543
Benefits Paid/Accrued	-	17,165,151
Depreciation	62,747	-
Total Operating Expenses	7,816,855	17,865,295
OPERATING INCOME (LOSS)	(3,704,740)	(1,442,463)
NONOPERATING REVENUES		
State Assistance	320,259	-
Federal Assistance	3,118,752	-
Earnings on Investments	99,596	280,703
Donated Commodities	337,700	-
Total Nonoperating Revenues	3,876,307	280,703
CHANGES IN NET ASSETS	171,567	(1,161,760)
NET ASSETS, JULY 1	2,566,949	4,368,185
NET ASSETS, JUNE 30	\$ 2,738,516	\$ 3,206,425

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	Business-Type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Sales/Tuition/Premiums	\$ 4,022,250	\$ 16,422,832
Cash Payments for Supplies and Services	(3,555,795)	(596,709)
Cash Payments to Employees for Services	(3,923,397)	(103,435)
Cash Payments for Claims/Benefits	-	(16,586,539)
Net Cash From Operating Activities	<u>(3,456,942)</u>	<u>(863,851)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal/State Assistance	3,365,963	-
Net Cash From Noncapital Financing Activities	<u>3,365,963</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Retirement of Capital Assets	(54,106)	-
Net Cash From Capital and Related Financing Activities	<u>(54,106)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	99,596	280,703
Investments Purchased	(1,045,778)	(7,361,556)
Investments Matured or Sold	1,911,489	7,014,638
Net Cash From Investing Activities	<u>965,307</u>	<u>(66,215)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	820,222	(930,066)
CASH AND CASH EQUIVALENTS, JULY 1	<u>116,773</u>	<u>2,448,661</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 936,995</u>	<u>\$ 1,518,595</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (3,704,740)	\$ (1,442,463)
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities		
Depreciation	62,747	-
Donated Commodities Used	337,700	-
Change in Assets and Liabilities		
Decrease in Receivables	(80,001)	-
Decrease in Inventories	(15,315)	-
Increase in Prepaid Expenses	44,959	-
Decrease in Accounts Payable and Accrued Liabilities	73,145	578,612
Increase in Unearned Revenue	(137,798)	-
Increase in Compensated Absences Payable	(37,639)	-
Net Cash From Operating Activities	<u>\$ (3,456,942)</u>	<u>\$ (863,851)</u>
SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES		
Donated commodities received	\$ 356,728	\$ -
Donated commodities used	\$ 337,700	\$ -

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY
STUDENT ACTIVITIES FUND
JUNE 30, 2007**

ASSETS

Cash	\$	680,568
Total Assets	\$	<u>680,568</u>

LIABILITIES

Accounts Payable	\$	18,078
Due to Student Groups		<u>662,490</u>
Total Liabilities	\$	<u>680,568</u>

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Columbia Public School District (the District) and its component unit have been prepared in conformity with accounting principles generally accepted in the United States, as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting-body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the District are described below.

Reporting Entity

Primary government – The District is governed by an elected seven-member board. The Columbia School District Board of Education (the Board) is the basic level of government that has financial accountability and control over all activities related to public school education in the District. The accompanying financial statements present the activities of the District and its component unit, for which the District is considered to be financially accountable. The component unit is reported in a separate column in the district-wide financial statements to emphasize that it is legally separate from the government. The District is not a component unit of another reporting entity.

Discretely presented component unit – The Columbia Public School District Foundation (Foundation) provides annual program grants to the District from funds raised through its own fundraising efforts. Generally accepted accounting principles provide guidance to determine whether certain organizations for which the District is not financially accountable should be reported as a component unit based on the nature and significance of the relationship. The District has determined that the Foundation meets this definition for inclusion in the District's financial statements as a component unit. The Foundation is a nonprofit organization and it follows guidance of the Financial Accounting Standards Board for its financial reporting. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. No modifications have been made to the Foundation's audited financial information as it is presented. The Foundation's fiscal year ends on December 31, and the accompanying financial statements include financial information for its fiscal year ended December 31, 2006. Complete financial statements for the Foundation can be obtained from the Foundation's Treasurer, P.O. Box 1234, Columbia, MO 65205-1234.

District-wide and Fund Financial Statements

District-wide Statements:

The Statement of Net Assets and the Statement of Activities present financial information on all the nonfiduciary activities of the District and its component unit. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties. Likewise, the primary government is reported separately from the legally separate component unit.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by customers for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

During the year, the District segregates transactions related to certain functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each

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major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are aggregated and presented in a single column on the face of the proprietary fund statements. The fiduciary fund is reported by type.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The three categories of funds are governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund - The General Fund is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Teachers Fund - The Teachers Fund is required to be established by state law and may be used for the payment of salaries and insurance benefits for certificated personnel. The fund's revenues include property taxes, investment income, and county, state, and federal aid. The fund is also used to account for certain tuition payments made between school districts.

Debt Service Fund - The Debt Service Fund accounts for the revenue collected from local taxation and allocated state aid for the payment of principal and interest on bonded indebtedness.

Capital Projects Fund - The Capital Projects Fund accounts for expenditures from the proceeds of bond issues, investment income earned on the proceeds and other revenues designated for acquisition or construction of major capital assets. The expenditures include major capital outlay projects and equipment purchases for instructional and support programs.

The other governmental fund of the District accounts for grants, contributions, and other resources that are restricted for a particular purpose.

Proprietary Funds

Proprietary funds focus on the determination of changes in net assets, financial position, and cash flows and are classified as either enterprise or internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods and services. The District has no major enterprise funds. The *Food Services Fund*, which accounts for the financial transactions related to the food service operation of the District, and the *Adult Education Fund*, which accounts for the financial transactions related to certain educational programs for adults, are the District's only enterprise funds and are presented as nonmajor funds.

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the District on a cost-reimbursement basis. These funds were established to account for the

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District's self-funded employee benefits programs, which are medical, dental, and workers' compensation. The premiums received by the internal service funds are transferred from other funds as an expense related to personal service. Claims paid, direct insurance payments, and administrative costs are expenses of these funds.

Fiduciary Fund

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are, therefore, not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations. The District's only fiduciary fund is an agency fund, which is used to account for the financial activities of various student groups.

Basis of Accounting, Measurement Focus, and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The district-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied (See Note 3). The District's allocation of the statewide education sales tax is recognized as revenue in the year of the underlying sale. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, allocations from the statewide education sales tax, interest, fines and forfeitures, and certain grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District. Measurable, but unavailable, revenues are reported as deferred revenue, as is the fair value of unused donated commodities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

The effect of interfund activity has been eliminated from the district-wide financial statements; however, the effects of interfund services provided and used have not been eliminated.

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions.

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Internally designated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish between operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the Food Services Fund, the Adult Education Fund, and the internal service funds include charges for meals, tuition, and insurance premiums, respectively. Operating expenses include the cost of providing meals (food and personal services), the cost of classes for adult education (personal services, financial aid, and supplies), and expenses related to providing employee benefits (personal services, professional fees, and direct benefit payments), respectively. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Cash balances from all funds, except the Debt Service Fund and Internal Service Funds, are combined and invested to the extent available in short-term securities. State laws require that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District. Earnings from such investments are allocated to each fund on the basis of the applicable cash balance participation by each fund. Separate accounts are maintained for the Debt Service Fund and the Internal Service Funds. Interest is deposited directly into these accounts. State statutes authorize the District to invest in obligations of the United States government or any agency or instrumentality, including repurchase agreements; bonds of the State of Missouri, or the United States, or of any wholly owned corporation of the United States, and other short-term obligations of the United States; under limited circumstances commercial paper and banker's acceptances; and deposit accounts with insured financial institutions, provided the accounts are entirely insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with government securities that have a fair value exceeding the deposit amount.

Investments with the Missouri Direct Deposit Program and escrow agents for refunding escrow accounts are regulated by investment contracts that only authorize investments in obligations of the United States government or any agency or instrumentality thereof.

Cash balances of the component unit are invested in accordance with the Foundation Board's investment policy that authorizes investments in stocks, bonds, money market accounts, and deposit accounts with insured financial institutions. The Foundation is a legally separate entity and is not bound by the same state laws that address the District's deposits and investments.

Investments for the District are stated at amortized cost, which approximates fair value. Investments for the component unit are stated at fair value.

Receivables

Receivables are reported by source. Local receivables include property taxes, allocations of the statewide education sales tax, and other receivables generated by the District's operations. State receivables include receivables related to funding the District receives from the state. Federal receivables include amounts due to the District from federal grants.

Inventories and Prepaid Items

Inventories are stated at average cost. Inventories of supplies in the General Fund are accounted for using the consumption method. Under this method, the materials are reported as a financial resource

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when acquired and recognized as expenditures when used. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements.

Reported inventories and prepaid items at year-end are offset by a fund balance reserve account, since they do not represent expendable financial resources, even though they are a component of total assets.

Inventory of the Food Services Fund is recorded as an expense when such items are used.

Restricted Assets

Proceeds from the crossover refundings of various general obligation bond issues are held by the District's escrow agent to be used to refund the general obligation bonds as they become due. The amount held by the escrow agent is reported in the district-wide and fund financial statements as restricted assets. The amount reported in the district-wide financial statements as liabilities payable from restricted assets include the amount of general obligation bonds that will be refunded with the restricted assets.

Capital Assets

Capital assets, which include Land, Buildings, Construction in Progress, Mobile Classroom Trailers, and Furniture and Equipment, are reported in the applicable governmental or business-type activity column of the district-wide financial statements. Capital assets purchased from proprietary funds are recorded in the proprietary fund financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year for Furniture and Equipment, and \$50,000 for other assets. All Land purchases are capitalized. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. The District does not own any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets being constructed and in progress as of the date of the financial statements are reported as Construction in Progress.

All reported capital assets except Land and Construction in Progress are depreciated using the straight-line method over the following useful lives and with the following salvage values:

Capital Asset Type	Estimated Useful Life	Salvage Value
Buildings	75 years	25%
Mobile Classroom Trailers	25 years	0%
Furniture and Equipment	10 years	0%

Long-Term Obligations

In the district-wide financial statements long-term debt and other obligations are reported as liabilities in the applicable governmental activities Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing

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sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Compensated Absences

An accrual for certain salary related payments associated with annual leave and an accrual for sick leave is included in the compensated absences liability at year-end. The District's compensated absences liability at June 30 consists of accumulated vacation pay, vested sick leave and certain salary related payments such as Social Security and Medicare.

All twelve-month employees are eligible for vacation pay. Vacation pay is fully vested when earned. District employees are entitled to sick leave at the rate of one day per month of full-time service. Employees are not compensated for unused sick leave upon termination of employment; however, upon retirement unused sick leave is paid at the substitute rate for that position based on the number of days accumulated. Teachers can take early teacher retirement at age fifty-five with five years of service or at any age with twenty-five years of service. Employees can take early non-teacher retirement at age fifty-five if they have five but fewer than twenty-five years of service. As a result, employees are considered vested in their sick leave balance when they have twenty-five years or more of service or are fifty-five years of age.

A liability for compensated absences is reported on the district-wide financial statements and on the proprietary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgets

Budgets are presented in the accompanying financial statements for the General Fund and major special revenue funds that have legally adopted budgets. Budgets are also presented for other funds with legally adopted budgets in the Combining and Individual Fund Statements and Schedules section. The budgets are prepared on the same basis of accounting used to prepare the financial statements. Budgets are legally adopted for the proprietary and fiduciary fund types, but are not presented in the

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accompanying financial statements. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- (a) At the regular June Board meeting of the preceding fiscal year, the Administration submits a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and anticipated revenues.
- (b) The Board meets prior to July 1, after sufficient public notice of the meeting has been given, for official adoption of the budget.

Once the budget is adopted and approved by the Board, the budget may be amended at the function and fund level, only by approval of a majority of the members of the Board of Education. The administration may amend the budget only at the object and location (school or building) level without seeking the approval of the Board. The Board of Education approved budget amendments for the year ended June 30, 2007, at its August 24, 2006, February 12, 2007, May 14, 2007, and June 11, 2007, meetings.

In accordance with Revised Statutes of Missouri (RSMo), Section 67.010, overexpenditure of a legally adopted budget, at the fund level, must have approval of the majority of the Board of Education members. Budgetary reviews are performed monthly by the administration and provided to the Board of Education.

All expenditures of the District are approved monthly at the regular meeting of the Board of Education. Appropriations lapse at year-end.

Note 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the district-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance of total governmental funds and net assets of governmental activities as reported in the district-wide statement of net assets. One element of that reconciliation states that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$1,795,772 difference are as follows:

Deferred property tax related to prior year	\$	408,769
Deferred remainder of property tax unearned		1,387,003
Net adjustment to increase fund balance of total governmental funds to arrive at net assets of governmental activities	\$	1,795,772

Another element of that reconciliation states that "Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this \$149,296,822 difference are as follows:

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Compensated Absences	\$	2,513,637
Liabilities Payable from Restricted Assets		18,000,000
Accrued Interest Payable		1,951,378
General Obligation Bonds Due within One Year		39,755,000
General Obligation Bonds Due in More than One Year		<u>87,076,807</u>
Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of governmental activities	\$	<u>149,296,822</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the district-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances of total governmental funds and changes in net assets of governmental activities as reported in the district-wide statement of activities. One element of that reconciliation states that "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$7,368,035 difference are as follows:

Land	\$	1,319,968
Construction in Progress		(6,046,175)
Buildings		13,746,991
Equipment		642,316
Less: Depreciation Expense		<u>(2,295,065)</u>
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	\$	<u>7,368,035</u>

Another element of that reconciliation states that "Revenues in the Statement of Activities that do not provide current financial resources are not reported in the funds." The details of this \$685,128 difference are as follows:

Earned but unavailable property tax	\$	1,387,003
Prior years' earned but unavailable property tax		<u>(701,875)</u>
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	\$	<u>685,128</u>

Another element of that reconciliation states that "Additional expenses for bond interest payable reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds." The details of this \$390,693 difference are as follows.

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Current bond interest payable	\$	(1,951,378)
Prior year's bond interest payable		<u>2,342,071</u>
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	\$	<u>390,693</u>

Note 3 PROPERTY TAX REVENUE RECOGNITION

Property tax revenues are recognized in the year for which they are levied. In the State of Missouri, January 1 is the lien date since property owners are required to pay property taxes as of that date. However, revenues collected are used to fund the operations of the subsequent school year. Property taxes are collected starting in November and are due by December 31. Property tax revenues are recognized in the district-wide financial statements in the year that the property taxes are used to fund the operation of the school district.

In the fund financial statements, property taxes are recognized when they become available and measurable. Property tax revenues are considered available when they become due or past due and receivable within the current period and received by the District within 60 days of the end of the fiscal year.

Revenues not meeting the above criteria are reported as unearned revenue to the extent a receivable (See Note 5) has been recognized on the related balance sheet or statement of net assets.

Note 4 DEPOSITS & INVESTMENTS

Deposits

At June 30, 2007, the carrying amount of the District's deposits for the primary government was \$6,965,619 and the bank balance was \$10,300,176. Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law. District policy further requires that all securities that serve as collateral against the deposits of a depository institution must be held in safekeeping at a non-affiliated custodial facility.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies, or instrumentalities of the state of Missouri; bonds of any city having a population of not less than two thousand, county, school district, or special road district of the state of Missouri; bonds of any state, tax anticipation notes issued by any first class county, or a surety bond having an aggregate value at least equal to the amount of the deposits.

At December 31, 2006, the carrying amount of the component unit's deposits was \$542,026 and the bank balance was \$415,791. The component unit does not have a deposit policy for custodial credit risk. As of December 31, 2006, \$160,290 of the component unit's bank balance was uninsured and uncollateralized and was exposed to custodial credit risk.

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Investments

As of June 30, 2007, the District (primary government) had the following investments:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Maturity Less Than 1 Year</u>
U.S. Treasury Obligations		
U.S. Treasury Bills	\$ 26,269,692	\$ 26,269,692
U.S. Treasury Notes	2,049,496	2,049,496
U.S. Agencies Obligations		
Freddie Mac Discount Notes	16,874,725	16,874,725
Federal Home Loan Mortgage Corporation Discount Notes	495,820	495,820
Federal Home Loan Bank Discount Notes	2,497,764	2,497,764
Federal National Mortgage Association Discount Notes	17,604,855	17,604,855
External Investment Pool		
Missouri Health and Education Facilities Authority Direct Deposit Program	<u>1,856,217</u>	<u>1,856,217</u>
Total Investments – Primary Government	<u>\$ 67,648,569</u>	<u>\$ 67,648,569</u>

As of December 31, 2006, the discretely presented component unit had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity Less Than 1 Year</u>	<u>Maturity 1-5 Years</u>
U.S. Agencies Obligations			
Federal National Mortgage Association	\$ 99,141	\$ 100,350	\$ -
Federal Home Loan Bank	99,141	-	100,350
Common Stock	<u>254,904</u>	<u>N/A</u>	<u>N/A</u>
Total Investments - Discretely Presented Component Unit	<u>\$ 453,186</u>	<u>\$ 100,350</u>	<u>\$ 100,350</u>

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy mandates structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations thereby avoiding the need to sell securities on the open market prior to maturity. The investment policy also mandates investing operating funds primarily in shorter-term securities.

Amounts reported under the Missouri Health and Education Facilities Authority Direct Deposit Program include amounts withheld from the District's state aid and deposited into an external investment pool trust account at a bank selected by the Authority and the reported value of the pool is the same as the fair value of the pool shares. The investments are redeemed every six months to pay principal and interest obligations on the District's general obligation bonds participating in the program. The Direct Deposit Program is established and regulated by state law. This investment is reported as maturing in

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less than one year because the District's investment in the external investment pool is redeemed less than one year from the date of the financial statements.

Amounts reported under Investment with Fiscal Agent – Refunding Escrow include bond proceeds that have been invested in U.S. Treasury State and Local Government Series bonds and held by the escrow agent in accordance with bond covenants related to past crossover refundings of outstanding general obligation bonds issued by the District. These investments mature as principal and interest payments become due on the refunding bonds until the crossover date. These investments are reported as maturing between one and five years because the crossover dates are all one to five years from the date of the financial statements.

The component unit's investment policy does not address interest rate risk.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2007, all of the District's investments in discount notes of various U.S. agencies were rated A-1 by Standard and Poor's and P-1 by Moody's, the highest ratings given for short-term investments.

The District's investment in the Missouri Health and Education Facilities Authority Direct Deposit Program is not rated by any of the nationally recognized statistical rating organizations.

The component unit's investment policy prohibits investments rated lower than A by any of the nationally recognized statistical rating organizations. The component unit's investment in U.S. agencies were all rated AAA by Standard and Poor's.

Custodial Credit Risk. 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 possession of an outside party. The District's investment policy states that the District will manage custodial credit risk by pre-qualifying the financial institutions and advisors with which the District will do business; and, diversifying the portfolio so that potential losses on individual securities will be minimized. The District's investment policy further mandates that all securities purchased be perfected in the name of or for the account of the District and be held by a third-party custodian as evidenced by appropriate safekeeping receipts.

The component unit's investment policy does not address custodial credit risk.

Concentration of Credit Risk. As a means of limiting its exposure to losses arising from concentration of investments, the District's investment policy mandates that the portfolio not have a concentration of assets in specific maturity, specific issuer, or specific class of securities. At a minimum, diversification standards by security type and issuer are established as a.) U.S. treasuries and securities having principal and/or interest guaranteed by the U.S. Government – 100%; b.) collateralized time and demand deposits – 100%; c.) U.S. Government agencies, and government sponsored enterprises, no more than 60%; d.) collateralized repurchase agreements, no more than 50%; e.) U.S. Government callable securities, no more than 30%; f.) commercial paper, no more than 50%; g.) bankers' acceptances, no more than 50%.

To address concentration of credit risk, the component unit's investment policy mandates that the portfolio have asset allocations meeting the following criteria: a.) Cash and cash equivalents, 0 – 20%; b.) Stocks/Equities, stock funds, 30 – 60%; c.) Bonds, bond funds, fixed, 30 – 60%.

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Reconciliation of Carrying Amounts – Primary Government

A reconciliation of cash and cash equivalents and investments as shown on the balance sheet and the deposits and investments disclosed in this note are as follows:

Balance sheet:

Assets:

Cash and cash equivalents			
Governmental Funds	\$	4,510,029	
Cash and cash equivalents			
Enterprise Funds		936,995	
Cash and cash equivalents			
Internal Service Funds		1,518,595	
Cash – Fiduciary Funds		680,568	
Investments – Governmental Funds		58,103,257	
Investments – Enterprise Funds		1,045,778	
Investments – Internal Service Funds		3,273,370	
Total	\$	70,068,592	

Note disclosure:

Cash on Hand			
	\$	17,463	
Carrying Amount of Deposits		2,402,560	
Investments		67,648,569	
Total	\$	70,068,592	

Note 5 PROPERTY TAXES RECEIVABLE

The amount of prior years' taxes due at June 30, 2007, was obtained from the County Collector who is responsible for the collection of all taxes. The net receivables were calculated as follows:

	<u>General Fund</u>	<u>Teachers Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Property Taxes Receivable (06-07)	\$ 26,336,404	\$ 50,147,230	\$ 15,720,328	\$ 195,938	\$ 92,399,900
Less: Allowance	(84,840)	(166,866)	(52,308)	(652)	(304,666)
Net Property Taxes Receivable	\$ 26,251,564	\$ 49,980,364	\$ 15,668,020	\$ 195,286	\$ 92,095,234
Unearned Revenue	\$ 26,106,004	\$ 49,694,075	\$ 15,578,275	\$ 194,168	\$ 91,572,522

The allowance for doubtful collections was computed by multiplying 0.70% by the total amount of personal property taxes assessed for 2005 through 2007 taxes. The 0.70% is the average uncollected percentage of personal property taxes for 2002 through 2004 taxes. All real property taxes prior to 2004 have been collected and the District assumes all real property taxes will eventually be collected.

Property taxes are assessed and due based upon property ownership and valuation as of January 1 each year. The taxes are payable no later than December 31. A lien attaches on January 1. The levy rate is established by the Board of Education by September 1 each year. Any taxes due and not paid by December 31 are considered delinquent. The County Collector is responsible for the collection of all taxes for government entities in the county. Taxes collected are remitted to the District monthly.

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Note 6 INVENTORIES

Physical inventories of goods on hand were taken as of June 30, 2007. Inventories on hand, stated at cost or average cost, at June 30, 2007, are as follows:

General Fund:	
Consumable supplies	\$ 269,588
Gasoline, fuel oil.....	41,133
Total	<u>\$ 310,721</u>
Food Services Fund:	
Food supplies - purchased	\$ 25,865
Donated commodities.....	122,967
Total	<u>\$ 148,832</u>

Note 7 DUE FROM (TO) OTHER FUNDS

Interfund balances at June 30, 2007, resulting from interfund loans are summarized as follows:

	Interfund <u>Receivable</u>	Interfund <u>Payable</u>
General Fund	\$ 1,713,141	\$ -
Teacher's Fund	-	1,713,141
Total	<u>\$ 1,713,141</u>	<u>\$ 1,713,141</u>

The outstanding balance between the funds is the result of the credit balance in interfund cash in the Teacher's Fund at June 30, 2007.

Note 8 RETIREMENT PLANS

The Columbia Public School District contributes to the Public School Retirement System of Missouri (PSRS), a cost-sharing multiple-employer defined benefit pension plan. PSRS provides retirement and disability benefits to full-time (and certain part-time) certificated employees and death benefits to members and beneficiaries. Benefit provisions are set forth in Chapter 169 of the Revised Statutes of Missouri. The statutes assign responsibility for the administration of the system to a seven-member Board of Trustees. PSRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Public School Retirement System of Missouri, P. O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

PSRS members are required to contribute 12.0% of their annual covered salary and the Columbia Public School District is required to contribute a matching amount. The contribution requirements of members and the Columbia Public School District are established and may be amended by the PSRS Board of Trustees. The District's contributions to PSRS for the year ending June 30, 2007, were \$20,479,114, which was equal to the required contributions, which were made up of \$10,239,557 in employee contributions and \$10,239,557 in employer contributions. For the years ended June 30, 2007, 2006, and 2005, the District contributed 100% of the required contributions. The contributions for the last three fiscal years were as follows:

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

Year Ended June 30,	Amount of Employer Contribution	Contribution as a Percentage of Covered Salaries
2007	\$ 10,239,557	12.0%
2006	9,174,900	11.5%
2005	8,256,468	11.0%

The Columbia Public School District also contributes to the Public Education Employee Retirement System (PEERS), a cost-sharing multiple-employer defined benefit pension plan. PEERS provides retirement and disability benefits to employees of the district who work twenty or more hours per week and who do not contribute to the Public School Retirement System of Missouri. Benefit provisions are set forth in Chapter 169 of the Revised Statutes of Missouri. The statutes assign responsibility for the administration of the system to the Board of Trustees of the Public School Retirement System. 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, P.O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

PEERS members are required to contribute 5.50% of their annual covered salary and the Columbia Public School District is required to contribute a matching amount. The contribution requirements of members and the Columbia Public School District are established and may be amended by the Board of Trustees. The District's contributions to PEERS for the year ending June 30, 2007, were \$2,589,202, which was equal to the required contributions, which were made up of \$1,294,601 in employee contributions and \$1,294,601 in employer contributions. For the years ended June 30, 2007, 2006, and 2005, the District contributed 100% of the required contributions. The contributions for the last three fiscal years were as follows:

Year Ended June 30,	Amount of Employer Contribution	Contribution as a Percentage of Covered Salaries
2007	\$ 1,294,601	5.75%
2006	1,142,715	5.50%
2005	1,040,681	5.25%

The District contributed to PSRS on total salaries and benefits of \$85,329,642 and to PEERS on total salaries and benefits of \$21,576,683 for the year ended June 30, 2007. The overall payroll (salaries and benefits) for the District was \$113,462,091, which includes payroll of \$6,555,766 not subject to either retirement system.

The ten-year historical trend information is included in the Public School Retirement System's and Public Education Employee Retirement System's financial reports.

Note 9 OPERATING LEASES

The District leases various buildings for additional office space, the Center for Gifted Education, and trailers for additional classroom space. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2007, were \$1,279,324. Future minimum lease payments for these leases are as follows:

Year Ending June 30,	Amount
2008	\$ 1,205,496
2009	787,331
2010	541,231
2011	220,568
Total	\$ 2,754,626

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

Currently, all operating leases for the district expire by June 30, 2011. No future minimum lease payments are currently required after that date.

Note 10 LONG-TERM DEBT

Bonds Payable

All District bonds are general obligation bonds with maturities from 2007 to 2021 and average net interest rates at issue from 2.83% to 7.23%. General obligation bonds outstanding at June 30, 2007, were \$144,680,000. Scheduled bond retirement and interest payable in the next fiscal year are \$31,095,000 and \$5,854,135, respectively.

All principal and interest requirements are funded in accordance with Missouri law by the annual tax levy on the District's assessed valuation and allocated state aid. In addition, at June 30, 2007, the District had accumulated \$32,957,814 in the Debt Service Fund for future debt requirements.

The bonds are due, in total by year, as follows:

<u>Year Ending June 30,</u>	<u>Bond Payment</u>	<u>Interest Payment</u>	<u>Total</u>
2008	\$ 31,095,000	\$ 5,854,135	\$ 36,949,135
2009	11,160,000	4,442,108	15,602,108
2010	12,175,000	3,990,040	16,165,040
2011	11,670,000	3,492,110	15,162,110
2012	13,955,000	3,087,674	17,042,674
2013-2017	52,545,000	7,540,510	60,085,510
2018-2021	12,080,000	906,580	12,986,580
	<u>\$ 144,680,000</u>	<u>\$ 29,313,157</u>	<u>\$ 173,993,157</u>

Article VI, Section 26(b), Constitution of Missouri, limits the amount of authorized general obligation bonds of a district to 15 percent of the assessed valuation of a district for state and county purposes.

The estimated legal debt margin of the District at June 30, 2007, was calculated as follows:

Legal Debt Limit (Excluding State Assessed Utilities)	\$ 271,084,733
Less Indebtedness	
General Obligation Bonds Payable	\$ 144,680,000
Balance of Debt Service Fund	<u>(32,957,814)</u>
Total Estimated Legal Debt Margin	<u>\$ 159,362,547</u>

Changes in Long-Term Debt

Changes in long-term debt for the District for the year ended June 30, 2007, are as follows:

	<u>Governmental Activities</u>				<u>Business- Type Activities</u>
	<u>Bonds</u>	<u>Less Deferred Amounts</u>	<u>Compensated Absences</u>	<u>Total</u>	<u>Compensated Absences</u>
Balance, June 30, 2006	\$ 168,380,000	\$ 179,733	\$ 2,038,404	\$ 170,598,137	\$ 190,602
Additions	-	-	805,212	805,212	36,313
Reductions	<u>(23,700,000)</u>	<u>(27,926)</u>	<u>(329,979)</u>	<u>(24,057,905)</u>	<u>(73,952)</u>
Balance, June 30, 2007	\$ 144,680,000	\$ 151,807	\$ 2,513,637	\$ 147,345,444	\$ 152,963
Due in one year	<u>\$ 39,755,000</u>	<u>\$ -</u>	<u>\$ 600,000</u>	<u>\$ 40,355,000</u>	<u>\$ 26,000</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

The district-wide financial statements include \$20,220,790 in Restricted Assets and \$20,125,000 in Liabilities Payable from Restricted Assets. The Liabilities Payable from Restricted Assets represents the liability for general obligation bonds that has been refunded with crossover refundings. The refunded bonds will be retired on various future dates in accordance with the refunding bonds' covenants. The Restricted Assets represent the amount that has been placed into an irrevocable escrow account that will be used to retire the bonds.

The General Fund has typically been used to liquidate the liability for compensated absences for Governmental Activities.

Note 11 CHANGES IN CAPITAL ASSETS

Capital Assets activity for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 3,861,080	\$ 1,319,968	\$ -	\$ 5,181,048
Construction in progress	13,139,605	7,700,816	(13,746,991)	7,093,430
Capital assets that are depreciated:				
Buildings	151,857,223	13,746,991	-	165,604,214
Mobile classroom trailers	2,218,976	-	-	2,218,976
Furniture and equipment	7,721,413	666,216	(23,900)	8,363,729
Total capital assets, governmental activities	<u>178,798,297</u>	<u>23,433,991</u>	<u>(13,770,891)</u>	<u>188,461,397</u>
Accumulated depreciation, governmental activities:				
Buildings	(28,742,838)	(1,549,961)	-	(30,292,799)
Mobile classroom trailers	(1,109,488)	(88,759)	-	(1,198,247)
Furniture and equipment	(3,214,722)	(675,465)	19,120	(3,871,067)
Total accumulated depreciation, governmental activities	<u>(33,067,048)</u>	<u>(2,314,185)</u>	<u>19,120</u>	<u>(35,362,113)</u>
Total capital assets, governmental activities, net	<u>\$ 145,731,249</u>	<u>\$ 21,119,806</u>	<u>\$ (13,751,771)</u>	<u>\$ 153,099,284</u>
Business-Type Activities:				
Capital assets that are not depreciated:				
Land	\$ 37,763	\$ -	\$ -	\$ 37,763
Capital assets that are depreciated:				
Buildings	289,976	-	-	289,976
Furniture and equipment	943,495	54,106	-	997,901
Total capital assets, business-type activities	<u>1,271,534</u>	<u>54,106</u>	<u>-</u>	<u>1,325,640</u>
Accumulated depreciation, business-type activities:				
Buildings	(97,499)	(2,900)	-	(100,399)
Furniture and equipment	(628,550)	(59,847)	-	(688,397)
Total accumulated depreciation, business-type activities	<u>(726,049)</u>	<u>(62,747)</u>	<u>-</u>	<u>(788,796)</u>
Total capital assets, business-type activities, net	<u>\$ 545,485</u>	<u>\$ (8,641)</u>	<u>\$ -</u>	<u>\$ 536,844</u>

Depreciation expense for governmental activities is reported in the Statement of Activities and was allocated to Operation of Plant.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

Note 12 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of June 30, 2007, the District had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
<u>Capital Projects Fund</u>		
Career Center Addition	\$ 1,238,903	7/06/07
Parkade Elementary Roof Replacement	443,510	8/01/07
Renovations at Various Schools	202,777	8/03/07
Artificial Turf Installation at Hickman and Rock Bridge	14,999	8/15/07
	<u>\$ 1,900,189</u>	

Note 13 CONTINGENT LIABILITIES

Litigation

The District may periodically be the defendant in a lawsuit arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded.

Grants

As a recipient of various federal funds, the District is subject to the audit of these programs that could result in disallowance of grant expenditures. The District is unaware of any disallowances and expects such amounts, if any, to be immaterial.

Note 14 RISK MANAGEMENT

Self Insurance

The District has established self-insured benefits programs, which are medical, dental, and workers' compensation programs in the Internal Service Funds. The purpose of these funds is to pay the medical and dental claims of the District's employees and their covered dependents and to pay workers' compensation claims from accumulated assets of the fund.

The District is covered by an excess loss contract on its medical benefits program that provides specific stop-loss coverage for claims in excess of \$250,000 per individual. The District is also covered by an excess loss contract on its workers compensation program that provides specific stop-loss coverage for claims in excess of \$350,000 for each accident and aggregate stop-loss coverage when aggregate claims exceed 170% of premiums. Settled claims have not exceeded this coverage in the last three fiscal years.

The District allocates the cost of providing the medical insurance and dental insurance to its employees and their dependents by annually determining a "premium" to be charged to the other funds for each covered employee to pay current or prior year claims. Also, all the funds of the District participate in the workers' compensation program by making payments to the Internal Service Funds based on actuarial estimates of the amounts needed to pay prior-year and current-year claims. The net assets of the Internal Service Funds were \$3,206,425 as of June 30, 2007. Liabilities related to workers' compensation are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities related to medical, dental, and workers' compensation claims include amounts that have been incurred but not reported. As of June 30, 2007, the total claims

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

liability was \$1,601,946. Changes in the claims liability amount for the past three fiscal years were:

Year Ended June 30,	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payment	Administrative Cost	Balance at Fiscal Year-End
2007	\$ 1,023,334	\$ 18,340,472	\$ (17,430,643)	\$ (331,217)	\$ 1,601,946
2006	1,213,207	13,925,164	(13,852,113)	(262,924)	1,023,334
2005	1,388,468	13,077,306	(12,941,973)	(310,594)	1,213,207

Other Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. For the years ended June 30, 2007, 2006, and 2005, the settlements did not exceed the insurance coverage provided by commercial insurance.

Note 15 FUND EQUITY

Reservations

Reservations of fund balances of governmental funds are established to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance accounts are summarized below.

Reserve for Debt Service

The reserve for debt service represents amounts invested with a fiscal agent to be used to refund certain bond issues.

Reserve for Inventories

The reserve for inventories was created to represent the portion of the fund balance that is not available for expenditures because the District expects to use these resources within the next budgetary period.

Reserve for Prepaid Expenditures

The reserve for prepaid expenditures was created to represent the portion of the fund balance that is not available for expenditures because the District will use these resources within the next budgetary period.

Note 16 DEFERRED COMPENSATION PLAN

Employees are eligible to participate in two deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, available to all District employees, permit them to defer a portion of their salary until future years. Participation in the plans is optional. The deferred compensation is not available, without penalty, to employees except under limited circumstances specified in the Internal Revenue Code.

Investments are selected by the plan participants and managed by individual investment agencies. The participants make the choice of the investment agency for the Section 403(b) plan. MetLife is the investment agency for all employees who participate in the Section 457 plan.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

Note 17 SUBSEQUENT EVENTS

On July 12, 2007, the district issued \$9,990,000 million of general obligation bonds to finance the acquisition of new technology equipment and acquisition and installation of air conditioning equipment and window replacement and construction of roof repairs for five elementary buildings. The initial energy survey work is in progress and energy retrofits and other renovations will commence upon completion of the survey work and are expected to be completed prior to the start of school in the fall of 2008. Technology expenditures are expected to be made during the 2007-08 school year.

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

GOVERNMENTAL FUNDS

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Debt Service Fund - The Debt Service Fund accounts for the revenue collected from local taxation and allocated state aid for the payment of principal and interest on bonded indebtedness.

Capital Projects Fund - The Capital Projects Fund accounts for expenditures from the proceeds of bond issues, investment income earned on the proceeds and other revenues designated for acquisition or construction of major capital assets. The expenditures include major capital outlay projects and equipment purchases for instructional and support programs.

Grants and Donations Fund - This fund was established to account for certain local, state, and federal revenue received and the related expenditures. Expenditures are from all program areas and these programs are dependent upon special funding. Some categorical and noncategorical state and federal revenue is also included in the General Fund and the Teachers Fund.

**COLUMBIA PUBLIC SCHOOL DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>with Final Budget</u>
REVENUES				
Local	\$ 15,919,198	\$ 16,261,863	\$ 16,440,823	\$ 178,960
County	274,801	281,142	272,436	(8,706)
State	1,516,184	1,516,184	1,580,147	63,963
Total Revenues	<u>17,710,183</u>	<u>18,059,189</u>	<u>18,293,406</u>	<u>234,217</u>
EXPENDITURES				
Debt Service				
Principal	19,950,000	23,700,000	23,700,000	-
Interest and Fees	<u>7,061,017</u>	<u>7,061,017</u>	<u>7,047,670</u>	13,347
Total Expenditures	<u>27,011,017</u>	<u>30,761,017</u>	<u>30,747,670</u>	<u>13,347</u>
NET CHANGE IN FUND BALANCE	(9,300,834)	- (12,701,828)	- (12,454,264)	247,564
FUND BALANCE, JULY 1	<u>45,412,078</u>	<u>45,412,078</u>	<u>45,412,078</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 36,111,244</u>	<u>\$ 32,710,250</u>	<u>\$ 32,957,814</u>	<u>\$ 247,564</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>with Final Budget</u>
REVENUES				
Local	\$ 771,121	\$ 832,059	\$ 879,968	\$ 47,909
County	2,154	2,234	6,953	4,719
State	89,186	89,186	757,016	667,830
Total Revenues	<u>862,461</u>	<u>923,479</u>	<u>1,643,937</u>	<u>720,458</u>
EXPENDITURES				
Capital Outlay and Construction				
Furniture and Equipment	4,000,000	3,388,255	2,261,368	1,126,887
Vehicles	-	143,400	152,845	(9,445)
Land and Site Improvements	550,000	1,134,000	1,028,799	105,201
Building Additions and Renovations	8,450,000	8,450,795	7,422,305	1,028,490
Total Capital Outlay and Construction	<u>13,000,000</u>	<u>13,116,450</u>	<u>10,865,317</u>	<u>2,251,133</u>
Total Expenditures	<u>13,000,000</u>	<u>13,116,450</u>	<u>10,865,317</u>	<u>2,251,133</u>
NET CHANGE IN FUND BALANCE	(12,137,539)	(12,192,971)	(9,221,380)	2,971,591
FUND BALANCE, JULY 1	<u>16,520,138</u>	<u>16,520,138</u>	<u>16,520,138</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 4,382,599</u>	<u>\$ 4,327,167</u>	<u>\$ 7,298,758</u>	<u>\$ 2,971,591</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
GRANTS AND DONATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>with Final Budget</u>
REVENUES				
Local	\$ 1,553,629	\$ 2,070,310	\$ 1,438,773	\$ (631,537)
State	1,101,387	2,374,805	2,166,705	(208,100)
Federal	2,066,917	1,722,333	1,830,443	108,110
Total Revenues	<u>4,721,933</u>	<u>6,167,448</u>	<u>5,435,921</u>	<u>(731,527)</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	1,674,342	2,051,038	1,850,907	200,131
Special Instruction	220,240	254,923	173,000	81,923
Vocational Instruction	700,000	707,078	551,015	156,063
Student Activities - Athletics	-	-	412,004	(412,004)
Total Instruction	<u>2,594,582</u>	<u>3,013,039</u>	<u>2,986,926</u>	<u>26,113</u>
Pupil Support Services				
Guidance and Counseling	69,565	72,565	90,749	(18,184)
Health and Ancillary Services	112,500	112,500	114,457	(1,957)
Improvement of Instruction	22,781	123,781	89,351	34,430
Media Services	152,000	261,020	77,040	183,980
Total Support Services	<u>356,846</u>	<u>569,866</u>	<u>371,597</u>	<u>198,269</u>
Other				
Pupil Transportation	-	-	21,210	(21,210)
Adult Literacy	139,212	150,000	183,737	(33,737)
Community Services	1,631,293	2,434,543	2,122,806	311,737
Total Other	<u>1,770,505</u>	<u>2,584,543</u>	<u>2,327,753</u>	<u>256,790</u>
Total Expenditures	<u>4,721,933</u>	<u>6,167,448</u>	<u>5,686,276</u>	<u>481,172</u>
NET CHANGE IN FUND BALANCE	-	-	(250,355)	(250,355)
FUND BALANCE, JULY 1	<u>1,474,674</u>	<u>1,474,674</u>	<u>1,474,674</u>	-
FUND BALANCE, JUNE 30	<u>\$ 1,474,674</u>	<u>\$ 1,474,674</u>	<u>\$ 1,224,319</u>	<u>\$ (250,355)</u>

NONMAJOR ENTERPRISE FUNDS

Enterprise Funds account for certain revenues derived from charges for services and assistance received from the State of Missouri and federal agencies. The District's accounting policy is for these funds to be self-sufficient, meaning they do not rely on funding from the general revenues of the District. The operations of enterprise funds are accounted for in a manner similar to private business enterprises.

Food Services Fund - This fund accounts for the revenue of the nutrition services program and the related expenses for food purchases and other operating costs, including depreciation.

Adult Education Fund - This fund accounts for the revenue of the adult education program and the related expenses for personal services and other operating costs, including depreciation.

COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS - NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2007

	<u>Enterprise Funds</u>		<u>Total Nonmajor Enterprise Funds</u>
	<u>Food Services</u>	<u>Adult Education</u>	
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 608,702	\$ 328,293	\$ 936,995
Investments	1,045,778	-	1,045,778
Receivables (Net of Allowance for Uncollectibles)			
Local	-	97,442	97,442
Federal	357,838	39,805	397,643
Inventories	148,832	-	148,832
Prepaid Expenditures	880	100	980
Total Current Assets	<u>2,162,030</u>	<u>465,640</u>	<u>2,627,670</u>
Noncurrent Assets			
Capital Assets (Net of Accumulated Depreciation)			
Land	-	37,763	37,763
Buildings	-	189,578	189,578
Furniture and Equipment	292,902	16,601	309,503
Total Noncurrent Assets	<u>292,902</u>	<u>243,942</u>	<u>536,844</u>
Total Assets	<u>2,454,932</u>	<u>709,582</u>	<u>3,164,514</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	45,561	3,537	49,098
Accrued Salaries and Payroll Taxes	50,056	21,994	72,050
Unearned Revenue	122,967	28,920	151,887
Total Current Liabilities	<u>218,584</u>	<u>54,451</u>	<u>273,035</u>
Noncurrent Liabilities			
Liability for Long-Term			
Compensated Absences	118,052	34,911	152,963
Total Liabilities	<u>336,636</u>	<u>89,362</u>	<u>425,998</u>
NET ASSETS			
Invested in Capital Assets	292,902	243,942	536,844
Unrestricted	1,825,394	376,278	2,201,672
Total Net Assets	<u>\$ 2,118,296</u>	<u>\$ 620,220</u>	<u>\$ 2,738,516</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Enterprise Funds</u>		<u>Total Nonmajor Enterprise Funds</u>
	<u>Food Services</u>	<u>Adult Education</u>	
OPERATING REVENUES			
Food Sales	\$ 3,167,898	\$ -	\$ 3,167,898
Tuition	-	944,217	944,217
Total Operating Revenues	<u>3,167,898</u>	<u>944,217</u>	<u>4,112,115</u>
OPERATING EXPENSES			
Food Purchased	2,354,523	-	2,354,523
Salaries and Wages	1,954,997	999,662	2,954,659
Fringe Benefits	732,353	247,678	980,031
Supplies	420,810	130,972	551,782
Purchased Services	95,821	153,617	249,438
Travel	13,609	15,614	29,223
Repairs	108,711	10,570	119,281
Donated Commodities Used	337,700	-	337,700
Financial Aid	-	177,471	177,471
Depreciation	56,829	5,918	62,747
Total Operating Expenses	<u>6,075,353</u>	<u>1,741,502</u>	<u>7,816,855</u>
OPERATING LOSS	<u>(2,907,455)</u>	<u>(797,285)</u>	<u>(3,704,740)</u>
NONOPERATING REVENUES			
State Assistance	45,687	274,572	320,259
Federal Assistance	2,635,487	483,265	3,118,752
Earnings on Investments	82,879	16,717	99,596
Donated Commodities	337,700	-	337,700
Total Nonoperating Revenues	<u>3,101,753</u>	<u>774,554</u>	<u>3,876,307</u>
CHANGES IN NET ASSETS	194,298	(22,731)	171,567
NET ASSETS, JULY 1	<u>1,923,998</u>	<u>642,951</u>	<u>2,566,949</u>
NET ASSETS, JUNE 30	<u>\$ 2,118,296</u>	<u>\$ 620,220</u>	<u>\$ 2,738,516</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	Enterprise Funds		Total Nonmajor Enterprise Funds
	Food Services	Adult Education	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Sales/Tuition	\$ 3,167,898	\$ 854,352	\$ 4,022,250
Cash Payments for Supplies and Services	(3,054,873)	(500,922)	(3,555,795)
Cash Payments to Employees for Services	(2,683,672)	(1,239,725)	(3,923,397)
Net Cash From Operating Activities	(2,570,647)	(886,295)	(3,456,942)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal/State Assistance	2,606,856	759,107	3,365,963
Net Cash From Noncapital Financing Activities	2,606,856	759,107	3,365,963
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(54,106)	-	(54,106)
Net Cash From Capital and Related Financing Activities	(54,106)	-	(54,106)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	82,879	16,717	99,596
Investments Purchased	(1,045,778)	-	(1,045,778)
Investments Matured or Sold	1,473,725	437,764	1,911,489
Net Cash From Investing Activities	510,826	454,481	965,307
NET INCREASE IN CASH AND CASH EQUIVALENTS	492,929	327,293	820,222
CASH AND CASH EQUIVALENTS, JULY 1	115,773	1,000	116,773
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 608,702	\$ 328,293	\$ 936,995
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES			
Operating Loss	\$ (2,907,455)	\$ (797,285)	\$ (3,704,740)
Adjustments to Reconcile Operating Loss to Net Cash From Operating Activities			
Depreciation	56,829	5,918	62,747
Donated Commodities Used	337,700	-	337,700
Change in Assets and Liabilities			
Increase in Receivables	-	(80,001)	(80,001)
Increase in Inventories	(15,315)	-	(15,315)
Decrease in Prepaid Expenses	44,645	314	44,959
Increase (Decrease) in Accounts Payable and Accrued Liabilities	80,269	(7,124)	73,145
Decrease in Unearned Revenue	(127,934)	(9,864)	(137,798)
Increase (Decrease) in Compensated Absences Payable	(39,386)	1,747	(37,639)
Net Cash From Operating Activities	\$ (2,570,647)	\$ (886,295)	\$ (3,456,942)
SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES			
Donated Commodities Received	\$ 356,728	\$ -	\$ 356,728
Donated Commodities Used	\$ 337,700	\$ -	\$ 337,700

INTERNAL SERVICE FUNDS

The Internal Service Funds were established to account for the District's self-funded benefits programs, which are medical, dental and workers' compensation programs. The premiums of the Employee Benefits Funds are transferred as an expenditure from other funds as related to staff personnel. Claims paid, direct insurance payments and administrative costs are expenses of these funds.

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS
JUNE 30, 2007**

	<u>Workers' Compensation</u>	<u>Medical Insurance</u>	<u>Dental Insurance</u>	<u>Total</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 598,802	\$ 599,669	\$ 320,124	\$ 1,518,595
Investments	1,290,634	1,982,736	-	3,273,370
Receivables				
Local	-	16,406	-	16,406
Total Assets	<u>1,889,436</u>	<u>2,598,811</u>	<u>320,124</u>	<u>4,808,371</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	<u>3,696</u>	<u>1,598,173</u>	<u>77</u>	<u>1,601,946</u>
NET ASSETS				
Unrestricted	<u>1,885,740</u>	<u>1,000,638</u>	<u>320,047</u>	<u>3,206,425</u>
Total Net Assets	<u>\$ 1,885,740</u>	<u>\$ 1,000,638</u>	<u>\$ 320,047</u>	<u>\$ 3,206,425</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	Workers' Compensation	Medical Insurance	Dental Insurance	Total
OPERATING REVENUES				
Insurance Premiums	\$ 1,366,066	\$ 14,013,856	\$ 1,042,910	\$ 16,422,832
OPERATING EXPENSES				
Salaries and Wages	37,446	41,607	4,161	83,214
Fringe Benefits	9,099	10,111	1,011	20,221
Purchased Services	496	5,961	217	6,674
Excess Loss Insurance	81,671	183,821	-	265,492
Administration Fees	113,999	106,446	104,098	324,543
Benefits Paid/Accrued	569,929	15,630,389	964,833	17,165,151
Total Operating Expenses	812,640	15,978,335	1,074,320	17,865,295
OPERATING INCOME (LOSS)	553,426	(1,964,479)	(31,410)	(1,442,463)
NONOPERATING REVENUES				
Earnings on Investments	102,581	162,274	15,848	280,703
CHANGES IN NET ASSETS	656,007	(1,802,205)	(15,562)	(1,161,760)
NET ASSETS, JULY 1	1,229,733	2,802,843	335,609	4,368,185
NET ASSETS, JUNE 30	\$ 1,885,740	\$ 1,000,638	\$ 320,047	\$ 3,206,425

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Workers' Compensation</u>	<u>Medical Insurance</u>	<u>Dental Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Premiums	\$ 1,366,066	\$ 14,013,856	\$ 1,042,910	\$ 16,422,832
Cash Payments for Supplies and Services	(196,166)	(296,228)	(104,315)	(596,709)
Cash Payments to Employees for Services	(46,545)	(51,718)	(5,172)	(103,435)
Cash Payments for Claims/Benefits	<u>(566,233)</u>	<u>(15,055,550)</u>	<u>(964,756)</u>	<u>(16,586,539)</u>
Net Cash From Operating Activities	<u>557,122</u>	<u>(1,389,640)</u>	<u>(31,333)</u>	<u>(863,851)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	102,581	162,274	15,848	280,703
Investments Purchased	(3,647,806)	(3,713,750)	-	(7,361,556)
Investments Matured or Sold	<u>3,576,076</u>	<u>3,438,562</u>	<u>-</u>	<u>7,014,638</u>
Net Cash From Investing Activities	<u>30,851</u>	<u>(112,914)</u>	<u>15,848</u>	<u>(66,215)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	587,973	(1,502,554)	(15,485)	-
	-	-	-	(930,066)
CASH AND CASH EQUIVALENTS, JULY 1	<u>10,829</u>	<u>2,102,223</u>	<u>335,609</u>	<u>2,448,661</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 598,802</u>	<u>\$ 599,669</u>	<u>\$ 320,124</u>	<u>\$ 1,518,595</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 553,426	\$ (1,964,479)	\$ (31,410)	\$ (1,442,463)
Change in Assets and Liabilities				
Increase in Accounts Payable	<u>3,696</u>	<u>574,839</u>	<u>77</u>	<u>578,612</u>
Net Cash From Operating Activities	<u>\$ 557,122</u>	<u>\$ (1,389,640)</u>	<u>\$ (31,333)</u>	<u>\$ (863,851)</u>

FIDUCIARY FUND

The Student Activity Fund accounts for the receipt and disbursement of monies by various student organizations. The accounting reflects the District's agency relationship with the student organizations.

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY
STUDENT ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2007</u>
ASSETS				
Cash and Cash Equivalents	\$ 654,360	\$ 1,656,151	\$ 1,629,943	\$ 680,568
Total Assets	<u>\$ 654,360</u>	<u>\$ 1,656,151</u>	<u>\$ 1,629,943</u>	<u>\$ 680,568</u>
LIABILITIES				
Accounts Payable	\$ 17,858	\$ 1,612,305	\$ 1,612,085	\$ 18,078
Due to Student Groups	636,502	1,656,151	1,630,163	662,490
Total Liabilities	<u>\$ 654,360</u>	<u>\$ 3,268,456</u>	<u>\$ 3,242,248</u>	<u>\$ 680,568</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF CHANGES IN DUE TO STUDENT GROUPS
STUDENT ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2007</u>
Hickman High	\$ 253,411	\$ 485,100	\$ 540,655	\$ 197,856
Rock Bridge High	137,476	568,407	505,140	200,743
Douglass High	2,800	5,701	7,588	913
Jefferson Junior High	25,712	52,118	42,524	35,306
Oakland Junior High	39,873	82,270	98,625	23,518
West Junior High	48,046	118,582	118,501	48,127
Gentry Middle	28,420	76,100	64,963	39,557
Lange Middle	17,030	48,666	48,933	16,763
Smithton Middle	28,431	35,523	31,484	32,470
Columbia Area Career Center	<u>55,303</u>	<u>183,684</u>	<u>171,750</u>	<u>67,237</u>
TOTAL	<u>\$ 636,502</u>	<u>\$ 1,656,151</u>	<u>\$ 1,630,163</u>	<u>\$ 662,490</u>

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Statistical Section

STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the financial information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Financial Trends	Pages
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time	76-79
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes	80-84
Debt Capacity	
These schedules contain information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future	85-87
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place	88-89
Operating Information	
These schedules contain service data to help the reader assess how information in the District's financial reports relates to the services the District provides and the activities it performs	90-97

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

The District implemented GASB Statement No. 34 for its fiscal year 2002. To the extent the information is available, all of the comparative schedules in this section have been prepared to include information from that date through the current fiscal year. In some cases, when information was available for years prior to 2002, that information has been included in this section.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
(accrual basis of accounting)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental Activities						
Investment in Capital Assets, Net of Related Debt	\$ 13,591,921	\$ 15,044,065	\$ 19,762,223	\$ 18,990,907	\$ 24,612,653	\$ 33,972,408
Restricted	24,691,076	19,561,703	18,802,860	15,452,347	21,650,657	15,405,027
Unrestricted	13,369,795	21,262,742	23,997,435	30,102,944	32,131,429	37,725,319
Total Net Assets - Governmental Activities	<u>\$ 51,652,792</u>	<u>\$ 55,868,510</u>	<u>\$ 62,562,518</u>	<u>\$ 64,546,198</u>	<u>\$ 78,394,739</u>	<u>\$ 87,102,754</u>
Business-Type Activities						
Investment in Capital Assets	\$ 594,149	\$ 676,855	\$ 666,820	\$ 612,799	\$ 545,485	\$ 536,844
Unrestricted	1,119,446	1,360,761	1,808,505	2,071,787	2,021,464	2,201,672
Total Net Assets - Business-Type Activities	<u>\$ 1,713,595</u>	<u>\$ 2,037,616</u>	<u>\$ 2,475,325</u>	<u>\$ 2,684,586</u>	<u>\$ 2,566,949</u>	<u>\$ 2,738,516</u>
Primary Government						
Investment in Capital Assets, Net of Related Debt	\$ 14,186,070	\$ 15,720,920	\$ 20,429,043	\$ 19,603,706	\$ 25,158,138	\$ 34,509,252
Restricted	24,691,076	19,561,703	18,802,860	15,452,347	21,650,657	15,405,027
Unrestricted	14,489,241	22,623,503	25,805,940	32,174,731	34,152,893	39,926,991
Total Primary Government Net Assets	<u>\$ 53,366,387</u>	<u>\$ 57,906,126</u>	<u>\$ 65,037,843</u>	<u>\$ 67,230,784</u>	<u>\$ 80,961,688</u>	<u>\$ 89,841,270</u>

Note: The district began to report accrual information when it implemented GASB statement 34 in 2002.

**COLUMBIA PUBLIC SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(accrual basis of accounting)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Expenses						
Governmental Activities						
Instruction						
Regular Instruction	\$ 51,648,524	\$ 52,507,413	\$ 51,943,685	\$ 60,010,663	\$ 62,368,219	\$ 69,409,879
Special Education	17,902,735	18,155,878	18,902,996	20,082,002	22,252,901	23,869,576
Vocational Instruction	3,399,091	3,505,684	3,662,831	3,455,086	3,385,039	3,825,527
Student Activities	775,348	779,063	750,410	733,748	1,211,202	1,357,904
Tuition to Other Districts	325,486	349,088	396,470	354,159	375,203	280,821
Total Instruction	<u>74,051,184</u>	<u>75,297,126</u>	<u>75,656,392</u>	<u>84,635,658</u>	<u>89,592,564</u>	<u>98,743,707</u>
Support Services						
Attendance	153,602	147,998	146,083	163,181	187,923	187,146
Guidance and Counseling	4,907,155	4,797,385	4,830,688	4,948,835	5,173,219	5,479,692
Health and Ancillary Services	2,544,079	2,630,980	2,633,925	2,747,952	2,392,264	3,096,930
Improvement of Instruction	2,286,164	2,219,231	1,986,066	2,109,746	2,175,427	2,749,239
Media Services	6,918,783	5,588,187	5,771,286	7,532,218	7,113,770	7,524,417
Board Services	352,086	316,632	242,897	319,449	289,040	368,499
General Administration	1,531,762	1,733,066	1,595,475	1,687,864	1,930,574	2,162,707
Building Administration	7,063,174	7,562,808	7,828,216	8,649,127	8,955,676	9,859,820
Business, Central Services	1,492,325	1,071,247	763,309	800,688	885,449	869,884
Operation of Plant	13,477,311	14,420,078	14,747,806	15,636,034	16,576,111	18,450,861
Pupil Transportation	4,920,751	5,353,259	5,864,266	6,418,242	6,945,474	7,302,948
Adult Literacy	2,175,298	385,942	426,265	205,451	216,756	263,542
Community Services	1,317,415	3,413,094	3,445,418	3,676,452	3,645,829	4,255,908
Total Support Services	<u>49,139,905</u>	<u>49,639,907</u>	<u>50,281,700</u>	<u>54,895,239</u>	<u>56,487,512</u>	<u>62,571,593</u>
Non-Instruction/Support Services						
Interest Payment, Bonds	6,195,765	6,541,783	7,125,149	6,839,392	6,895,384	6,629,051
Total Non-Instruction/Support Services	<u>6,195,765</u>	<u>6,541,783</u>	<u>7,125,149</u>	<u>6,839,392</u>	<u>6,895,384</u>	<u>6,629,051</u>
Total Governmental Activities Expenses	<u>129,386,854</u>	<u>131,478,816</u>	<u>133,063,241</u>	<u>146,370,289</u>	<u>152,975,460</u>	<u>167,944,351</u>
Business-Type Activities						
Food Services	4,566,258	4,665,802	4,782,168	5,246,357	5,767,486	6,075,353
Adult Education	2,034,483	2,019,107	1,852,542	1,767,660	1,744,828	1,741,502
Total Business-Type Activities	<u>6,600,741</u>	<u>6,684,909</u>	<u>6,634,710</u>	<u>7,014,017</u>	<u>7,512,314</u>	<u>7,816,855</u>
Total Primary Government Expenses	<u>\$ 135,987,595</u>	<u>\$ 138,163,725</u>	<u>\$ 139,697,951</u>	<u>\$ 153,384,306</u>	<u>\$ 160,487,774</u>	<u>\$ 175,761,206</u>
Program Revenues						
Governmental Activities						
Charges for Services	\$ 1,488,738	\$ 1,367,765	\$ 1,280,592	\$ 1,071,876	\$ 1,045,101	\$ 1,014,499
Operating Grants and Contributions	25,683,051	26,148,620	27,552,721	28,622,367	31,487,752	24,382,218
Capital Grants and Contributions	988,283	804,728	639,303	614,341	979,008	2,222,829
Total Governmental Activities Program Revenues	<u>28,160,072</u>	<u>28,321,113</u>	<u>29,472,616</u>	<u>30,308,584</u>	<u>33,511,861</u>	<u>27,619,546</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(accrual basis of accounting)
(continued)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Business Type Activities						
Charges for Services						
Food Services	2,628,678	2,667,828	2,753,623	2,841,177	2,796,811	3,167,898
Adult Education	1,123,413	1,192,950	907,133	862,321	865,631	944,217
Operating Grants and Contributions	3,033,119	3,148,152	3,411,663	3,519,780	3,645,210	3,776,711
Total Business-Type Activities Program Revenue	<u>6,785,210</u>	<u>7,008,930</u>	<u>7,072,419</u>	<u>7,223,278</u>	<u>7,307,652</u>	<u>7,888,826</u>
Total Primary Government Program Revenue	34,945,282	35,330,043	36,545,035	37,531,862	40,819,513	35,508,372
Net Expenses	<u>\$ (101,042,313)</u>	<u>\$ (102,833,682)</u>	<u>\$ (103,152,916)</u>	<u>\$ (115,852,444)</u>	<u>\$ (119,668,261)</u>	<u>\$ (140,252,834)</u>
General Revenues and Other Changes in Net Assets						
Governmental Activities						
Taxes						
Property Tax	\$ 60,302,141	\$ 63,123,678	\$ 68,391,365	\$ 69,559,312	\$ 78,624,488	\$ 83,795,282
Other Taxes	1,409,982	1,459,605	1,611,888	1,629,305	1,863,554	2,067,302
Allocation of Statewide Education Sales Tax	13,475,207	11,641,327	11,950,276	12,471,601	14,526,830	13,910,834
Federal and State Aid not Restricted for Specific Purposes	27,317,398	29,464,863	26,407,425	31,790,801	34,430,983	43,071,267
Interest and Investment Earnings	1,728,418	1,111,562	1,414,390	2,175,247	3,549,322	4,831,876
Miscellaneous	719,863	572,386	509,289	419,119	316,963	1,356,259
Total Governmental Activities	<u>104,953,009</u>	<u>107,373,421</u>	<u>110,284,633</u>	<u>118,045,385</u>	<u>133,312,140</u>	<u>149,032,820</u>
Business Type Activities						
Interest and Investment Earnings	-	-	-	-	87,025	99,596
Total Primary Government	<u>\$ 104,953,009</u>	<u>\$ 107,373,421</u>	<u>\$ 110,284,633</u>	<u>\$ 118,045,385</u>	<u>\$ 133,399,165</u>	<u>\$ 149,132,416</u>
Change in Net Assets						
Governmental Activities	\$ 3,726,227	\$ 4,215,718	\$ 6,694,008	\$ 1,983,680	13,848,541	8,708,015
Business-Type Activities	184,469	324,021	437,709	209,261	(117,637)	171,567
Total Primary Government	<u>\$ 3,910,696</u>	<u>\$ 4,539,739</u>	<u>\$ 7,131,717</u>	<u>\$ 2,192,941</u>	<u>\$ 13,730,904</u>	<u>\$ 8,879,582</u>

The District began to report accrual information when it implemented GASB statement 34 in 2002.

The Distirct began allocating interest to the business type activities in 2006.

**COLUMBIA PUBLIC SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST SIX FISCAL YEARS
(modified accrual basis of accounting)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund						
Reserved	\$ 522,966	\$ 427,514	\$ 491,984	\$ 564,902	\$ 627,876	\$ 778,518
Unreserved	15,271,637	18,552,271	25,220,503	28,230,419	29,041,547	35,797,858
Total General Fund	<u>\$ 15,794,603</u>	<u>\$ 18,979,785</u>	<u>\$ 25,712,487</u>	<u>\$ 28,795,321</u>	<u>\$ 29,669,423</u>	<u>\$ 36,576,376</u>
All other Governmental Funds						
Reserved	\$ 3,758,436	\$ 14,190,058	\$ 24,490,249	\$ 14,314,793	\$ 34,282,361	\$ 20,276,219
Unreserved, reported in:						
Special Revenue Funds	13,249,345	10,917,530	9,235,705	4,843,981	8,511,140	1,409,718
Debt Service Fund	8,009,105	8,831,185	9,515,917	9,688,814	11,141,807	12,737,024
Capital Projects Fund	14,782,945	19,507,012	16,380,223	14,171,357	16,520,138	7,298,758
Total all other Governmental Funds	<u>\$ 39,799,831</u>	<u>\$ 53,445,785</u>	<u>\$ 59,622,094</u>	<u>\$ 43,018,945</u>	<u>\$ 70,455,446</u>	<u>\$ 41,721,719</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST SIX FISCAL YEARS
(modified accrual basis of accounting)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues						
Local	\$ 77,757,743	\$ 79,218,104	\$ 85,216,745	\$ 87,499,385	\$ 100,101,728	\$ 106,560,714
County	1,645,944	1,822,429	1,878,501	1,867,269	1,978,368	2,060,785
State	47,090,443	47,451,572	44,547,579	50,488,949	53,907,503	55,862,578
Federal	6,755,578	7,258,313	8,076,523	8,543,318	10,292,703	10,616,012
Tuition other Districts	122,820	86,969	110,411	75,661	130,007	118,149
Total Revenue	<u>133,372,528</u>	<u>135,837,387</u>	<u>139,829,759</u>	<u>148,474,582</u>	<u>166,410,309</u>	<u>175,218,238</u>
Expenditures						
Administration	10,550,750	10,357,435	10,204,711	11,259,026	11,965,986	13,032,131
Regular Instruction	52,286,130	52,877,919	51,179,206	59,652,322	62,917,117	68,398,978
Special Instruction	18,160,565	18,388,595	18,702,425	20,109,440	22,637,937	23,625,930
Vocational Instruction	3,425,062	3,571,360	3,582,205	3,575,699	3,710,923	3,989,244
Pupil Transportation	4,921,314	5,353,642	5,863,990	6,418,287	6,946,067	7,302,570
Operation and Maintenance	11,058,835	12,556,216	12,226,149	13,012,638	13,559,405	15,453,015
Pupil Support Services	13,789,836	13,759,092	13,823,392	14,730,662	15,557,647	17,546,455
Community Services	3,520,046	3,831,105	3,804,345	3,885,949	3,915,395	4,474,775
Student Activities	776,400	770,554	685,706	697,828	1,179,082	1,328,106
Capital Outlay	15,333,410	10,756,450	12,446,394	16,445,758	9,947,723	10,865,317
Debt Services						
Principal	4,745,000	9,605,000	27,660,000	17,505,000	9,520,000	23,700,000
Interest	5,853,260	6,362,844	7,785,755	6,848,129	6,834,191	7,047,670
Payment Between Districts	325,486	349,088	396,470	354,159	375,203	280,821
Total Expenditures	<u>144,746,094</u>	<u>148,539,300</u>	<u>168,360,748</u>	<u>174,494,897</u>	<u>169,066,676</u>	<u>197,045,012</u>
Excess of revenues under expenditures	(11,373,566)	(12,701,913)	(28,530,989)	(26,020,315)	(2,656,367)	(21,826,774)
Other Financing Sources (Uses)						
General Obligation Bonds Issued	10,000,000	15,000,000	8,800,000	12,500,000	9,995,000	-
Refunding Bonds Issued	-	14,320,000	32,640,000	-	20,190,000	-
Premium on Refunding Bonds Issued	-	-	-	-	781,970	-
Transfers In	57,680	175,472	58,513	80,152	27,564	-
Transfers Out	(57,680)	(175,472)	(58,513)	(80,152)	(27,564)	-
Total Other Financing Sources (Uses)	<u>10,000,000</u>	<u>29,320,000</u>	<u>41,440,000</u>	<u>12,500,000</u>	<u>30,966,970</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (1,373,566)</u>	<u>\$ 16,618,087</u>	<u>\$ 12,909,011</u>	<u>\$ (13,520,315)</u>	<u>\$ 28,310,603</u>	<u>\$ (21,826,774)</u>
Debt Service as a percentage of noncapital expenditures	8.19%	11.59%	22.73%	15.41%	10.28%	16.52%

**COLUMBIA PUBLIC SCHOOLS
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST SIX FISCAL YEARS
 (in thousands of dollars)**

Fiscal Year Ended June 30,	Real Estate			Personal	Total Taxable Value	Total Direct Tax Rate	Estimated Actual Valuation	Assessment Ratio*
	Residential	Agricultural	Commercial					
2002	705,618,687	11,761,428	290,086,192	276,806,687	1,284,272,994	4.7544	5,548,816,924	23.1%
2003	733,217,332	11,541,728	320,806,701	271,469,125	1,337,034,886	4.7544	5,750,633,083	23.3%
2004	763,382,762	11,659,392	333,491,169	283,280,229	1,391,813,552	4.9444	6,007,051,194	23.2%
2005	803,183,814	11,460,762	348,211,365	277,931,480	1,440,787,421	4.9444	6,237,174,983	23.1%
2006	966,176,408	12,932,958	402,644,170	310,336,896	1,692,090,432	4.6863	7,421,449,263	22.8%
2007	1,031,640,380	14,453,757	430,681,524	330,456,006	1,807,231,667	4.6706	7,887,380,999	22.9%

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Source: Boone County Clerk

*Assessment Ratios are determined annually (February) by the State Tax Commission based on a random sample of real property within the county.

The Boone County Assessor reassesses property taxes every four years. 2006 was a reassessment year.

**COLUMBIA PUBLIC SCHOOL DISTRICT
PROPERTY TAX RATES PER \$100 ASSESSED VALUATION
DIRECT AND OVERLAPPING GOVERNMENTS
1998 - 2007**

Year Ended June 30,	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Columbia School District</u>										
Incidental Fund	1.05	1.05	1.27	1.3600	1.3544	1.3844	1.5744	1.5744	1.3163	1.3006
Teachers Fund	2.34	2.34	2.70	2.5581	2.5581	2.5581	2.5581	2.5581	2.5581	2.5581
Debt Service	.73	.73	.73	.8219	0.8219	.8019	0.8019	0.8019	0.8019	0.8019
Capital Projects	0	0	.00	.0500	0.02	0.01	0.01	0.01	0.01	0.01
Total Columbia School District	<u>4.12</u>	<u>4.12</u>	<u>4.70</u>	<u>4.7900</u>	<u>4.7544</u>	<u>4.7544</u>	<u>4.9444</u>	<u>4.9444</u>	<u>4.6863</u>	<u>4.6706</u>
Overlapping Rates										
<u>City Residents:</u>										
City of Columbia	\$.41	\$.41	\$.41	\$.4100	\$.4100	\$.4100	\$.4100	\$.4100	\$.4100	\$.4100
State of Missouri	.03	.03	.03	.0300	.0300	.0300	.0300	.0300	.0300	.0300
County of Boone	.12	.12	.13	.1300	.1300	.1300	.1300	.1300	.1200	.1200
Road and Bridge	.05	.05	.05	.0500	.0500	.0500	.0500	.0500	.0475	.0475
Library	.28	.29	.65	.6500	.6441	.6391	.6341	.6341	.5720	.5270
Group Home	.11	.12	.12	.1200	.1189	.1194	.1194	.1195	.1114	.1114
Subtotal City Residents	<u>5.12</u>	<u>5.14</u>	<u>6.09</u>	<u>6.1800</u>	<u>6.1374</u>	<u>6.1329</u>	<u>6.3179</u>	<u>6.3180</u>	<u>5.9772</u>	<u>5.9165</u>
<u>County Residents:</u>										
Fire District	.60	.60	.60	.6000	.6000	.6000	.6000	.6000	.5929	.5929
Fire Dispatch Fund	.03	.03	.03	.0300	.0295	.0295	.0295	.0295	.0283	.0283
Fire Bond	.25	.22	.22	.2200	.2200	.2200	.2084	.1936	.1936	.0804
Less:										
City of Columbia (above)	(.41)	(.41)	(.41)	(.4100)	(.4100)	(.4100)	(.4100)	(.4100)	(.4100)	(.4100)
Differential Library Tax	<u>(.05)</u>	<u>(.05)</u>	<u>(.41)</u>	<u>(.3300)</u>	<u>(.3241)</u>	<u>(.3191)</u>	<u>(.3141)</u>	<u>(.3141)</u>	<u>(.2970)</u>	<u>(.2284)</u>
Total County Residents	<u>\$ 5.54</u>	<u>\$ 5.53</u>	<u>\$ 6.12</u>	<u>\$ 6.2900</u>	<u>\$ 6.2528</u>	<u>\$ 6.2533</u>	<u>\$ 6.4317</u>	<u>\$ 6.4170</u>	<u>\$ 6.0850</u>	<u>\$ 5.9797</u>

Tax rates are reported on a calendar year basis. The 2006 calendar year tax levy was the rate levied to produce tax revenues for fiscal year 2007.

Tax rate ceilings are adjusted each reassessment year and can only be increased by voter referendum.

All commercial real estate taxpayers pay an additional \$.61 per \$100 assessed valuation; all taxpayers within the special business district pay an additional \$.43 per \$100 assessed valuation.

Source: Boone County Clerk
Boone County Collector

**COLUMBIA PUBLIC SCHOOL DISTRICT
MAJOR TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>2007</u>			<u>1998</u>		
	<u>Assessed Valuation*</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Assessed Valuation*</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Columbia Foods	16,172,404	1	0.89%	-		-
3M Company	11,824,531	2	0.65%	26,774,443	1	2.57%
State Farm Mutual Automobile Insurance Company	11,323,902	3	0.63%	13,999,179	3	1.34%
Shelter Mutual Insurance Company	9,081,121	4	0.50%	5,654,897	8	0.54%
Columbia Mall LLC	8,520,254	5	0.47%	6,947,213	6	0.67%
Broadway Crossing II	7,381,873	6	0.41%	-		-
The Kroenke Group	6,650,848	7	0.37%	-		-
Gates Corporation (The)	7,989,417	8	0.44%	-		-
⌘ Spicer Axle Inc.	7,551,096	9	0.42%	-		-
Sapp Emery & Sons Inc	6,748,026	10	0.37%	-		-
Union Electric	-		-	24,212,842	2	2.32%
GTE Midwest	-		-	13,163,599	4	1.26%
Regional Alternative Health Services	-		-	7,015,653	5	0.67%
Boone Electric	-		-	6,478,299	7	0.62%
Quaker Oats	-		-	5,375,145	9	0.52%
Ford Motor Company	-		-	4,800,573	10	0.46%
	<u>\$ 93,243,472</u>		<u>5.15%</u>	<u>114,421,843</u>		<u>10.97%</u>

*Major taxpayers are reported for the District's 2007 fiscal year.

Source: Information Services
Boone County Government Center

**COLUMBIA PUBLIC SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST SIX FISCAL YEARS**

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2002	61,059,475	58,210,710	95.33%	2,768,124	60,978,834	99.87%
2003	63,567,987	60,944,362	95.87%	2,530,667	63,475,029	99.85%
2004	68,816,829	66,226,894	96.24%	2,487,094	68,713,988	99.85%
2005	71,238,293	67,535,865	94.80%	3,196,859	70,732,724	99.29%
2006	79,296,428	75,871,441	95.68%	1,682,948	77,554,389	97.80%
2007	84,408,557	80,532,845	95.41%	N/A	80,532,845	95.41%

Source: Boone County Clerk
Accounting Data

**COLUMBIA PUBLIC SCHOOL DISTRICT
RATIO OF OUTSTANDING DEBT
LAST SIX FISCAL YEARS**

<u>Year Ended June 30,</u>	<u>Assessed Value</u>	<u>General Obligation bonds</u>	<u>Less Debt Service Funds</u>	<u>Net General Bonded Debt</u>	<u>Ratio of Net Bonded Debt To Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>	<u>Bonded Debt as a Percentage of Personal Income</u>
2002	1,284,272,994	119,225,000	11,764,547	107,460,453	.084	934	3.42%
2003	1,337,034,886	138,940,000	23,021,243	115,918,757	.087	992	3.52%
2004	1,391,813,552	152,720,000	34,004,585	118,715,415	.085	1,001	3.33%
2005	1,440,787,421	147,715,000	23,995,094	123,719,906	.086	1,028	3.92%
2006	1,692,090,432	168,380,000	45,412,078	122,967,922	.073	1,006	N/A
2007	1,807,231,667	144,680,000	32,957,814	111,722,186	.062	1,162	N/A

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*Population figures are estimated; the Columbia Public School District includes the City of Columbia and adjacent territory.

See demographics and economic statistics schedule for personal income and population data.

Personal income data for 2006 and 2007 is not yet available.

Source: Boone County Clerk
Financial Statements
Census Data

**COLUMBIA PUBLIC SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2007**

<u>Governmental Unit</u>	<u>Assesed Valuation</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Columbia	1,474,074,176	\$ -	100%	\$ -
County of Boone	2,098,226,567	680,000	86%	584,800
Boone County Fire Protection District	480,708,364	2,915,000	69%	2,011,350
Columbia Library District	674,318,491	15,525,000	100%	<u>15,525,000</u>
Subtotal, Overlapping Debt				18,121,150
District Direct Debt				<u>144,680,000</u>
Total Direct and Overlapping Debt				\$ 162,801,150

Source: Boone County Clerk

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and, therefore, responsible for repaying the debt, of each overlapping government.

* The percentage of overlapping debt applicable is estimated by using taxable property values. Applicable percentages were estimated by determining the portion of another governmental units' taxable value that is within the district's boundaries and dividing it by each unit's taxable value.

**COLUMBIA PUBLIC SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST SIX FISCAL YEARS**

Year Ended June 30,	Assessed Value	Legal Debt Limit*	Indebtedness**	Legal Debt Margin	Total Net Debt Applicable To Debt Margin As A Percentage of Debt Limit
2002	1,284,272,994	192,640,949	107,460,453	85,180,496	55.8%
2003	1,337,034,886	200,555,233	115,918,757	84,636,476	57.8%
2004	1,391,813,552	208,772,033	118,715,415	90,056,618	56.9%
2005	1,440,787,421	216,118,113	123,719,906	92,398,207	57.2%
2006	1,692,090,432	253,813,547	122,967,922	130,845,625	48.4%
2007	1,807,231,551	271,084,733	111,722,186	159,362,547	41.2%

* Legal Debt Limit is 15% of assessed valuation.

** Indebtedness is the balance of outstanding general obligation bonds, less the fund balance of the Debt Service fund.

Source: Boone County Clerk
Financial Statements

**COLUMBIA PUBLIC SCHOOL DISTRICT
DEMOGRAPHICS AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Calendar Year	Population*	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate **
1998	107,350	2,594,650	24,170	1.6%
1999	110,075	2,739,437	24,887	1.2%
2000	112,803	2,972,585	26,352	2.2%
2001	113,800	3,062,813	26,914	3.0%
2002	115,000	3,138,695	27,293	3.4%
2003	116,800	3,293,410	28,197	3.5%
2004	118,600	3,560,253	30,019	3.8%
2005	120,400	3,769,604	31,309	3.5%
2006	122,206	N/A	N/A	3.3%
2007	124,516	N/A	N/A	3.5%

N/A Not Available

* Population figures are estimated; the Columbia Public School District includes the City of Columbia and adjacent territory

** Unemployment rate based off January thru July 2007 average

Source: U.S. Department of Commerce, Bureau of Economic Analysis
Missouri Department of Economic Development

**COLUMBIA PUBLIC SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>2007</u>			<u>1998</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
University of Missouri-Columbia	7,905	1	8.74%	14,353	1	16.30%
Unversity Hospital & Clinics	4,054	2	4.48%	4,579	2	5.20%
Columbia Public Schools	2,150	3	2.38%	2,200	3	2.50%
Boone Hospital Center	1,769	4	1.95%	1,560	4	1.77%
City of Columbia	1,220	5	1.35%	1,243	5	1.41%
State Farm Insurance Companies	1,151	6	1.27%	822	10	0.93%
Shelter Insurance Group	1,040	7	1.15%	1,010	7	1.15%
∞ MBS Textbook Exchange	947	8	1.05%	-	-	-
U.S. Department of Veterans Affairs	910	9	1.01%	-	-	-
Columbia Foods Inc	620	10	0.69%	-	-	-
Columbia Regional Hospital	-	-	-	900	9	1.02%
Harry S Truman Veterans Hospital	-	-	-	1,032	6	1.17%
3M	-	-	-	940	8	1.07%
	<u>* 90,496</u>		<u>24.05%</u>	<u>88,064</u>		<u>32.52%</u>

Sources: Regional Economic Development Inc
U.S. Department of Labor, Bureau of Labor Statistics

* Employment for current year is an average of January thru August

**COLUMBIA PUBLIC SCHOOL DISTRICT
NUMBER OF EMPLOYEES BY FUNCTION
LAST SIX FISCAL YEARS**

Full-Time Equivalent Employees as of June 30,

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Instruction						
Regular Instruction	1,009.74	1,013.74	984.10	978.15	1,015.44	1106.64
Special Education	486.04	480.90	493.45	491.07	530.80	523.05
Vocational Instruction	43.51	41.21	41.80	40.47	44.65	43.81
Total Instruction	<u>1,539.29</u>	<u>1,535.85</u>	<u>1,519.35</u>	<u>1,509.69</u>	<u>1,590.89</u>	<u>1673.5</u>
Support Services						
Guidance and Counseling	148.49	147.48	150.11	148.57	144.54	156.35
Improvement of Instruction	97.80	97.78	100.50	97.21	102.61	107.55
General Administration	27	26	20	19	21	22
Building Administration	137.25	142.89	144.48	144.87	143.3	147.54
Business, Central Services	13.00	13.00	13.00	11.00	12.00	13
Operation of Plant	178.92	175.84	185.83	182.91	186.09	193.93
Pupil Transportation	1.00	0.75	0.75	0.75	0.75	0.75
Adult Education	0.76	0.76	0.76	0.76	0.76	0.79
Community Services	29.69	30.38	29.34	28.39	28.85	49.46
Total Support Services	<u>633.91</u>	<u>634.88</u>	<u>644.77</u>	<u>633.46</u>	<u>639.90</u>	<u>691.37</u>
Total Employees	2,173.20	2,170.73	2,164.12	2,143.15	2,230.79	2364.87

Source: School District Records

**COLUMBIA PUBLIC SCHOOL DISTRICT
EXPENDITURES PER AVERAGE DAILY ATTENDANCE
GOVERNMENTAL FUNDS
LAST SIX FISCAL YEARS**

<u>School Year</u>	<u>Current Operating Expenditures</u>	<u>Average Daily Attendance</u>	<u>Expenditures Per Average Daily Attendance</u>
2002	113,806,097	15,011	7,581
2003	117,122,484	15,008	7,804
2004	115,385,953	14,941	7,723
2005	128,537,095	15,641	8,218
2006	137,484,673	15,934	8,628
2007	148,994,576	16,077	9,268

Note: The current operating expenditures is a number that the Missouri Department of Elementary and Secondary Education calculates using our financial information. Average daily attendance is a standardized pupil count used by all Missouri school districts based on the number of hours of total attendance during a school year.

Source: Financial Statements
Missouri Department of Elementary and Secondary Education

**COLUMBIA PUBLIC SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST SIX FISCAL YEARS**

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>Average Salary</u>	<u>Statewide Average</u>
2002	\$ 25,650	\$ 53,454	\$ 38,638	\$ 36,488
2003	25,800	54,793	38,851	37,636
2004	25,800	54,793	39,627	38,214
2005	27,600	59,650	43,033	39,078
2006	28,202	60,929	43,753	40,384
2007	33,000	63,054	45,390	41,750

Source: District Records
Missouri Department of Elementary and Secondary Education

Note: Amounts do not include additional salary based on extended contracts, Career Ladder, and extra duty pay.

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMPARISON TO MISSOURI SCHOOL DISTRICTS
STAFF INFORMATION AND CALENDAR**

The Missouri Department of Elementary and Secondary Education (DESE) collects financial and student information for comparison to all Missouri school districts. For school year 2006-07, there were 524 school districts in Missouri.

The table below compares various ratios and financial factors of the Columbia Public School District with all Missouri School Districts for the last six (6) years.

	COLUMBIA						ALL MISSOURI DISTRICTS					
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Students per Teacher	13	13	13	13	13	13	14	13	14	14	13	13
Students per Classroom Teacher	19	20	19	19	19	19	18	18	19	19	18	18
Average Teacher Salary (Total)	\$40,772	\$40,973	\$41,864	\$45,215	\$46,101	\$48,040	\$38,103	\$39,280	\$39,786	\$40,685	\$42,064	\$43,524
Students per Administrator	238	224	240	238	236	234	206	204	206	204	203	197
Average Administrator Salary	\$70,551	\$73,531	\$73,925	\$79,083	\$81,299	\$84,331	\$67,335	\$69,724	\$71,279	\$72,830	\$75,223	\$77,644
Students Eligible for Free/Reduced Lunch	28.20%	29.60%	30.80%	31.10%	31.80%	31.10%	37.90%	39.20%	40.50%	41.80%	37.00%	41.10%

Source: Missouri Department of Elementary and Secondary Education

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TWO FISCAL YEARS**

<u>School</u>	<u>Fiscal Year</u>	
	<u>2007</u>	<u>2006</u>
Elementary		
Benton (1926)		
Building Square Feet	29,527	29,527
Trailer Square Feet	4,032	4,032
Capacity (with trailers)	360	360
Capacity (without trailers)	260	260
Enrollment	279	251
Blue Ridge (1965)		
Building Square Feet	54,925	54,925
Trailer Square Feet	8,064	8,064
Capacity (with trailers)	700	700
Capacity (without trailers)	500	500
Enrollment	516	506
Cedar Ridge (1978)		
Building Square Feet	18,095	18,095
Trailer Square Feet	7,056	7,056
Capacity (with trailers)	275	275
Capacity (without trailers)	100	100
Enrollment	183	188
Derby Ridge (1991)		
Building Square Feet	79,310	79,310
Trailer Square Feet	12,096	12,096
Capacity (with trailers)	875	875
Capacity (without trailers)	600	600
Enrollment	715	710
Fairview (1964)		
Building Square Feet	55,410	55,410
Trailer Square Feet	2,016	1,008
Capacity (with trailers)	600	575
Capacity (without trailers)	550	550
Enrollment	538	549
Field (1916)		
Building Square Feet	26,295	26,295
Trailer Square Feet	7,056	6,048
Capacity (with trailers)	425	425
Capacity (without trailers)	250	250
Enrollment	286	250
Grant (1910)		
Building Square Feet	26,926	26,926
Trailer Square Feet	5,040	5,040
Capacity (with trailers)	375	375
Capacity (without trailers)	250	250
Enrollment	341	328
Lee (1934)		
Building Square Feet	29,265	29,265
Trailer Square Feet	5,040	5,040
Capacity (with trailers)	375	375
Capacity (without trailers)	250	250
Enrollment	323	293

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TWO FISCAL YEARS
(continued)**

<u>School</u>	<u>Fiscal Year</u>	
	<u>2007</u>	<u>2006</u>
Elementary (cont.)		
Midway Heights (1956)		
Building Square Feet	34,885	34,885
Capacity	375	375
Enrollment	268	275
Mill Creek (1988)		
Building Square Feet	89,067	89,067
Trailer Square Feet	6,048	6,048
Capacity (with trailers)	850	850
Capacity (without trailers)	700	700
Enrollment	751	742
New Haven (1954)		
Building Square Feet	49,170	49,170
Trailer Square Feet	1,008	1,008
Capacity (with trailers)	350	350
Capacity (without trailers)	325	325
Enrollment	303	300
Parkade (1958)		
Building Square Feet	53,800	53,800
Trailer Square Feet	4,032	4,032
Capacity (with trailers)	575	575
Capacity (without trailers)	450	450
Enrollment	470	449
Paxton Keeley (2001)		
Building Square Feet	98,060	98,060
Capacity	650	650
Enrollment	687	656
Ridgeway (1922)		
Building Square Feet	32,353	32,353
Capacity	280	280
Enrollment	231	239
Rock Bridge Elementary (1957)		
Building Square Feet	47,535	47,535
Trailer Square Feet	3,168	3,168
Capacity (with trailers)	620	620
Capacity (without trailers)	520	520
Enrollment	438	425
Russell Boulevard (1957)		
Building Square Feet	52,435	52,435
Trailer Square Feet	5,040	5,040
Capacity (with trailers)	625	625
Capacity (without trailers)	500	500
Enrollment	554	532
Shepard Boulevard (1968)		
Building Square Feet	42,185	42,185
Trailer Square Feet	9,072	10,080
Capacity (with trailers)	550	525
Capacity (without trailers)	300	300
Enrollment	466	467

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TWO FISCAL YEARS
(continued)**

<u>School</u>	<u>Fiscal Year</u>	
	<u>2007</u>	<u>2006</u>
Elementary (cont.)		
Two Mile Prairie (1972)		
Building Square Feet	22,235	22,235
Trailer Square Feet	5,040	5,040
Capacity (with trailers)	325	325
Capacity (without trailers)	200	200
Enrollment	282	258
West Boulevard (1949)		
Building Square Feet	41,725	41,725
Trailer Square Feet	5,040	6,048
Capacity (with trailers)	425	450
Capacity (without trailers)	300	300
Enrollment	275	280
Middle		
Gentry Middle School (1985)		
Building Square Feet	118,335	118,335
Trailer Square Feet	13,536	13,536
Capacity (with trailers)	1,100	1,100
Capacity (without trailers)	1,100	775
Enrollment	747	761
Lange Middle School (1997)		
Building Square Feet	118,335	118,335
Trailer Square Feet	12,096	12,096
Capacity (with trailers)	1,075	1,075
Capacity (without trailers)	775	775
Enrollment	757	710
Smithton Middle School (1996)		
Building Square Feet	123,627	123,627
Trailer Square Feet	17,360	17,360
Capacity (with trailers)	1,175	1,175
Capacity (without trailers)	775	775
Enrollment	930	957
Junior High		
Jefferson Junior High (1910)		
Building Square Feet	131,346	131,346
Capacity	900	900
Enrollment	911	901
Oakland Junior High (1971)		
Building Square Feet	106,785	106,785
Trailer Square Feet	11,088	11,088
Capacity (with trailers)	875	875
Capacity (without trailers)	600	600
Enrollment	750	753

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TWO FISCAL YEARS
(continued)**

<u>School</u>	<u>Fiscal Year</u>	
	<u>2007</u>	<u>2006</u>
Junior High (cont.)		
West Junior High (1961)		
Building Square Feet	130,225	130,225
Trailer Square Feet	7,056	7,056
Capacity (with trailers)	1,200	1,200
Capacity (without trailers)	1,025	1,025
Enrollment	953	947
High		
Douglass High School (1916)		
Building Square Feet	49,540	49,540
Capacity	250	250
Enrollment	248	183
Hickman High School (1925)		
Building Square Feet	276,444	276,444
Trailer Square Feet	7,056	7,056
Capacity (with trailers)	2,300	2,300
Capacity (without trailers)	2,125	2,125
Enrollment	2,109	2,038
Rock Bridge High School (1970)		
Building Square Feet	298,275	298,275
Capacity	1,800	1,800
Enrollment	1,722	1,717
Other		
Administration (1981)		
Square Feet	12,606	12,606
Capacity	N/A	N/A
Enrollment	N/A	N/A
Bus Barn/Carpenter Shop (1966)		
Square Feet	13,768	13,768
Capacity	N/A	N/A
Enrollment	N/A	N/A
Career Center (1978)		
Square Feet	49,250	49,250
Capacity	N/A	N/A
Enrollment	N/A	N/A
Ground Shop (1985)		
Square Feet	5,320	5,320
Capacity	N/A	N/A
Enrollment	N/A	N/A
Services Building (1981)		
Square Feet	18,500	18,500
Capacity	N/A	N/A
Enrollment	N/A	N/A

Source: School District Records

Information for years prior to 2006 is not available.

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State Compliance Section



GERDING, KORTE & CHITWOOD

Professional Corporation

Certified Public Accountants

20 South Fifth Street
Columbia, MO 65201
(573) 449-1599
Fax: (573) 443-8603

www.gkccpas.com

INDEPENDENT AUDITORS' REPORT - STATE COMPLIANCE REPORTS

Board of Education
Columbia Public School District
Columbia, Missouri

We have audited the basic financial statements of Columbia Public School District, Columbia, Missouri, as of and for the year ended June 30, 2007, and have issued our report thereon dated October 25, 2007. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

PARTNERS

Robert A. Gerding
Fred W. Korte, Jr.
Joseph E. Chitwood
James R. McGinnis
Travis W. Hundley

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards for 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Columbia Public School District taken as a whole. The accompanying Schedules on pages 102 through 114 are presented for purposes of additional analysis and are not a required part of the financial statements. The information on those schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

October 25, 2007

Gerding, Korte & Chitwood
Gerding, Korte and Chitwood
Certified Public Accountants



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Professional Corporation
Certified Public Accountants

20 South Fifth Street
Columbia, MO 65201
(573) 449-1599
Fax: (573) 443-8603
www.gkccpas.com

**INDEPENDENT EXAMINERS' REPORT ON MANAGEMENT'S ASSERTIONS
ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF
MISSOURI LAWS AND REGULATIONS**

Board of Education
Columbia Public School District
Columbia, Missouri

PARTNERS

*Robert A. Gerding
Fred W. Korte, Jr.
Joseph E. Chitwood
James R. McGinnis
Travis W. Hundley*

We have examined management's assertions that Columbia Public School District, Columbia, Missouri, complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January; and accurate disclosure by pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2007. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, Columbia Public School District, Columbia, Missouri, complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2007.

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

Gerding, Korte & Chitwood
Gerding, Korte and Chitwood
Certified Public Accountants

October 25, 2007

MEMBERS OF AMERICAN INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS

SCHEDULES FOR STATE COMPLIANCE

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2007**

	Incidental Fund			
	General	Food Services	Student Activities	Adult Education
REVENUES				
Local	\$ 34,496,091	\$ 3,250,776	\$ 1,644,477	\$ 970,298
County	838,410	-	-	-
State	15,543,903	45,687	-	271,197
Federal	3,455,542	2,635,487	-	483,265
Other	715,945	-	-	-
Tuition Other Districts	41,000	-	-	-
Total Revenues	<u>55,090,891</u>	<u>5,931,950</u>	<u>1,644,477</u>	<u>1,724,760</u>
EXPENDITURES				
Regular Instruction	6,404,802	-	-	-
Special Instruction	3,788,432	-	-	-
Vocational Instruction	337,374	-	-	-
Student Activities	240,694	-	1,533,636	-
Tuition Other Districts	-	-	-	-
Total Instruction	<u>10,771,302</u>	<u>-</u>	<u>1,533,636</u>	<u>-</u>
Attendance	184,641	-	-	-
Guidance and Counseling	1,350,124	-	-	-
Health and Ancillary Services	1,926,318	-	-	-
Improvement of Instruction	1,242,916	-	-	-
Media Services	3,487,014	-	-	-
Board Services	365,459	-	-	-
General Administration	977,525	-	-	-
Building Administration	2,665,777	-	-	-
Business, Central Services	863,131	-	-	-
Operation of Plant	15,446,400	-	-	-
Pupil Transportation	7,281,360	-	39,272	-
Food Services	-	5,578,980	-	-
Total Pupil Support Services	<u>35,790,665</u>	<u>5,578,980</u>	<u>39,272</u>	<u>-</u>
Adult Education	-	-	-	1,580,602
Community Services	1,461,431	-	-	160,971
Debt Service	-	-	-	-
Capital Outlay and Construction	-	-	-	-
Total Other	<u>1,461,431</u>	<u>-</u>	<u>-</u>	<u>1,741,573</u>
Total Expenditures	<u>48,023,398</u>	<u>5,578,980</u>	<u>1,572,908</u>	<u>1,741,573</u>
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	7,067,493	352,970	71,569	(16,813)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(160,540)	(155,949)	(45,581)	-
NET CHANGES IN FUND BALANCES	6,906,953	197,021	25,988	(16,813)
FUND BALANCE, JULY 1	<u>29,669,423</u>	<u>1,628,373</u>	<u>636,502</u>	<u>393,091</u>
FUND BALANCE, JUNE 30	<u>\$ 36,576,376</u>	<u>\$ 1,825,394</u>	<u>\$ 662,490</u>	<u>\$ 376,278</u>

<u>Grants and Donations</u>		<u>Special Revenue Teachers Fund</u>		<u>Debt Service Fund</u>		<u>Capital Projects Fund</u>		<u>Total</u>	
	<u>Total</u>								
\$ 1,203,064	\$ 41,564,706	\$ 52,589,115	\$ 16,440,823	\$ 1,061,119	\$ 111,655,763				
-	838,410	942,985	272,436	6,953	2,060,784				
2,153,224	18,014,011	35,764,231	1,580,147	824,448	56,182,837				
1,743,296	8,317,590	5,330,027	-	87,147	13,734,764				
-	715,945	-	-	54,558	770,503				
-	41,000	77,149	-	-	118,149				
<u>5,099,584</u>	<u>69,491,662</u>	<u>94,703,507</u>	<u>18,293,406</u>	<u>2,034,225</u>	<u>184,522,800</u>				
1,571,252	7,976,054	60,119,027	-	303,898	68,398,979				
173,000	3,961,432	19,657,292	-	7,206	23,625,930				
94,295	431,669	2,940,314	-	609,804	3,981,787				
-	1,774,330	675,408	-	457,585	2,907,323				
-	-	280,821	-	-	280,821				
<u>1,838,547</u>	<u>14,143,485</u>	<u>83,672,862</u>	<u>-</u>	<u>1,378,493</u>	<u>99,194,840</u>				
-	184,641	-	-	-	184,641				
86,229	1,436,353	3,990,144	-	9,423	5,435,920				
114,457	2,040,775	1,024,632	-	-	3,065,407				
89,351	1,332,267	1,378,144	-	1,419	2,711,830				
45,763	3,532,777	2,571,798	-	44,082	6,148,657				
-	365,459	-	-	-	365,459				
-	977,525	1,115,129	-	-	2,092,654				
-	2,665,777	7,048,824	-	-	9,714,601				
-	863,131	-	-	-	863,131				
-	15,446,400	2,904	-	-	15,449,304				
21,210	7,341,842	-	-	112,645	7,454,487				
1,995	5,580,975	-	-	155,949	5,736,924				
<u>359,005</u>	<u>41,767,922</u>	<u>17,131,575</u>	<u>-</u>	<u>323,518</u>	<u>59,223,015</u>				
191,194	1,771,796	66,822	-	3,375	1,841,993				
2,099,925	3,722,327	639,976	-	20,884	4,383,187				
-	-	-	30,747,670	-	30,747,670				
-	-	-	-	10,752,673	10,752,673				
<u>2,291,119</u>	<u>5,494,123</u>	<u>706,798</u>	<u>30,747,670</u>	<u>10,776,932</u>	<u>47,725,523</u>				
<u>4,488,671</u>	<u>61,405,530</u>	<u>101,511,235</u>	<u>30,747,670</u>	<u>12,478,943</u>	<u>206,143,378</u>				
610,913	8,086,132	(6,807,728)	(12,454,264)	(10,444,718)	(21,620,578)				
-	-	-	-	1,223,338	1,223,338				
<u>(861,268)</u>	<u>(1,223,338)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,223,338)</u>				
(250,355)	6,862,794	(6,807,728)	(12,454,264)	(9,221,380)	(21,620,578)				
<u>1,474,674</u>	<u>33,802,063</u>	<u>7,048,556</u>	<u>45,412,078</u>	<u>16,520,138</u>	<u>102,782,835</u>				
<u>\$ 1,224,319</u>	<u>\$ 40,664,857</u>	<u>\$ 240,828</u>	<u>\$ 32,957,814</u>	<u>\$ 7,298,758</u>	<u>\$ 81,162,257</u>				

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF REVENUES CLASSIFIED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Incidental Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
LOCAL SOURCES:					
Current Tax	\$ 22,425,827	\$ 44,107,796	\$ 13,826,628	\$ 172,592	\$ 80,532,843
Delinquent Tax	731,834	1,400,820	439,136	5,519	2,577,309
School District Trust Fund	8,694,271	5,216,563	-	-	13,910,834
Financial Institution Tax	68,219	134,175	42,060	524	244,978
In Lieu of Tax	-	-	20,058	20,058	40,116
Surtax	496,292	976,116	305,987	3,814	1,782,209
Tuition, K-12	33,488	-	-	-	33,488
Summer School Tuition K-12	50,588	42,921	-	-	93,509
Tuition, Post Secondary	896,562	-	-	-	896,562
Earnings on Investments	1,706,951	694,995	1,806,954	620,758	4,829,658
Other Interest Earned	101,815	-	-	-	101,815
Food Service Sales	3,167,568	-	-	-	3,167,568
Student Activities	1,753,385	-	-	-	1,753,385
Community Services	7,670	-	-	-	7,670
Rentals	59,319	-	-	-	59,319
Offset Printing	95,749	-	-	-	95,749
Donations/Fundraising	633,187	-	-	-	633,187
Food Service Catering	69,912	-	-	-	69,912
Project Construct	309,359	-	-	-	309,359
Adult Ed Tuition	56,391	-	-	-	56,391
Erate refunds	44,615	-	-	-	44,615
Youthbuild Grant	38,451	-	-	-	38,451
Foundation Grant	55,069	-	-	-	55,069
Boone Hospital Nurse	22,500	-	-	-	22,500
Other Local Sources	45,684	15,729	-	237,854	299,267
Total Local Sources	<u>41,564,706</u>	<u>52,589,115</u>	<u>16,440,823</u>	<u>1,061,119</u>	<u>111,655,763</u>
COUNTY SOURCES:					
Fines & Forfeitures	-	752,168	-	-	752,168
State Assessed Utilities	779,237	74,434	235,953	6,498	1,096,122
County Stock Insurance Fund	59,173	116,383	36,483	455	212,494
Total County Sources	<u>838,410</u>	<u>942,985</u>	<u>272,436</u>	<u>6,953</u>	<u>2,060,784</u>
STATE SOURCES:					
Basic Formula-State Monies	9,913,093	29,739,279	-	-	39,652,372
Transportation	3,014,587	-	-	-	3,014,587
Early Childhood	534,559	1,051,387	-	-	1,585,946
Career Ladder	-	1,077,850	-	-	1,077,850
Basic Formula - Classroom Trust Fund	1,308,773	2,480,108	1,580,147	142,323	5,511,351
Parents as Teachers	297,494	585,121	-	-	882,615
Vocational, Technical	403,412	425,434	-	3,588	832,434
School Health Grant	89,010	-	-	-	89,010
Excess Cost	81,834	160,954	-	-	242,788
Adult Basic Education	122,886	-	-	1,025	123,911
Food Service	45,687	-	-	-	45,687
High Need Fund	124,771	242,484	-	-	367,255

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF REVENUES CLASSIFIED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2007
(continued)**

	<u>Incidental Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
STATE SOURCES (cont.):					
A+ Schools Grant	\$ 38,882	\$ -	\$ -	\$ -	\$ 38,882
Select Teachers (STARR)	3,070	-	-	-	3,070
Vocational Enhancement	543,252	-	-	664,031	1,207,283
Missouri Preschool Project	65,000	-	-	-	65,000
PAT Grant	50,000	-	-	-	50,000
Readers for the blind	821	1,614	-	-	2,435
Project Construct	1,373,131	-	-	13,481	1,386,612
Other State Sources	3,749	-	-	-	3,749
Total State Sources	<u>18,014,011</u>	<u>35,764,231</u>	<u>1,580,147</u>	<u>824,448</u>	<u>56,182,837</u>
FEDERAL SOURCES:					
Pell Grants	160,971	-	-	-	160,971
Voc Ed Act - Title I, Basic Grant	160,517	131,633	-	-	292,150
Title I - ESEA	1,068,189	1,892,830	-	2,153	2,963,172
Title V	43,419	-	-	-	43,419
Ind With Disabilities Ed Act	1,366,433	2,565,507	-	-	3,931,940
Early Childhood	138,025	271,471	-	-	409,496
Adult Basic Education	339,369	-	-	-	339,369
School Lunch Program	2,061,741	-	-	-	2,061,741
School Breakfast Program	572,915	-	-	-	572,915
After School Snack Program	832	-	-	-	832
Summer Food	990	-	-	-	990
Childcare Development	40,000	-	-	-	40,000
Title IV, Drug Free Schools	128,295	-	-	4,520	132,815
Title II, Part A	1,413,975	416,937	-	22,285	1,853,197
Title III - ESEA	135,683	-	-	-	135,683
Hurricane Relief	26,183	51,649	-	-	77,832
Medicaid	432,178	-	-	-	432,178
Workforce Investment Act	9,762	-	-	-	9,762
Mentoring Grant	148,372	-	-	29,000	177,372
Erate	-	-	-	29,189	29,189
FEMA	39,200	-	-	-	39,200
Other Federal Sources	30,541	-	-	-	30,541
Total Federal Sources	<u>8,317,590</u>	<u>5,330,027</u>	<u>-</u>	<u>87,147</u>	<u>13,734,764</u>
OTHER SOURCES:					
Net Insurance Recovery	715,945	-	-	9,544	725,489
Refunding of Bonds	-	-	-	45,014	45,014
Total Other Sources	<u>715,945</u>	<u>-</u>	<u>-</u>	<u>54,558</u>	<u>770,503</u>
TUITION OTHER DISTRICTS:					
Tuition Other Districts	-	36,149	-	-	36,149
Area Vocational School Fees	41,000	41,000	-	-	82,000
Total Tuition Other Districts	<u>41,000</u>	<u>77,149</u>	<u>-</u>	<u>-</u>	<u>118,149</u>
Total Revenues	<u>\$ 69,491,662</u>	<u>\$ 94,703,507</u>	<u>\$ 18,293,406</u>	<u>\$ 2,034,225</u>	<u>\$ 184,522,800</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES BY OBJECT
FOR THE YEAR ENDED JUNE 30, 2007**

	Incidental Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
SALARIES:					
Certificated Salaries	\$ 1,936,140	\$ 82,081,667	\$ -	\$ -	\$ 84,017,807
Non-Certificated Salaries	19,310,748	-	-	-	19,310,748
Total Salaries	<u>21,246,888</u>	<u>82,081,667</u>	<u>-</u>	<u>-</u>	<u>103,328,555</u>
FRINGE BENEFITS:					
Teacher Retirement	276,324	9,986,696	-	-	10,263,020
Non-Teacher Retirement	1,177,277	130,302	-	-	1,307,579
Social Security	1,452,969	1,244,479	-	-	2,697,448
Medical and Dental Benefits	3,155,305	7,787,271	-	-	10,942,576
Workers' Compensation	617,592	-	-	-	617,592
Total Fringe Benefits	<u>6,679,467</u>	<u>19,148,748</u>	<u>-</u>	<u>-</u>	<u>25,828,215</u>
PURCHASED SERVICES:					
Instructional Services	-	280,820	-	-	280,820
Professional Services	6,260,923	-	-	-	6,260,923
Property Services	4,305,376	-	-	-	4,305,376
Contracted Transportation	6,235,708	-	-	-	6,235,708
Other Transportation, Non-Route	375,152	-	-	-	375,152
Travel	1,041,928	-	-	-	1,041,928
Insurance	568,446	-	-	-	568,446
Communications and Printing	1,002,606	-	-	-	1,002,606
Dues and Fees	388,253	-	-	-	388,253
Service Charges	44,765	-	-	-	44,765
Financial Aid Adult Ed.	177,471	-	-	-	177,471
Total Purchased Services	<u>20,400,628</u>	<u>280,820</u>	<u>-</u>	<u>-</u>	<u>20,681,448</u>
SUPPLIES:					
General Supplies	5,931,362	-	-	-	5,931,362
Regular Textbook	1,006,582	-	-	-	1,006,582
Library Books	4,972	-	-	-	4,972
Food Supplies	2,354,523	-	-	-	2,354,523
Gasoline	784,493	-	-	-	784,493
Utilities	2,996,615	-	-	-	2,996,615
Total Supplies	<u>13,078,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,078,547</u>
CAPITAL OUTLAY:					
Land	-	-	-	570,968	570,968
Buildings and Additions	-	-	-	7,422,304	7,422,304
Improvements to Buildings	-	-	-	876,516	876,516
Equipment and Vehicles	-	-	-	3,609,155	3,609,155
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,478,943</u>	<u>12,478,943</u>
DEBT SERVICE:					
Principal	-	-	23,700,000	-	23,700,000
Interest	-	-	7,032,558	-	7,032,558
Professional Fees	-	-	15,112	-	15,112
Total Debt Service	<u>-</u>	<u>-</u>	<u>30,747,670</u>	<u>-</u>	<u>30,747,670</u>
Total Expenditures	<u>\$ 61,405,530</u>	<u>\$ 101,511,235</u>	<u>\$ 30,747,670</u>	<u>\$ 12,478,943</u>	<u>\$ 206,143,378</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
 ASSESSED VALUATION AND TAX LEVY
 JUNE 30, 2007**

The assessed valuation of the tangible taxable property for the calendar years 2006 and 2005 for purposes of local taxation was as follows:

	<u>Current Year</u>	<u>Prior Year</u>
Real Estate:		
Residential.....	\$ 1,031,640,380	\$ 966,176,292
Agriculture	14,453,757	12,932,958
Commercial	430,681,524	402,644,286
Personal Property.....	<u>330,456,006</u>	<u>310,336,896</u>
TOTAL	<u>\$ 1,807,231,667</u>	<u>\$ 1,692,090,432</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2006 for purposes of local taxation was as follows:

	<u>Adjusted</u>	<u>Unadjusted</u>
Operating Fund.....	\$ 1.3006	\$ 1.6582
Teachers Fund	2.5581	2.5581
Debt Service Fund.....	0.8019	0.8019
Capital Projects Fund	<u>0.0100</u>	<u>0.0100</u>
TOTAL	<u>\$ 4.6706</u>	<u>\$ 5.0282</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2007**

1. Calendar

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

	<u>Hours</u>		<u>Hours</u>
Kindergarten – Full-day	1,062.14	Grades 10-12 (Rock Bridge)	1,127.02
Grades 1-5	1,062.14	Grades 10-12 (Hickman)	1,078.50
Grades 6-7	1,109.50	Grades 6-12 (Douglass)	1,106.66
Grades 8-12	1,078.50	Grades 6-12 (Juvenile Justice)	1,078.00

B. The number of days classes were in session and pupils were under the direction of teachers during this school year was as follows (Sections 160.041 and 171.031, RSMo):

	<u>Days</u>		<u>Days</u>
Kindergarten - Full-day	174	Grades 10-12 (Rock Bridge)	176
Grades 1-5	174	Grades 6-12 (Douglass)	176
Grades 6-7	174	Grades 6-12 (Juvenile Justice)	176
Grades 8-12	176		

2. Students

Regular term average daily attendance (ADA):

<u>Regular Year</u>	<u>Full-time/ Part-time</u>	<u>Remedial</u>	<u>Total</u>
Kindergarten – Full-day	1,209.91	-	1,209.91
Grades 1-5	5,912.75	.95	5,913.70
Grades 6-12	8,158.60	-	8,158.60
Subtotal Regular Year	15,281.26	.95	15,282.21

Summer school average daily attendance:

The applicable Summer School for this fiscal year was the one held in calendar year 2006.

Attendance hours	829,275.20
Statutory divisor	÷ 1,044.00
Average daily attendance	794.32

Total average daily attendance:

16,076.53

September resident membership:

Last Wednesday of September 2006	16,402.69
----------------------------------	-----------

Free and reduced price eligible pupils (section 163.0116), RSMo:

Free	4,305.50
Reduced	726.17
Total	5,031.67

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2007**

3. Transportation (Section 163.161, RSMo)

A. The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. Yes No

If no, has corrective action been recommended? Yes No

B. The District's school transportation ridership records are so maintained as to accurately disclose in all material respects the average number of regular riders transported. Yes No

If no, has corrective action been recommended? Yes No

Based on the ridership records, the average number of students (non-disabled K-12, career education, and K-12 students with disabilities) transported on a regular basis (ADT) eligible for state transportation aid was 8,120.50 and the average number of students transported on a regular basis (ADT) ineligible to be counted for state transportation aid was 0.

C. The District's transportation odometer mileage records are so maintained as to accurately disclose in all material respects the eligible and ineligible mileage for the year. Yes No

If no, has corrective action been recommended? Yes No

Based on the actual odometer records, the total mileage for the year was 2,686.803. Of this total, the eligible non-disabled and students with disabilities route miles were 1,961,815 and the ineligible non-route and disapproved miles (combined) were 345,205.

D. The District operated the pupil transportation system for 176 days during this school year.

4. Adult Education and Literacy

A. The District participated in the Adult Education & Literacy (AEL) programs. If no, skip to part five. Yes No

If yes, check the appropriate programs.

Regular AEL Special Literacy Supplemental Literacy

EL/Civics Other (name) _____

B. The number of contact hours eligible for core funding reimbursement in AEL for this year was 74,515.46.

• Did any AEL teacher generate more than fifteen contact hours per teacher paid hour? Yes No

• Did any AEL teacher generate more than eight contact hours for special needs participation? Yes No

(Eligible contact hours may not include hours supported by funds from other sources: Special Literacy, PACT time or EL/Civics, etc.)

C. Teachers who are paid with AEL funds:

• are AEL certified. Yes No

• if employed as a substitute, have obtained 60 college credit hours from an accredited institution. Yes No

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2007**

4. Adult Education and Literacy (Continued)

- D. The District has adequate procedures to maintain student record of enrollment, test scores, and attendance hours. X Yes No

5. Career Ladder (Section 168.500, RSMo)

- A. The District participated in the Career Ladder program. If no, skip to part six. X Yes No
- B. Revenues paid to the District by the state for career ladder participation were paid to the appropriate teachers. X Yes No
- C. The District's required local match for participation in the career ladder program was set aside and paid to participating teachers. X Yes No

6. Finance

- A. Bond, as required by Section 162.401, RSMo, has been purchased for the District Treasurer in the total amount of \$400,000.
- B. The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo. X Yes No
- C. The District maintained a separate bank account for its Debt Service Fund in accordance with Section 165.011, RSMo. X Yes No N/A
- D. The District has a school improvement plan and a professional development committee plan adopted by the Board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment.

School Improvement Plan	<u> X </u> Yes		<u> </u> No
Professional Development Plan	<u> X </u> Yes		<u> </u> No

- E. The District's June Basic Formula Calculation Sheet, Line 17B, Basic Formula Apportionment amount was \$39,508,182.

The District's 75% of 1% of the Basic Formula Apportionment amount was \$296,311.

The amount spent for approved professional development committee plan activities was \$1,080,079.

- F. The District used state-funded grant monies to supplant existing salaries? Yes X No

If yes, what grant monies were used to supplant existing salaries? _____

- G. The District used federal monies to supplant state expenditures? Yes X No

If yes, please explain. _____

- H. The District made a \$162,326 or 7% x SAT x WADA transfer. Yes X No
If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, did the Board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken?

 Yes No

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2007**

6. Finance (Continued)

- I. The District issued general obligation refunding bonds in the current year. _____ Yes X No
 If yes, identify the type of refunding:
_____ Current _____ Advance-Defeased _____ Advanced-Crossover
- J. The District has appropriately included all current and prior year crossover refunding bonds in its financial statements. X Yes _____ No _____ N/A
- K. The District took action prior to October 31 to cause the 2006-07 audit to be performed. X Yes _____ No
- L. For the preceding year (not the current audit period) in which the District took action to cause an audit to be performed by October 31, the District published a summary of the 2005-06 report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo. X Yes _____ No _____ N/A
- M. Based on the District's federal expenditures, an audit was required to be performed in accordance with OMB Circular A-133 (Revised). X Yes _____ No

7. Missouri School Improvement Program (MSIP)

- A. The District has adequate procedures that allow for the proper recording and reporting of hours of absence. X Yes _____ No
 If no, has corrective action been recommended? _____ Yes _____ No
- B. The District has adequate procedures that allow for the identification and recording of dropouts as defined in the Core Data Manual (Exhibit 6) and the subsequent reporting of those students to the Adult Literacy Hotline and on the June Cycle of Core Data. X Yes _____ No
 If no, has corrective action been recommended? _____ Yes _____ No
- C. The District has a set of adequate procedures for following up on the College and Vocational Placement of all of the previous year's graduates 180 days after graduation. X Yes _____ No
 If no, has corrective action been recommended? _____ Yes _____ No
- D. The District has a set of procedures that ensures Advanced Courses and Vocational Courses (approved by the state) are properly identified and reported according to Core Data standards? X Yes _____ No
 If no, has corrective action been recommended? _____ Yes _____ No

8. Special Education

- A. Maintenance of Effort
1. District federal maintenance of fiscal effort documentation (Special Education budget and associated prior year expenditure records) is a permanent record. The District maintains maintenance of fiscal effort documentation. X Yes _____ No

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2007**

8. Special Education (Continued)

2. What method did the District use to calculate maintenance of fiscal effort?
- A. District budgeted/expended in the current year (FY2007) at least the same total local funds only or combined state and local funds for the District's special education program that it expended in the prior fiscal year (FY2006) (comparing the same sources of funds).
- B. District budgeted/expended in the current year (FY2007) at least the same per capita amount of local funds only or combined state and local funds for the District's special education program that it expended in the prior fiscal year (FY2006) (comparing the same sources of funds). Per capita basis is calculated as total local only or the combined state and local funds expended divided by the December 1 child count for that school year.
3. If the District did not meet maintenance of fiscal effort based on total expenditures or per capita expenditure, is the District claiming one or more of the allowable exceptions to maintenance of fiscal effort or an adjustment to maintenance of fiscal effort? (34 CFR 300-204)
 Yes No N/A
4. If the District is claiming one or more of the allowable exceptions to maintenance of fiscal effort or an adjustment to maintenance of fiscal effort, list the exceptions and/or adjustments claimed and the associated dollar amount of the exceptions/adjustments.
 N/A
 Exceptions/Adjustments _____
5. The District met federal maintenance of effort requirement (34 CFR 300-203) required to receive federal funds.
 Yes No
- B. The District maintains documentation of the excess cost calculation (34 CFR 300.16/Appendix A).
 Yes No
- C. The District used federal funds to pay for special education programming/costs in the current fiscal year that had previously been paid for from state or local funds (i.e., the District supplanted special education costs with federal funds).
 Yes No
- D. A sampling of federally paid special education expenditures indicates the District utilized federal funds in an appropriate manner as specified by DESE.
 Yes No
- E. The District included non-Early Childhood Special Education (ECSE) expenditures in the total ECSE expenditure request for reimbursement.
 Yes No
- F. The District has established an inventory control system that adequately monitors all equipment purchased with federal funds which meets state and federal rules applicable to inventory control of materials and equipment.
 Yes No
- G. The District conducts a physical inventory and reconciliation with property records for all equipment purchased with federal funds at least once every two years verifying the existence, current utilization, and continued need for the equipment.
 Yes No

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF TRANSPORTATION COSTS
YEAR ENDED JUNE 30, 2007**

	<u>Regular</u>		<u>Handicapped Contracted</u>
	<u>District Owned</u>	<u>Contracted</u>	
Salary and Benefits	\$ 38,211	\$ -	\$ 19,105
Purchased Services	3,375	4,651,968	1,719,498
Supplies	506	520,756	152,403
Capital Outlay	<u>112,645</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 154,737</u>	<u>\$ 5,172,724</u>	<u>\$ 1,891,006</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS - STATE REQUIREMENTS
YEAR ENDED JUNE 30, 2007**

Budget

None

Attendance

None

Transportation

None

Single Audit Section



GERDING, KORTE & CHITWOOD

Professional Corporation
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

20 South Fifth Street
Columbia, MO 65201
(573) 449-1599
Fax: (573) 443-8603
www.gkccpas.com

Board of Education
Columbia Public School District
Columbia, Missouri

We have audited the basic financial statements of the Columbia Public School District, Columbia, Missouri, as of and for the year ended June 30, 2007, and have issued our report thereon dated October 25, 2007. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

PARTNERS

*Robert A. Gerding
Fred W. Korte, Jr.
Joseph E. Chitwood
James R. McGinnis
Travis W. Hundley*

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

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Columbia Public School District taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

October 25, 2007

Gerding, Korte & Chitwood
Gerding, Korte and Chitwood
Certified Public Accountants

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007**

Federal Grantor/ Pass Through Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Major Federal Assistance Program	Program or Award Amount	Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>					
Direct Programs:					
Pell Grant	84.063	N/A		(1) \$	160,971
Federal Family Education Loans	84.032	N/A		(1)	24,832
Mentoring Program Grants	84.184B	N/A		\$ 377,556	159,391
Total					<u>345,194</u>
Passed Through State Department of Education:					
Title I, Regular and Summer School	84.010A	010-093		2,954,839	2,954,839
School Improvement Grant	84.010A	010-093		45,480	8,333
Title II. A	84.367A	010-093		832,347	717,378
Title II. D	34.318X	010-093		1,370	1,367
Education of Handicapped:					
IDEA	84.027A	010-093-EN	X	3,775,518	3,775,518
Early Childhood ECSE	84.027A & 84.173A	010-093-EC	X	409,497	397,014
State improvement Grant	84.323A	010-093		34,683	34,678
Vocational Education	84.048A	010-093		299,852	292,150
Adult Education and Literacy	84.002A	010-093		345,869	345,869
Title III	84.365A	010-093		141,923	135,683
Drug-Free Schools and Communities (Title IV.A)	84.186A	010-093		101,459	86,452
Title V, Innovative Education	84.340A	010-093		102,559	89,950
Leveraging Educational Assistance Partnership	84.069A	010-093		17,250	17,250
Hurricane Relief (Emergency Impact Aid)	84.938C	010-093		77,682	77,682
Advanced Placement (AP) Test Fee Program	84.330B	010-093		(1)	1,667
Mathematics and Science Partnerships	84.366B	010-093	X	1,800,000	1,083,032
Project Construct:					
Entitlement	84.027A	010-093		32,664	27,369
Total					<u>10,046,231</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				\$	<u>10,391,425</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007**

Federal Grantor/ Pass Through Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Major Federal Assistance Program	Program or Award Amount	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
Passed Through State Department of Agriculture:					
National School Lunch	10.555	010-093	X	(1)	\$ 2,062,573
National School Breakfast	10.553	010-093	X	(1)	572,915
Food Distribution	10.555	010-093	X	(1)	337,700
Team Nutrition	10.571	010-093		\$ 4,975	1,995
Total					<u>2,975,183</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE					<u>\$ 2,975,183</u>
 <u>U.S. DEPARTMENT OF LABOR</u>					
Passed Through State Department of Labor:					
WIA	17.225	39-0005-3-01, 32-0005-3-01		(1)	\$ 9,762
Incentive Grants	17.267	010-093		(1)	6,500
Total					<u>16,262</u>
TOTAL U.S. DEPARTMENT OF LABOR					<u>\$ 16,262</u>
 <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
Passed Through State Department of Education:					
School Age Children	93.575	010-093		\$ 40,000	\$ 40,000
Total					<u>40,000</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					<u>\$ 40,000</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007**

<u>Federal Grantor/ Pass Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Major Federal Assistance Program</u>	<u>Program or Award Amount</u>	<u>Expenditures</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>					
Passed Through State Emergency Management Agency:					
Disaster Relief	97.036	010-093		(1)	\$ <u>5,710</u>
Total					<u>5,710</u>
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY					<u>\$ 5,710</u>
 <u>U.S. GENERAL SERVICES ADMINISTRATION</u>					
Passed Through State Agency for Surplus Property:					
Surplus Property	39.003	010-093		(1)	\$ <u>11</u>
Total					<u>11</u>
TOTAL U.S. GENERAL SERVICES ADMINISTRATION					<u>\$ 11</u>
 TOTAL FEDERAL FINANCIAL ASSISTANCE					<u>\$ 13,428,591</u>

(1) No specific award amount.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2007**

1. Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards of the Columbia Public School District has been prepared to comply with U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The circular requires a schedule of expenditures of federal awards showing total expenditures for each federal financial assistance program as identified in the catalog of federal financial assistance (CFDA), and identification of federal financial assistances programs which have not been assigned a CFDA number.

The accompanying schedule includes all federal financial assistance programs administered by the Columbia Public School District.

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with OMB Circular A-133, which defines federal financial assistance as assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

The schedule presents both Type A and Type B federal assistance programs administered by the District. OMB Circular A-133 establishes the formula for determining the level of expenditures of disbursements to be used in defining Type A and B federal financial assistance programs. For the District, Type A programs are those which exceed \$402,063 in disbursements, expenditures, or distributions. The determination of major and nonmajor programs is based on the risk-based approach outlined in OMB Circular A-133.

Basis of Accounting

Except as noted in Note 2, the expenditures for each of the federal financial assistance programs are presented on the modified accrual basis, which recognizes expenditures of federal awards when the related liability is incurred.

2. Nonmonetary Assistance

The district receives federal surplus property under the Surplus Property program. Property distributions to the District totaled \$45 valued at the historical cost as assigned by the federal government, which is substantially in excess of the property's fair market value. The amount of expenditures presented on the Schedule of Expenditures of Federal Awards is 23.3 percent of the historical cost, which approximates the fair market value of the property at the time of distribution as determined by the General Services Administration.

The District receives commodities under the Food Distribution Program. The amount of expenditures presented on the Schedule of Expenditures of Federal Awards represent donated commodities used, which totaled \$337,700, valued at the cost assigned to those commodities by the U.S. Department of Agriculture.



GERDING, KORTE & CHITWOOD

Professional Corporation
Certified Public Accountants

20 South Fifth Street
Columbia, MO 65201
(573) 449-1599
Fax: (573) 443-8603

www.gkccpas.com

PARTNERS

Robert A. Gerding
Fred W. Korte, Jr.
Joseph E. Chitwood
James R. McGinnis
Travis W. Hundley

**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
Columbia Public School District
Columbia, Missouri

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Columbia Public School District as of and for the year ended June 30, 2007, which collectively comprise the Columbia Public School District's basic financial statements and have issued our report thereon dated October 25, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Columbia Public School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Columbia Public School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Columbia Public School District's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Columbia Public School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Columbia Public School District's financial statements that is more than inconsequential will not be prevented or detected by the Columbia Public School District's internal control. We consider the deficiency 2007-1 described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency described above is a material weakness.

Compliance and Other Matters

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

We noted certain matters that we reported to the management of Columbia Public School District, in a separate letter dated October 25, 2007.

Columbia Public School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Columbia Public School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the audit committee, the Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

October 25, 2007


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PARTNERS

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

Board of Education
Columbia Public School District
Columbia, Missouri

Compliance

We have audited the compliance of Columbia Public School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Columbia Public School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Columbia Public School District's management. Our responsibility is to express an opinion on Columbia Public School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Columbia Public School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Columbia Public School District's compliance with those requirements.

As described in item 2007-2 in the accompanying schedule of findings and questioned costs, Columbia Public School District did not comply with requirements regarding subrecipient mentoring that are applicable to its Mathematics and Science Partnership. Additionally, as described in 2007-3 in the accompanying schedule of findings and questioned costs, Columbia Public School District did not comply with requirements regarding allowable costs/cost principles that are applicable to its Mathematics and Science Partnership. Compliance with such requirements is necessary, in our opinion, for Columbia Public School District to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, Columbia Public School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Columbia Public School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Columbia Public School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Columbia Public School District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A *control deficiency* is an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2007-2, 2007-3 and 2007-4 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider item 2007-2 to be a material weakness.

Columbia Public School District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Columbia Public School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the audit committee, the Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

October 25, 2007


Gerding, Korte and Chitwood
Certified Public Accountants

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AND SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2007**

Section I: Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Type of auditors' reports issued on compliance for major programs: qualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A	Education of the Handicapped
84.173A	Education of the Handicapped
10.553	School Breakfast
10.555	School Lunch
10.550	Food Distribution
84.366B	Mathematics and Science Partnerships

Dollar threshold used to distinguish between type A and type B programs: \$402,063

Auditee qualified as low-risk auditee? Yes No

Section II: Findings

Finding No.: 2007-1 Payroll Control

Criteria:

The objectives of internal control over payroll transactions are to provide reasonable assurance that the transactions are properly authorized and recorded so potential misstatements are prevented or detected within the normal operations of the District.

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AND SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2007**

Section II: Findings (continued)

Condition:

Currently, payroll control centers primarily upon certified employee contracts and other employment agreement for authorization. Extra-duty and overtime pay are authorized by "special payroll request forms" or time card approved by various supervisors after the performance of the related duty. Approval of extra-duty pay and overtime is documented after the related duty has been performed. Additionally, communication of actual payroll assignments to the District's business office has not been accurate, or timely with respect to allocation of grant related salaries.

Cause:

There appears to be inherent internal control weaknesses relating to the communication and budget process related to payroll coding and classification and the management of overtime and extra duty pay.

Effects:

- The amounts recorded in the general ledger related to several grant programs were misstated and reclassification necessary to properly reflect payroll coding and classification.
- The approval process for extra-duty and overtime pay is not considered in the budget process.

Recommendation:

Payroll control would be improved if the budget was used as an authorization element for payroll costs. We recommend the District implement a budgetary approval process for overtime and extra duty pay to require employee supervisors to determine if the additional payroll cost is allowable before the cost is incurred. In addition, the District should improve communication between departments to assure that payroll coding and classification is correct and that necessary corrections are made in a timely manner.

Auditee Reponse:

Beginning in the budget for the fiscal year 2009, the District will budget separate amounts for regular salaries, extra duties, overtime, and stipends. In addition, all overtime and stipend requests will be requested and approved on an annual basis in the budget process. Changes to the amounts originally budgeted will be forwarded to the District's budget officer who will approve or deny the request for increase prior to the additional work being performed.

For grant related salaries, the Business Services office reports monthly to all program directors, detail of the payroll and benefit costs charged to the specific programs. The District will, in the future, require these to be signed by the program director and returned to the Business Services office in a timely manner to ensure current and timely accuracy of the general ledger system.

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AND SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2007**

Section III: Federal Award Findings and Questioned Costs

Finding No.:	2007-2
CFDA No.:	84.366B
Program Name:	Mathematics and Science Partnership
Area:	Subrecipient Monitoring
Questioned Costs:	\$515,355.72

Criteria:

In accordance with OMB Circular A-133 subrecipient monitoring, the District, which is considered the prime recipient, should perform the monitoring function through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient is administering funds in compliance with the grant agreement. In addition, the District should obtain copies of subrecipients' audits in accordance with OMB Circular A-133 if the subrecipient expends \$500,000 or more in Federal awards. The District also has the responsibility to review the audits for any compliance issues or findings associated with the program and to ensure the subrecipient has taken the appropriate corrective action to address any noncompliance issues or findings.

Condition:

The District does not currently perform any of the subrecipient monitoring functions required by OMB Circular A-133. This creates a questioned cost associated with the amount of program funds passed through to the subrecipients.

Cause:

There appears to be a lack of understanding related to the subrecipient monitoring requirements associated with administering the Mathematics and Science Partnership grant.

Effect:

Columbia Public School District may be in noncompliance with OMB Circular A-133 subrecipient monitoring requirements.

Recommendation:

Columbia Public School District should implement adequate subrecipient monitoring procedures to ensure compliance with OMB Circular A-133.

Auditee Response:

The District takes seriously its responsibility as the prime recipient of all grant monies and will implement policy and procedure to ensure compliance with all sub recipient monitoring requirements. Specifically, the District will meet at least annually with sub recipients (in this case the University of Missouri Columbia) to review administration of the grant monies.

The District will obtain a copy of the University of Missouri audit for review. If the UMC audit has any findings regarding the Mathematics and Science Partnership grant in regards to sub-recipient monitoring, the District will determine satisfactory corrective action has been taken by UMC. All future invoices from the University of Missouri will provide detailed documentation for departmental operation expenses. In addition, the invoices will provide details of the benefit categories with dollars assigned by category for clear and accurate accounting.

This on-going monitoring will be performed by the Science Department Chair with the assistance of the Business Services office personnel.

The District will contact the Department of Elementary and Secondary Education as pass through agent on this grant and resolve the questioned costs.

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AND SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2007**

Section III: Federal Award Findings and Questioned Costs (continued)

Finding No.:	2007-3
CFDA No.:	84.366B
Program Name:	Mathematics and Science Partnership
Area:	Allowable Costs/Cost Principles
Questioned Costs:	\$1,918.43

Criteria:

In accordance with OMB Circular A-133 allowable costs/cost principles, only program costs with adequate supporting documentation should be charged to the federal program.

Condition:

Overtime pay was paid to a District employee for time related to the performance of the Mathematics and Science Partnership grant. However, the amount of overtime appeared excessive and was not properly recorded within the District's electronic time keeping software. The hours reported as overtime were "edited into" the software rather than recorded in accordance with the normal operation of the time keeping software.

Cause:

There appear to be weak internal controls over documenting and approving extra duty pay and overtime hours worked.

Effect:

Columbia Public School District may be in noncompliance with OMB Circular A-133 allowable costs/cost principles.

Recommendation:

Columbia Public School District should strengthen internal controls to ensure that all payroll costs billed to the grantor agency include only program costs with adequate supporting documentation in accordance with the grant agreement and with OMB Circular A-133 allowable costs/cost principles.

Auditee Response:

The position of Bookkeeper for the Mathematics and Science Partnership is a part time position filled by a full time eleven month employee of the District. The work involved with the grant is performed after regular work hours and on some weekends and during the summer month when the full time position is not active. On occasion, the after hours and weekend time are worked at the University of Missouri campus making use of the time clock difficult and inefficient.

All hours worked in the office will be recorded electronically on the District's electronic time reporting system. The District will implement a system whereby all hours worked for this grant will be documented on a daily basis on a standard District time sheet. Hours worked at the University and other locations will be recorded along with other grant hours on the manual time sheet. These hours will be supported by attaching the meeting notice, agenda or some other verification of the event. Edits into the time system will only be performed for these hours worked outside of the office. The District does not allow support personnel to work from home.

The District will charge the hours worked for the grant monthly based on the reports provided to the Business Services office by the science department.

The District will contact the Department of Elementary and Secondary Education as the pass through agent on this funding and resolve the questioned costs.

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AND SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2007**

Section III: Federal Award Findings and Questioned Costs (continued)

Finding No.: 2007-4
CFDA No.: 84.367, 84.010, and 84.027
Program Name: Title IIA, Title I, and Special Education-Grants to States
(IDEA, Part B)
Area: Allowable Costs/Cost Principles

Criteria:

In accordance with OMB Circular A-133 allowable costs/cost principles, only program costs with adequate supporting documentation should be charged to the federal program.

Condition:

The District incorrectly coded employee payroll costs as Title IIA expenditures within its general ledger system, and payroll costs that should have been coded as Title IIA expenditures were not coded properly within the general ledger system. However, the correct Title IIA employees were reported to core data, the mandated system for reporting District payroll data to the State.

In addition, Title I and IDEA payroll costs were partially recorded correctly within the general ledger system. However, adjusting journal entries were required at the end of the year to reclassify payroll costs from other functions to ensure all allowable payroll costs were properly coded to complete the final expenditure reports for each program.

Cause:

There appear to be internal control weaknesses over coding appropriate payroll costs to Federal programs. In addition, there appears to be a lack of communication between District personnel and those responsible for coding payroll costs within the general ledger system.

Effect:

The amount of payroll expenditures for the above Federal programs in the general ledger system at any point during the school year may be inaccurate. This may prevent program directors from monitoring actual expenditures for budgetary purposes and creates inconsistencies between what has been reported within core data and what is reported within the general ledger system.

Recommendation:

Columbia Public School District should implement procedures to ensure all District employees are properly coded within the general ledger system with respect to Federal programs at the beginning of each school year. Additionally, communication between relevant District personnel should be improved to avoid miscoding.

Auditee Response:

The Business Services office reports monthly, to all program directors, detail of the payroll and benefit costs charged to the specific programs. The District will in the future require these be signed by the program director and returned to the Business Services office in a short time frame to ensure current and timely accuracy of the general ledger system. Additionally, the District will implement a procedure whereby information on personnel entered into Core Data for these programs will be sent by the program director through Human Resources and to the Business Services office. The Business Services office will confirm those personnel are the same as those charged in the general ledger system, sign off on the document and forward it to Core Data for entry. This should ensure the information reported to Core Data and accounted for in the general ledger are consistently the same.