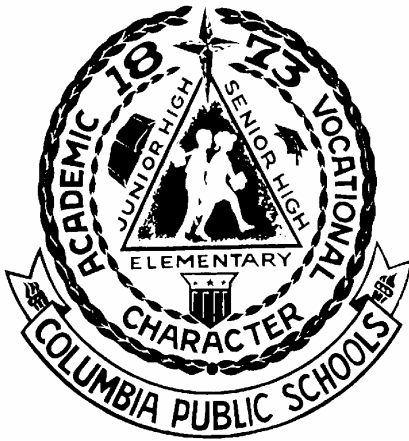


# *Comprehensive Annual Financial Report*



*Columbia Public School District  
Columbia, Missouri*

*For Fiscal Year Ended June 30, 2008*

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2008**

**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

November 17, 2008

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, 2008.

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, 2008. 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 17,186 students. Enrollment growth reflects the growth of the community. For the period 1998 through 2008 overall enrollment of the District increased by 8.1%. 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 4,600 part-time and full-time adult students enrolled annually in more than 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-four (144) 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, 2008, at its May 12, 2008, and June 19, 2008, 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 (4.6% in June 2008).

### **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 25 consecutive authorizations, totaling \$270.1 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 39 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, 2008.

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.

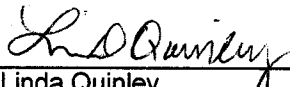
Respectfully submitted,



Dr. James R. Ritter,  
Superintendent (Interim)



Dr. Nick Boren,  
Chief Operations Officer



Linda Quinley,  
Director of Business Services

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2008**

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

**BOARD OF EDUCATION**

Ms. Michelle Gadbois, President

Mr. Steve Calloway, Vice-President

Ms. Karla DeSpain, Member

Ms. Jan Mees, Member

Dr. Tom Rose, Member

Dr. Ines Segert, Member

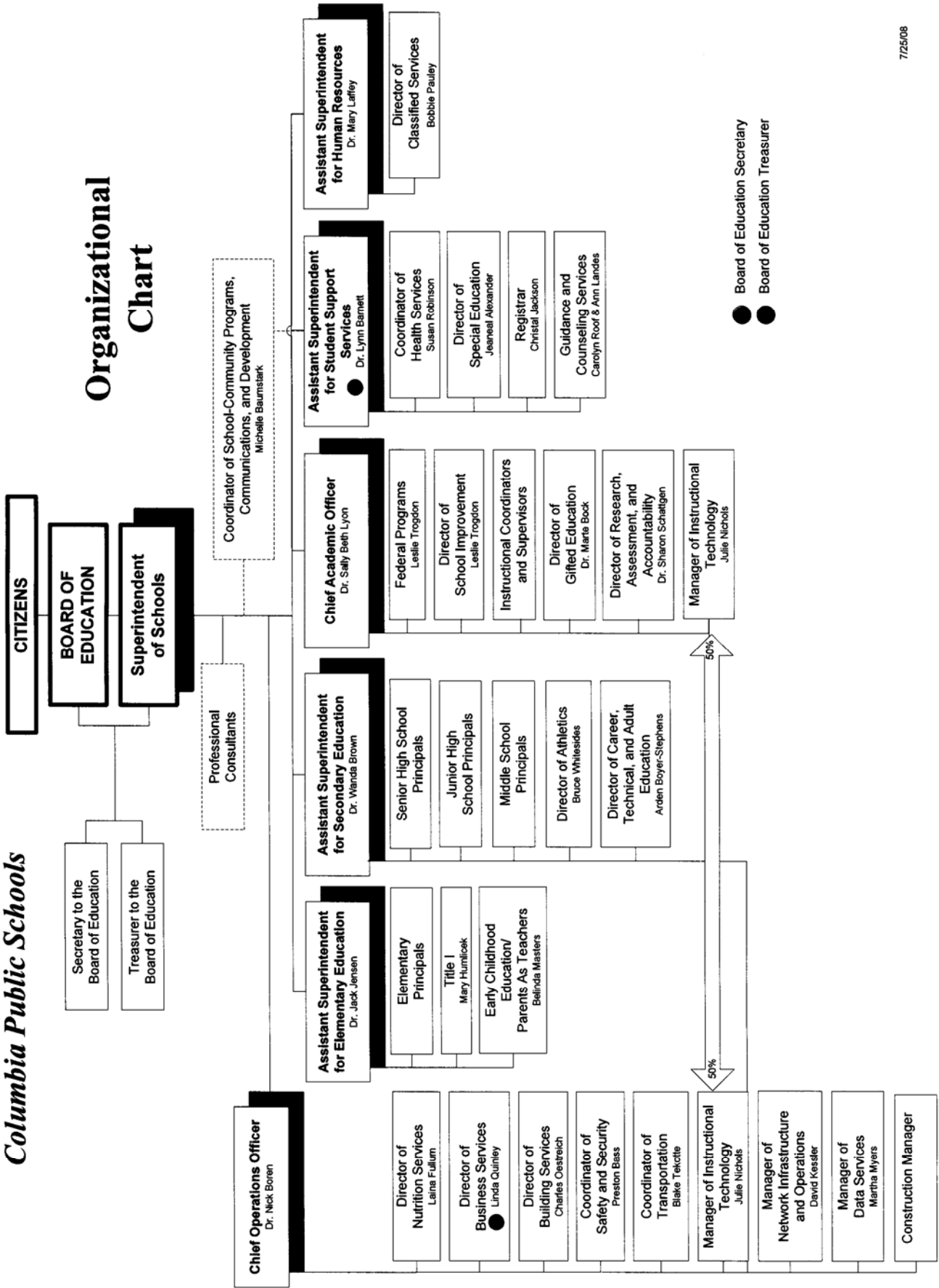
Ms. Rosie Tippin, Member

**DISTRICT ADMINISTRATION**

|                       |   |
|-----------------------|---|
| Dr. James Ritter      | Interim Superintendent of Schools   |
| Dr. Nick Boren        | Chief Operations Officer  |
| Dr. Sally Beth Lyon   | Chief Academic Officer  |
| 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/<br>Secretary to the Board of Education |
| Dr. Mary Laffey       | Assistant Superintendent for Human Resources  |
| Ms. Linda Quinley     | Director of Business Services/<br>Treasurer to the Board of Education                         |
| Ms. Jeaneal Alexander | Director of Special Services  |
| Ms. Laina Fullum      | Director of Nutrition Services  |

# Columbia Public Schools

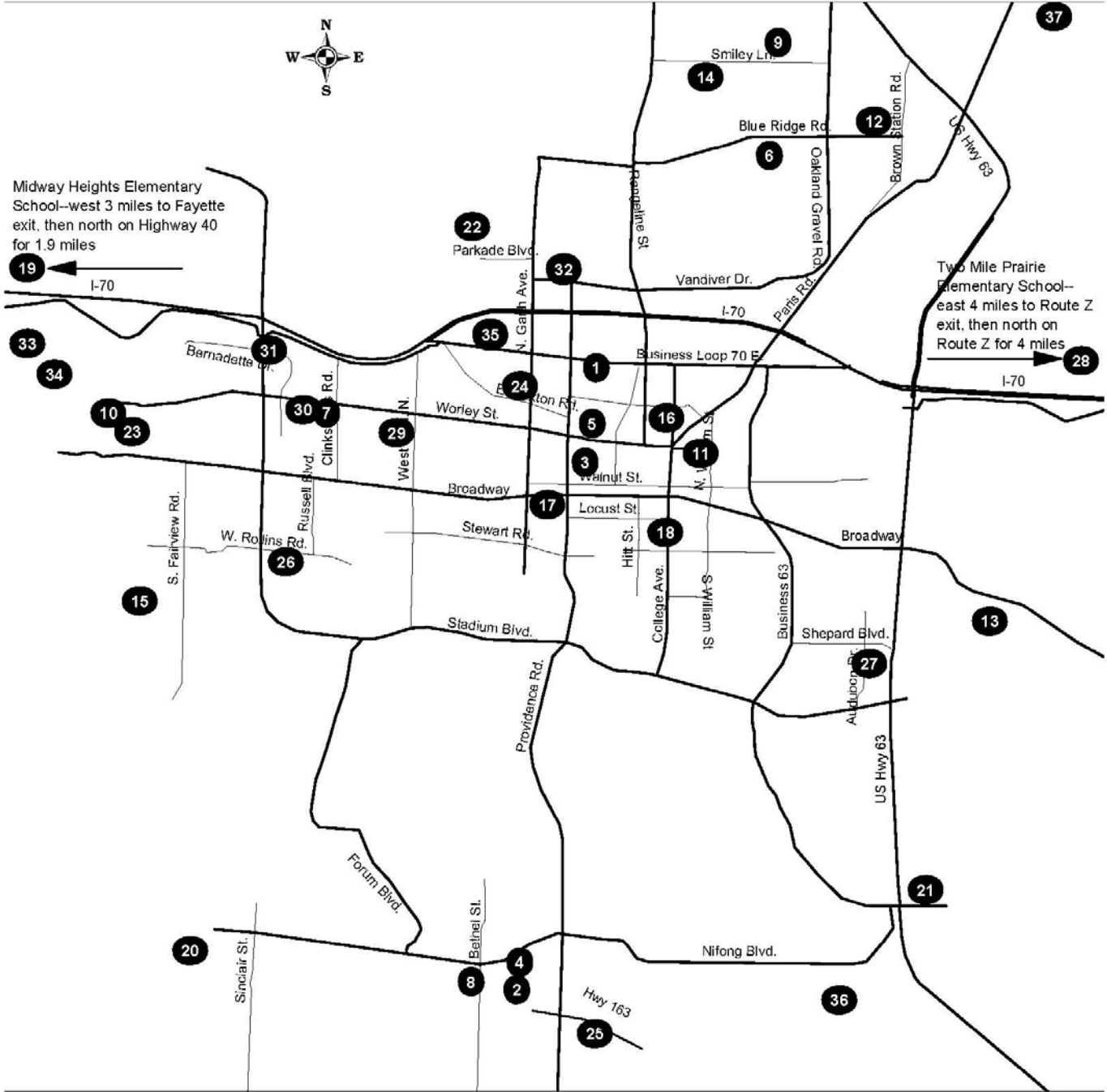
# Organizational Chart



● 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, 2007

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.



*Clive S. Cox*

President

*Jeffrey R. Emmer*

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, 2007**

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

Handwritten signature of Grome to Brendel in cursive script.

President

Handwritten signature of John D. Quass in cursive script.

Executive Director

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*Financial Section*



Professional Corporation  
Certified Public Accountants

20 South Fifth Street  
Columbia, MO 65201  
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Fax: (573) 443-8603  
  
[www.gkccpas.com](http://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, 2008, 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, 2008, 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.

As discussed in Note 18 to the financial statements, Columbia Public School District adopted GASB statement 45 as of and for the year ended June 30, 2008.

MEMBERS OF AMERICAN INSTITUTE  
OF CERTIFIED PUBLIC ACCOUNTANTS

In accordance with *Government Auditing Standards*, we have also issued a report dated December 1, 2008, 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.

December 1, 2008

  
Gerding, Korte and Chitwood  
Certified Public Accountants

**COLUMBIA PUBLIC SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

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 2008 fiscal year by \$81,141,070 (net assets). Of this amount, \$23,749,212 (unrestricted net assets) may be used to meet the District's ongoing obligations to taxpayers and creditors.
- The District's total net assets decreased \$8,700,200. This decrease was primarily the result of the decrease in unrestricted net assets. This decrease was primarily due to increases in instructional expenditures as a result of adding 70 new FTE and increasing salaries without a corresponding increase in revenues.
- The governmental funds reported a combined ending fund balance of \$67,975,628 a decrease of \$10,322,467 from the prior year. Of this amount, \$67,540,728 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 \$27,513,018, or 17.1% of the current year expenditures of these funds.
- The total long-term debt of the District increased \$17,410,887 during the year primarily due to the issuance of \$40,005,000 of general obligation bonds offset by 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.

**COLUMBIA PUBLIC SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

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.

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.

| <b>Table 1</b>   |  |   |   |   |
|--|--|---|---|---|
| <b>Major Features of the District-Wide and Fund Financial Statements</b> |  |   |   |   |
|  | 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"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul> | <ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> <li>• Statement of revenues, expenditures, and changes in fund balances-budget and actual</li> </ul> | <ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues expenses, and changes in net assets</li> <li>• Statement of cash flows</li> </ul> | <ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary assets and liabilities</li> </ul> |
| 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/outflow 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,

**COLUMBIA PUBLIC SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

which is the difference between the District's assets and liabilities, is one way to measure the District's overall financial position.

- 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, 2007.

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.

**COLUMBIA PUBLIC SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

- 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 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 over \$80 million. Of that amount, 50% represents the District's investment in capital assets (land, buildings, equipment, etc.), 21% 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 29%, nearly \$24 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 increased by \$17 million during the year, mostly due to the issuance of 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 nearly \$13 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, 2008**

| <b>Table 2<br/>Condensed Statement of Net Assets<br/>June 30, 2008<br/>With Comparative Totals for June 30, 2007<br/>(In Thousands)</b> |                            |                  |                             |                 |                  |                  |
|---|----------------------------|------------------|-----------------------------|-----------------|------------------|------------------|
|   | Governmental<br>Activities |                  | Business-Type<br>Activities |                 | Total            |                  |
|   | 2008                       | 2007             | 2008                        | 2007            | 2008             | 2007             |
| Current and Other Assets  | \$ 182,055                 | \$ 185,438       | \$ 2,853                    | \$ 2,627        | \$ 184,908       | \$ 188,065       |
| Capital Assets  | 171,637                    | 153,099          | 261                         | 537             | 171,898          | 153,636          |
| Total Assets  | <u>353,692</u>             | <u>338,537</u>   | <u>3,114</u>                | <u>3,164</u>    | <u>356,806</u>   | <u>341,701</u>   |
| Current Liabilities   | 110,268                    | 104,089          | 262                         | 273             | 110,530          | 104,362          |
| Noncurrent Liabilities  | 164,756                    | 147,345          | 379                         | 153             | 165,135          | 147,498          |
| Total Liabilities   | <u>275,024</u>             | <u>251,434</u>   | <u>641</u>                  | <u>426</u>      | <u>275,665</u>   | <u>251,860</u>   |
| Investment in Capital<br>Assets, Net of Related<br>Debt   | 40,309                     | 33,973           | 261                         | 536             | 40,570           | 34,509           |
| Restricted  | 16,822                     | 15,405           | -                           | -               | 16,822           | 15,405           |
| Unrestricted  | <u>21,537</u>              | <u>37,725</u>    | <u>2,212</u>                | <u>2,202</u>    | <u>23,749</u>    | <u>39,927</u>    |
| Total Net Assets  | <u>\$ 78,668</u>           | <u>\$ 87,103</u> | <u>\$ 2,473</u>             | <u>\$ 2,738</u> | <u>\$ 81,141</u> | <u>\$ 89,841</u> |

As of June 30, 2008, 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.

However, the District's total net assets decreased \$8.7 million. This decrease is primarily a result of a decrease of over \$16 million in unrestricted net assets. The decrease in unrestricted net assets was primarily due to increases in instructional expenditures as a result of adding 70 new FTE and increasing teacher's salaries and benefits which was not offset by an increase in revenues. The District also implemented GASB Statement 45 during the year ended June 30, 2008, which requires the District to record a liability for other post-employment benefits in the government-wide financial statements. This liability was over \$8.5 million for the year ended June 30, 2008, which also attributed to the decrease in unrestricted net assets. The decrease in unrestricted net assets was offset by additions in restricted net assets and capital assets.

Table 3 provides a summary of the changes in net assets for the year ended June 30, 2008.



**COLUMBIA PUBLIC SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

**Table 3  
Changes In Net Assets from Operating Results  
Year Ended June 30, 2008  
With Comparative Totals for Year Ended June 30, 2007  
(In Thousands)**

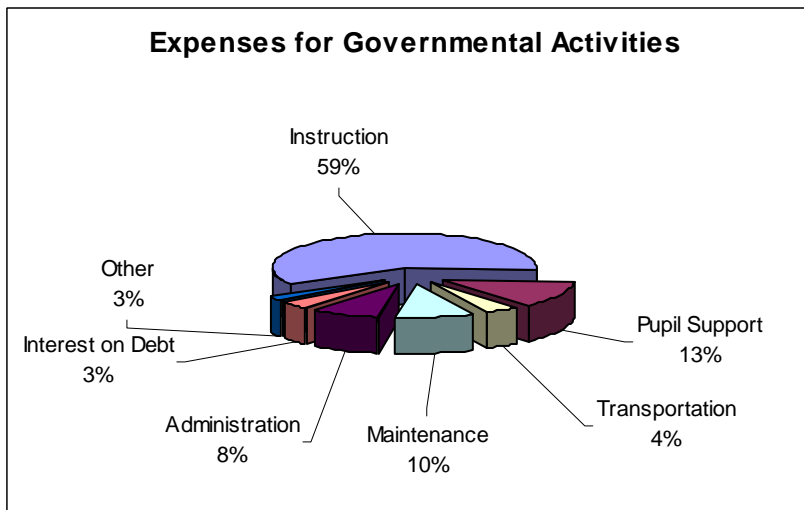
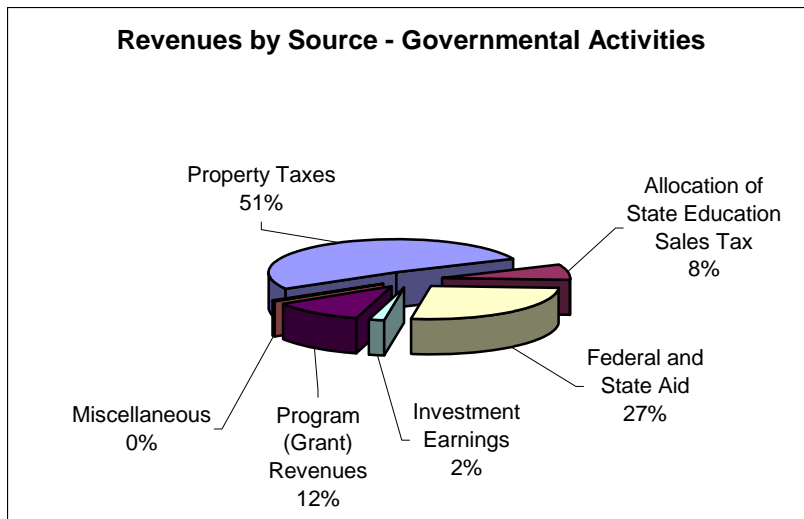
|   | <u>Governmental<br/>Activities</u> |                 | <u>Business-Type<br/>Activities</u> |               | <u>Total</u>      |                 |
|---|------------------------------------|-----------------|-------------------------------------|---------------|-------------------|-----------------|
|   | <u>2008</u>                        | <u>2007</u>     | <u>2008</u>                         | <u>2007</u>   | <u>2008</u>       | <u>2007</u>     |
| <b>Revenues:</b>  |                                    |                 |                                     |               |                   |                 |
| Program Revenues:   |                                    |                 |                                     |               |                   |                 |
| Charges for Services  | \$ 993                             | \$ 1,014        | \$ 4,056                            | \$ 4,112      | \$ 5,049          | \$ 5,126        |
| Operating Grants<br>and Contributions                         | 19,614                             | 24,382          | 4,226                               | 3,777         | 23,840            | 28,159          |
| Capital Grants and<br>Contributions                           | 679                                | 2,223           | -                                   | -             | 679               | 2,223           |
| General Revenues:   |                                    |                 |                                     |               |                   |                 |
| Property Taxes  | 91,899                             | 85,863          | -                                   | -             | 91,899            | 85,863          |
| Allocation of Statewide<br>Education Sales Tax                | 13,650                             | 13,911          | -                                   | -             | 13,650            | 13,911          |
| Federal and State Aid   | 47,511                             | 43,071          | -                                   | -             | 47,511            | 43,071          |
| Other   | 3,942                              | 6,188           | (145)                               | 99            | 3,797             | 6,287           |
| <b>Total Revenues</b>   | <u>178,288</u>                     | <u>176,652</u>  | <u>8,137</u>                        | <u>7,988</u>  | <u>186,425</u>    | <u>184,640</u>  |
| <b>Expenses:</b>  |                                    |                 |                                     |               |                   |                 |
| Instruction   | 110,794                            | 98,744          | -                                   | -             | 110,794           | 98,744          |
| Support Services  |                                    |                 |                                     |               |                   |                 |
| Pupil/Instructional Support                                   | 23,712                             | 19,037          | -                                   | -             | 23,712            | 19,037          |
| Administration  | 15,321                             | 13,261          | -                                   | -             | 15,321            | 13,261          |
| Operation of plant  | 18,045                             | 18,451          | -                                   | -             | 18,045            | 18,451          |
| Pupil Transportation  | 7,877                              | 7,303           | -                                   | -             | 7,877             | 7,303           |
| Other   | 4,852                              | 4,519           | -                                   | -             | 4,852             | 4,519           |
| Interest Payments   | 6,122                              | 6,629           | -                                   | -             | 6,122             | 6,629           |
| Food Services   | -                                  | -               | 6,491                               | 6,075         | 6,491             | 6,075           |
| Adult Education   | -                                  | -               | 1,911                               | 1,742         | 1,911             | 1,742           |
| <b>Total Expenses</b>   | <u>186,723</u>                     | <u>167,944</u>  | <u>8,402</u>                        | <u>7,817</u>  | <u>195,125</u>    | <u>175,761</u>  |
| <b>Increase (decrease) in net<br/>assets before transfers</b> | <u>\$ (8,435)</u>                  | <u>\$ 8,708</u> | <u>\$ (38)</u>                      | <u>\$ 171</u> | <u>\$ (8,473)</u> | <u>\$ 8,879</u> |
| <b>Transfers</b>  | <u>-</u>                           | <u>-</u>        | <u>(227)</u>                        | <u>-</u>      | <u>(227)</u>      | <u>-</u>        |
| <b>Increase (decrease) in Net<br/>Assets</b>                  | <u>\$ (8,435)</u>                  | <u>\$ 8,708</u> | <u>\$ (265)</u>                     | <u>\$ 171</u> | <u>\$ (8,700)</u> | <u>\$ 8,879</u> |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

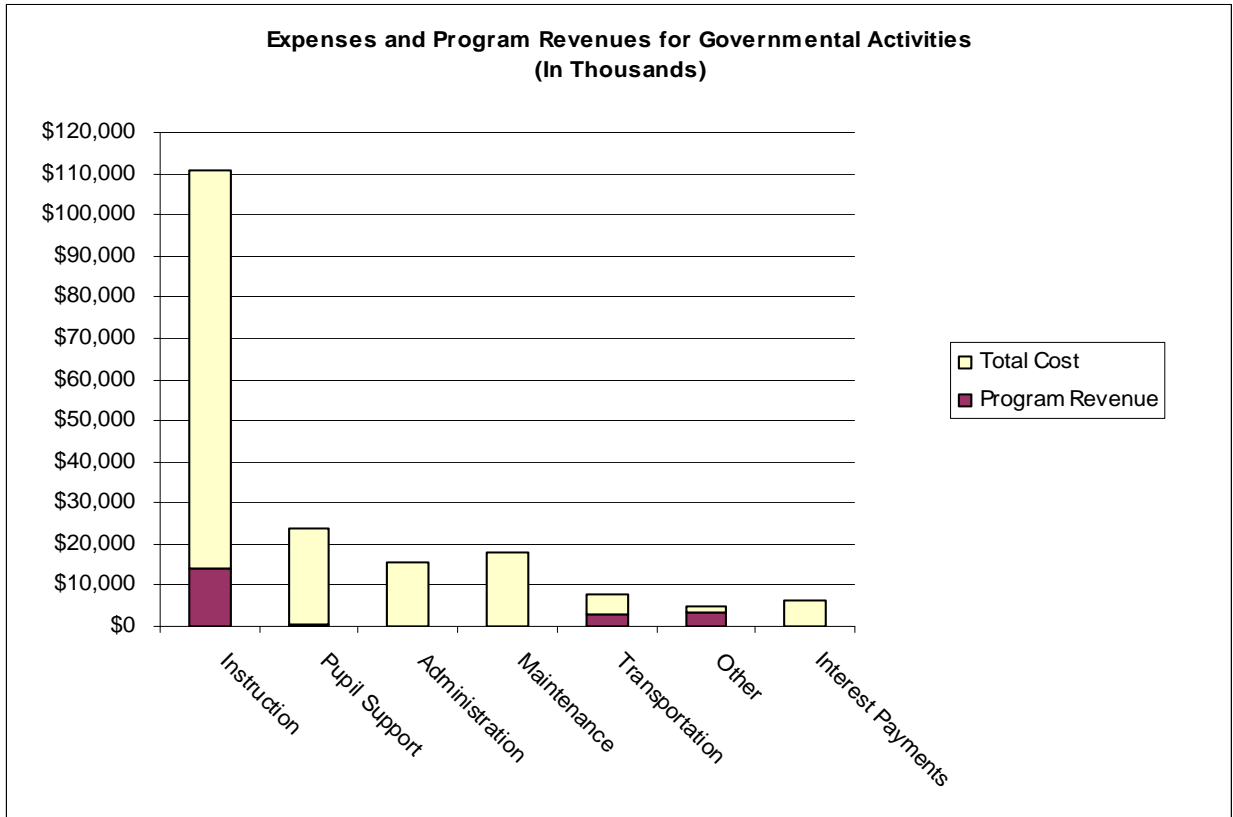
**Governmental and Business-Type Activities**

Expenses for Governmental Activities increased \$18.8 million. Of this increase, 64% (\$12 million) was for Instruction, primarily a result of additional staffing and increases in teachers' salaries and benefits. Revenues for Governmental Activities increased \$1.6 million, primarily the result of increases in state aid and increases in property taxes due to increases in assessed valuation.

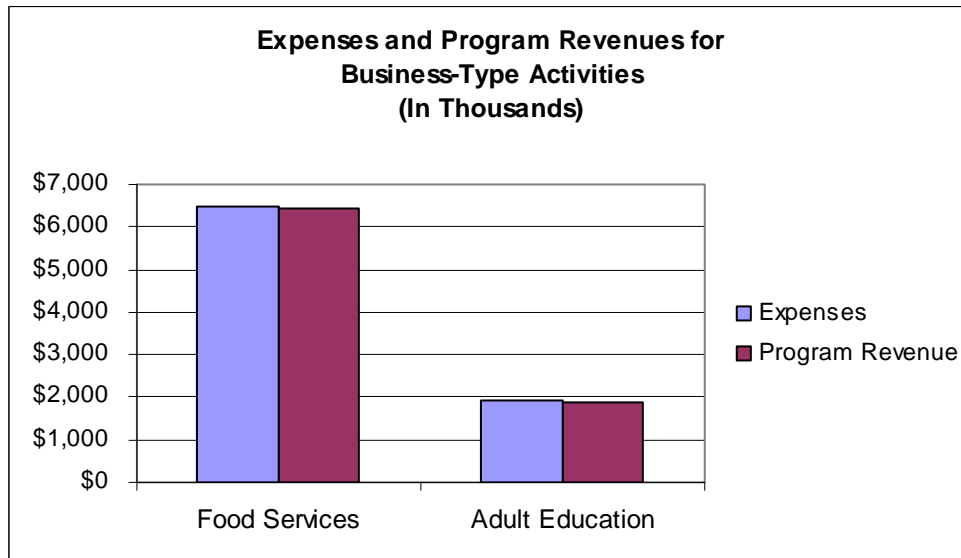
The District's Business-Type Activities continue to be self-supporting and require no subsidy from the District's general fund. The decrease in net assets is a result of the transfer of the Strawn Building from Business-Type Activities to Governmental Activities. The Business-Type Activities are funded 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 increases in salaries and other post employment benefits.



**COLUMBIA PUBLIC SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**



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, 2008**

**Financial Analysis of the District's Funds**

The District completed the year with a total governmental fund balance of \$67,975,628. This is a decrease of \$10,322,467 from the previous year, primarily a result of lower balances in the General Fund and Teachers Fund. The overall position of the District's funds has declined over the past two fiscal years. However, the District has still been 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 decreased by \$8,869,286. Expenditures for the operating funds increased almost \$12 million in the current year. The increase was primarily because of increases in staffing and salaries and benefits for teachers and support staff. Revenues increased \$3.8 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, the District continues to use reserve fund balances to pay for the increasing costs of operating the District.

The balance of the Debt Service Fund decreased \$18.4 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 were issued.

The balance of the Capital Projects Fund increased \$17 million during the year. This was an expected increase 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. During the current year, general obligation bonds were issued for the construction of the new elementary school, which will not be completed until the fall of 2009.

The District completed the year with a balance of net assets of \$2,473,400 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 through charges for the services they provide and federal and state grants. Expenses were greater than revenues for both the current and prior year for the Adult Education Fund. For the current year, this was primarily due to increases in salaries and benefits for teachers and support staff and the transfer of the Strawn Building from the Adult Education Fund to the General Fund. Expenses slightly exceeded revenues in the Food Services fund in the current year also due to increases in salaries and benefits of food service personnel.

**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 two occasions for the following reasons:

- Increased expenditures of \$250,000 to pay for increases in the District's costs for transportation and fuel.
- Increased capital transfer amount by \$252,250.
- Increased revenues and expenditures for various federal and state grants.

Actual revenues were \$717,903 more than budgeted primarily due to local property taxes being more than anticipated. Actual expenditures were \$2,280,885 less than budgeted. Of this amount, nearly

**COLUMBIA PUBLIC SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

\$2,000,000 was the result of unspent budgets for services and supplies and most of the remaining \$200,000 was the result of salaries and benefits being less than estimated.

**Capital Assets**

As of June 30, 2008, the District had \$171,636,552 and \$261,014, 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 \$14,943,995 in Governmental Activities. (More detailed information regarding capital assets can be found in the notes to the basic financial statements, Note 11).

The District completed capital improvement projects totaling \$8.6 million. This included over \$5 million for an addition at the Columbia Area Career Center, 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 including 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, 2008.

| <b>Table 4<br/>Capital Assets<br/>June 30, 2008<br/>With Comparative Totals for June 30, 2007<br/>(Net of Depreciation, In Thousands)</b> |                                    |                   |                                     |               |                   |                   |
|---|------------------------------------|-------------------|-------------------------------------|---------------|-------------------|-------------------|
|   | <b>Governmental<br/>Activities</b> |                   | <b>Business-Type<br/>Activities</b> |               | <b>Total</b>      |                   |
|   | <b>2008</b>                        | <b>2007</b>       | <b>2008</b>                         | <b>2007</b>   | <b>2008</b>       | <b>2007</b>       |
| Land  | \$ 6,542                           | \$ 5,181          | \$ -                                | \$ 38         | \$ 6,542          | \$ 5,219          |
| Construction in Progress  | 14,944                             | 7,093             | -                                   | -             | 14,944            | 7,093             |
| Buildings   | 143,093                            | 135,311           | -                                   | 190           | 143,093           | 135,501           |
| Mobile Classrooms   | 1,866                              | 1,021             | -                                   | -             | 1,866             | 1,021             |
| Equipment and Furniture   | 5,192                              | 4,493             | 261                                 | 309           | 5,453             | 4,802             |
| <b>Total</b>  | <b>\$ 171,637</b>                  | <b>\$ 153,099</b> | <b>\$ 261</b>                       | <b>\$ 537</b> | <b>\$ 171,898</b> | <b>\$ 153,636</b> |

**Debt Administration**

As of June 30, 2008, the District had \$153,590,000 in general obligation bonds outstanding. The District issued \$40,005,000 in general obligation bonds in the current year, which was the part of the \$60 million issue authorized by the voters in April 2007. (More detailed information regarding long-term debt can be found in the notes to the basic financial statements, Note 10).

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

**COLUMBIA PUBLIC SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**

**Other Matters**

The District completed a facilities study in 2008 and implemented a \$180 million capital improvement plan to consist of three \$60 million bond elections. The first election was in April 2007 with issues in July 2007, April 2008, and March 2009 (planned). This plan includes construction of a new elementary school, construction of phase I of a new high school, energy savings projects, technology resources and various capital improvement projects across the District. Review of this plan will continue as projects are begun and completed to determine subsequent election times and projects.

During the past four years, annual increases in state foundation formula funding have significantly declined and current funding remains significantly less than full funding of the prior formula. Therefore, approximately 60 percent of the District's revenue comes from local sources. During the same time period, the average teacher salary has increased by 16.5 percent and the cost of employee benefits has increased by 50 percent. These additional costs have been absorbed into the District's operating budget by increases in local revenue and use of reserved fund balances. During April 2008, a 54 cent operating tax levy increase did not pass which forced the district to make reductions to the operating expenditures in the 2008-09 budget by nearly \$8 million and staffing by over 80 FTE in order to achieve a fiscally responsible budget. Should additional revenues not be realized in the upcoming fiscal year, the District will have to decrease its budget by additional amounts to maintain Board-approved fund balances.

As noted above, the District was required to implement GASB Statement 45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during the year ended June 30, 2008. Postemployment benefits (OPEB) are part of an exchange of salaries and benefits for employee services rendered. Of the total benefits offered by employers, some benefits are taken while the employees are in active service and others are taken after the employees' services have ended. From an accrual accounting perspective, the cost of OPEB generally should be associated with the periods in which the exchange occurs, rather than the period when the benefits are provided. In prior years, the District has financed OPEB on a pay-as-you-go basis and financial statements have not reported the financial effects of OPEB. This Statement improves financial reporting by requiring recognition of OPEB cost (expense) over a period that approximates employee's year of service and by providing information about actuarial accrued liabilities associated with OPEB. The District has elected to continue to finance OPEB benefits on a pay-as-you-go basis and not fully fund the OPEB plan. Therefore, the outstanding OPEB liability is reported in the government-wide financial statements and totals over \$8.5 million for the year ended June 30, 2008.

**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, 2008**

|   | Primary Government         |                             |               | Component<br>Unit                                      |
|---|----------------------------|-----------------------------|---------------|--|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total         | Columbia<br>Public<br>School<br>District<br>Foundation |
| <b>ASSETS</b>                                     |                            |                             |               |  |
| Cash and Cash Equivalents                         | \$ 6,835,497               | \$ 2,085,708                | \$ 8,921,205  | \$ 761,925   |
| Investments                                       | 75,153,297                 | -                           | 75,153,297    | 322,891  |
| Receivables (Net of Allowance for Uncollectibles) |                            |                             |               |  |
| Local   | 97,808,818                 | 180,536                     | 97,989,354    | -  |
| State   | 1,089,372                  | -                           | 1,089,372     | -  |
| Federal   | 715,371                    | 451,573                     | 1,166,944     | -  |
| Inventories                                       | 282,416                    | 117,243                     | 399,659       | -  |
| Prepaid Expenses                                  | 170,461                    | 18,243                      | 188,704       | -  |
| Capital Assets (Net of Accumulated Depreciation)  |                            |                             |               |  |
| Land  | 6,541,773                  | -                           | 6,541,773     | -  |
| Construction in Progress                          | 14,943,995                 | -                           | 14,943,995    | -  |
| Buildings   | 143,093,265                | -                           | 143,093,265   | -  |
| Mobile Classrooms                                 | 1,865,935                  | -                           | 1,865,935     | -  |
| Furniture and Equipment                           | 5,191,584                  | 261,014                     | 5,452,598     | -  |
| Total Assets                                      | 353,691,784                | 3,114,317                   | 356,806,101   | 1,084,816  |
| <b>LIABILITIES</b>                                |                            |                             |               |  |
| Accounts Payable                                  | 4,829,918                  | 86,540                      | 4,916,458     | -  |
| Accrued Salaries and Payroll Taxes                | 10,077,925                 | 40,899                      | 10,118,824    | -  |
| Accrued Interest Payable                          | 1,977,118                  | -                           | 1,977,118     | -  |
| Unearned Revenue                                  | 93,382,822                 | 134,204                     | 93,517,026    | -  |
| Noncurrent Liabilities                            |                            |                             |               |  |
| Due within One Year                               | 12,959,096                 | 42,000                      | 13,001,096    | -  |
| Due in More than One Year                         | 151,797,235                | 337,273                     | 152,134,508   | -  |
| Total Liabilities                                 | 275,024,114                | 640,916                     | 275,665,030   | -  |
| <b>NET ASSETS</b>                                 |                            |                             |               |  |
| Investment in Capital Assets, Net of Related Debt | 40,309,416                 | 261,014                     | 40,570,430    | -  |
| Restricted for:                                   |                            |                             |               |  |
| Debt Service                                      | 12,840,493                 | -                           | 12,840,493    | -  |
| Capital Projects                                  | 2,129,995                  | -                           | 2,129,995     | -  |
| Teachers' Salaries and Benefits                   | 784,661                    | -                           | 784,661       | -  |
| Other   | 1,066,280                  | -                           | 1,066,280     | -  |
| Unrestricted                                      | 21,536,825                 | 2,212,387                   | 23,749,212    | 1,084,816  |
| Total Net Assets                                  | \$ 78,667,670              | \$ 2,473,401                | \$ 81,141,071 | \$ 1,084,816   |

*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, 2008**

| Functions/Programs                         | Expenses              | Program Revenues     |                                    |                                  |
|--|-----------------------|----------------------|------------------------------------|----------------------------------|
|  |                       | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Primary Government:</b>                 |                       |                      |                                    |                                  |
| <b>Governmental Activities</b>             |                       |                      |                                    |                                  |
| Instruction                                |                       |                      |                                    |                                  |
| Regular Instruction                        | \$ 78,791,970         | \$ 153,042           | \$ 3,061,627                       | \$ 105,645                       |
| Special Education                          | 26,521,438            | -                    | 9,100,303                          | 1,388                            |
| Vocational Instruction                     | 4,188,212             | 81,500               | 965,235                            | 468,897                          |
| Student Activities - Athletics             | 1,013,059             | 98,948               | -                                  | -                                |
| Tuition to Other Districts                 | 279,508               | -                    | -                                  | -                                |
| Total Instruction                          | <u>110,794,187</u>    | <u>333,490</u>       | <u>13,127,165</u>                  | <u>575,930</u>                   |
| Support Services                           |                       |                      |                                    |                                  |
| Attendance                                 | 303,736               | -                    | -                                  | -                                |
| Guidance and Counseling                    | 6,484,209             | -                    | -                                  | -                                |
| Health and Ancillary Services              | 3,621,207             | -                    | 109,620                            | -                                |
| Improvement of Instruction                 | 3,042,460             | -                    | 482,861                            | -                                |
| Media Services                             | 10,260,074            | 21,425               | 91,495                             | -                                |
| Board Services                             | 298,461               | -                    | -                                  | -                                |
| General Administration                     | 2,405,270             | -                    | -                                  | -                                |
| Building Administration                    | 11,577,111            | -                    | -                                  | -                                |
| Business, Central Services                 | 1,039,911             | -                    | -                                  | -                                |
| Operation of Plant                         | 18,045,027            | 17,903               | -                                  | -                                |
| Pupil Transportation                       | 7,876,799             | -                    | 3,107,609                          | -                                |
| Adult Literacy                             | 260,673               | -                    | 189,005                            | -                                |
| Community Services                         | 4,591,710             | 620,262              | 2,506,133                          | 102,850                          |
| Total Pupil Support Services               | <u>69,806,648</u>     | <u>659,590</u>       | <u>6,486,723</u>                   | <u>102,850</u>                   |
| Non-Instruction/Support Services           |                       |                      |                                    |                                  |
| Interest Payments, Bonds                   | 6,122,195             | -                    | -                                  | -                                |
| Total Non-Instruction/Support Services     | <u>6,122,195</u>      | <u>-</u>             | <u>-</u>                           | <u>-</u>                         |
| Total Governmental Activities              | <u>186,723,030</u>    | <u>993,080</u>       | <u>19,613,888</u>                  | <u>678,780</u>                   |
| <b>Business-Type Activities</b>            |                       |                      |                                    |                                  |
| Food Services                              | 6,491,276             | 3,044,402            | 3,369,206                          | -                                |
| Adult Education                            | 1,911,419             | 1,012,278            | 857,015                            | -                                |
| Total Business-Type Activities             | <u>8,402,695</u>      | <u>4,056,680</u>     | <u>4,226,221</u>                   | <u>-</u>                         |
| Total Primary Governmen                    | <u>\$ 195,125,725</u> | <u>\$ 5,049,760</u>  | <u>\$ 23,840,109</u>               | <u>\$ 678,780</u>                |
| <b>Component Unit</b>                      |                       |                      |                                    |                                  |
| Columbia Public School District Foundation | \$ 103,134            | \$ -                 | \$ 140,330                         | \$ -                             |

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

Transfers

Total General Revenues and Transfers

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<br>Activities | Business-<br>Type<br>Activities | Total                | Columbia Public<br>School District<br>Foundation |
| \$ (75,471,656)            | \$ -                            | \$ (75,471,656)      | \$ -   |
| (17,419,747)               | -                               | (17,419,747)         | -  |
| (2,672,580)                | -                               | (2,672,580)          | -  |
| (914,111)                  | -                               | (914,111)            | -  |
| (279,508)                  | -                               | (279,508)            | -  |
| <u>(96,757,602)</u>        | <u>-</u>                        | <u>(96,757,602)</u>  | <u>-</u>   |
| (303,736)                  | -                               | (303,736)            | -  |
| (6,484,209)                | -                               | (6,484,209)          | -  |
| (3,511,587)                | -                               | (3,511,587)          | -  |
| (2,559,599)                | -                               | (2,559,599)          | -  |
| (10,147,154)               | -                               | (10,147,154)         | -  |
| (298,461)                  | -                               | (298,461)            | -  |
| (2,405,270)                | -                               | (2,405,270)          | -  |
| (11,577,111)               | -                               | (11,577,111)         | -  |
| (1,039,911)                | -                               | (1,039,911)          | -  |
| (18,027,124)               | -                               | (18,027,124)         | -  |
| (4,769,190)                | -                               | (4,769,190)          | -  |
| (71,668)                   | -                               | (71,668)             | -  |
| (1,362,465)                | -                               | (1,362,465)          | -  |
| <u>(62,557,485)</u>        | <u>-</u>                        | <u>(62,557,485)</u>  | <u>-</u>   |
| (6,122,195)                | -                               | (6,122,195)          | -  |
| <u>(6,122,195)</u>         | <u>-</u>                        | <u>(6,122,195)</u>   | <u>-</u>   |
| <u>(165,437,282)</u>       | <u>-</u>                        | <u>(165,437,282)</u> | <u>-</u>   |
| -                          | (77,668)                        | (77,668)             | -  |
| -                          | (42,126)                        | (42,126)             | -  |
| -                          | <u>(119,794)</u>                | <u>(119,794)</u>     | <u>-</u>   |
| <u>(165,437,282)</u>       | <u>(119,794)</u>                | <u>(165,557,076)</u> | <u>-</u>   |
| -                          | -                               | -                    | 37,196   |
| 74,370,339                 | -                               | 74,370,339           | -  |
| 15,303,981                 | -                               | 15,303,981           | -  |
| 190,513                    | -                               | 190,513              | -  |
| 2,034,410                  | -                               | 2,034,410            | -  |
| 13,649,941                 | -                               | 13,649,941           | -  |
| 47,511,413                 | -                               | 47,511,413           | -  |
| 3,191,901                  | 82,019                          | 3,273,920            | 47,208   |
| 749,700                    | -                               | 749,700              | -  |
| -                          | (227,340)                       | (227,340)            | -  |
| <u>157,002,198</u>         | <u>(145,321)</u>                | <u>156,856,877</u>   | <u>47,208</u>                                    |
| (8,435,084)                | (265,115)                       | (8,700,199)          | 84,404   |
| 87,102,754                 | 2,738,516                       | 89,841,270           | 1,000,412  |
| <u>\$ 78,667,670</u>       | <u>\$ 2,473,401</u>             | <u>\$ 81,141,071</u> | <u>\$ 1,084,816</u>                              |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2008**

|   | <u>General</u>       | <u>Teachers</u>      | <u>Debt<br/>Service</u> |
|---|----------------------|----------------------|-------------------------|
| <b>ASSETS</b>                                     |                      |                      |                         |
| Cash and Cash Equivalents                         | \$ 19,983            | \$ -                 | \$ 149,701              |
| Investments                                       | 34,484,692           | -                    | 14,284,683              |
| Receivables (Net of Allowance for Uncollectibles) |                      |                      |                         |
| Local   | 28,474,353           | 52,803,255           | 16,207,772              |
| State   | -                    | 1,081,872            | -                       |
| Federal   | 1,927                | 2,108                | -                       |
| Due from Other Funds                              | 1,645,927            | -                    | -                       |
| Inventories                                       | 282,416              | -                    | -                       |
| Prepaid Expenditures                              | 152,484              | 9,534                | -                       |
| Total Assets                                      | <u>\$ 65,061,782</u> | <u>\$ 53,896,769</u> | <u>\$ 30,642,156</u>    |
| <b>LIABILITIES AND FUND BALANCES</b>              |                      |                      |                         |
| Liabilities                                       |                      |                      |                         |
| Accounts Payable                                  | \$ 812,741           | \$ 12,941            | \$ -                    |
| Due to Other Funds                                | -                    | 1,645,927            | -                       |
| Accrued Salaries and Payroll Taxes                | 9,396,544            | 610,330              | -                       |
| Deferred Revenue                                  | 26,904,579           | 51,627,571           | 16,070,517              |
| Total Liabilities                                 | <u>37,113,864</u>    | <u>53,896,769</u>    | <u>16,070,517</u>       |
| Fund Balances                                     |                      |                      |                         |
| Reserved for                                      |                      |                      |                         |
| Debt Service                                      | -                    | -                    | -                       |
| Inventories                                       | 282,416              | -                    | -                       |
| Prepaid Expenditures                              | 152,484              | -                    | -                       |
| Encumbrances                                      | -                    | -                    | -                       |
| Unreserved Reported in                            |                      |                      |                         |
| General Fund                                      | 27,513,018           | -                    | -                       |
| Special Revenue Funds                             | -                    | -                    | -                       |
| Debt Service Fund                                 | -                    | -                    | 14,571,639              |
| Capital Projects Fund                             | -                    | -                    | -                       |
| Total Fund Balances                               | <u>27,947,918</u>    | <u>-</u>             | <u>14,571,639</u>       |
| Total Liabilities and Fund Balances               | <u>\$ 65,061,782</u> | <u>\$ 53,896,769</u> | <u>\$ 30,642,156</u>    |

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

**Governmental Fund Types**

| <u>Capital<br/>Projects</u> | <u>Nonmajor Fund<br/>Grants and<br/>Donations</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|-----------------------------|---|---|
| \$ 1,524,623                | \$ 1,182,984                                      | \$ 2,877,291                            |
| 24,237,010                  | -   | 73,006,385                              |
| 201,776                     | 121,662   | 97,808,818                              |
| -                           | 7,500   | 1,089,372                               |
| -                           | 711,336   | 715,371                                 |
| -                           | -   | 1,645,927                               |
| -                           | -   | 282,416                                 |
| -                           | 8,443   | 170,461                                 |
| <u>\$ 25,963,409</u>        | <u>\$ 2,031,925</u>                               | <u>\$ 177,596,041</u>                   |
| \$ 1,373,551                | \$ 870,118  | \$ 3,069,351                            |
| -                           | -   | 1,645,927                               |
| -                           | 71,051  | 10,077,925                              |
| 200,067                     | 24,476  | 94,827,210                              |
| <u>1,573,618</u>            | <u>965,645</u>                                    | <u>109,620,413</u>                      |
| -                           | -   | -                                       |
| -                           | -   | 282,416                                 |
| -                           | -   | 152,484                                 |
| 20,510,954                  | -   | 20,510,954                              |
| -                           | -   | 27,513,018                              |
| -                           | 1,066,280   | 1,066,280                               |
| -                           | -   | 14,571,639                              |
| 3,878,837                   | -   | 3,878,837                               |
| <u>24,389,791</u>           | <u>1,066,280</u>                                  | <u>67,975,628</u>                       |
| <u>\$ 25,963,409</u>        | <u>\$ 2,031,925</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.  | 171,636,552          |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.   |                      |
| 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. | 1,444,388            |
| 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.  | 4,344,551            |
|  | <u>(166,733,449)</u> |
| Net assets of governmental activities  | <u>\$ 78,667,670</u> |

**COLUMBIA PUBLIC SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

|   | <b>General</b> | <b>Teachers</b> |
|---|----------------|-----------------|
| <b>REVENUES</b>                           |                |                 |
| Local                                     | \$ 36,643,825  | \$ 55,091,486   |
| County                                    | 835,735        | 926,262         |
| State                                     | 16,058,848     | 36,065,997      |
| Federal                                   | 3,239,633      | 4,612,906       |
| Tuition From Other Districts              | 40,750         | 113,145         |
| Total Revenues                            | 56,818,791     | 96,809,796      |
| <b>EXPENDITURES</b>                       |                |                 |
| Current                                   |                |                 |
| Instruction                               |                |                 |
| Regular Instruction                       | 7,215,770      | 65,418,736      |
| Special Instruction                       | 4,373,891      | 20,762,010      |
| Vocational Instruction                    | 517,642        | 3,108,764       |
| Student Activities - Athletics            | 301,952        | 646,581         |
| Tuition To Other Districts                | -              | 279,508         |
| Total Instruction                         | 12,409,255     | 90,215,599      |
| Pupil Support Services                    |                |                 |
| Attendance                                | 235,449        | -               |
| Guidance and Counseling                   | 1,426,242      | 4,614,374       |
| Health and Ancillary Services             | 2,188,804      | 1,160,204       |
| Improvement of Instruction                | 1,287,386      | 1,601,539       |
| Media Services                            | 3,519,046      | 3,068,991       |
| Total Support Services                    | 8,656,927      | 10,445,108      |
| Administration                            |                |                 |
| Board Services                            | 298,461        | -               |
| General Administration                    | 1,007,430      | 1,133,091       |
| Building Administration                   | 2,952,192      | 7,843,830       |
| Business, Central Services                | 986,759        | -               |
| Total Administration                      | 5,244,842      | 8,976,921       |
| Other                                     |                |                 |
| Operation of Plant                        | 15,406,669     | -               |
| Pupil Transportation                      | 7,844,429      | -               |
| Adult Literacy                            | 3,704          | 63,774          |
| Community Services                        | 1,579,199      | 781,350         |
| Total Other                               | 24,834,001     | 845,124         |
| 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                        | 51,145,025     | 110,482,752     |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | 5,673,766      | (13,672,956)    |
| <b>OTHER FINANCING SOURCES (USES)</b>     |                |                 |
| General Obligation Bonds Issued           | -              | -               |
| Premium on Bonds Issued                   | -              | -               |
| Capital Leases                            | -              | -               |
| Transfers In                              | -              | 13,432,128      |
| Transfers Out                             | (14,302,224)   | -               |
| <b>NET CHANGES IN FUND BALANCES</b>       | (8,628,458)    | (240,828)       |
| <b>FUND BALANCES, JULY 1</b>              | 36,576,376     | 240,828         |
| <b>FUND BALANCES, JUNE 30</b>             | \$ 27,947,918  | \$ -            |

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

**Governmental Fund Types**

|    | <b>Debt<br/>Service</b> | <b>Capital<br/>Projects</b> | <b>Nonmajor<br/>Fund<br/>Grants and<br/>Donations</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|----|-------------------------|-----------------------------|---|---|
| \$ | 16,990,771              | \$ 1,073,670                | \$ 1,135,090  | \$ 110,934,842                          |
|    | 277,787                 | 4,886                       | -   | 2,044,670                               |
|    | 1,561,914               | 91,876                      | 2,045,104   | 55,823,739                              |
|    | -                       | -                           | 1,829,645   | 9,682,184                               |
|    | -                       | -                           | -   | 153,895                                 |
|    | <u>18,830,472</u>       | <u>1,170,432</u>            | <u>5,009,839</u>                                      | <u>178,639,330</u>                      |
|    | -                       | -                           | 1,995,487   | 74,629,993                              |
|    | -                       | -                           | 106,344   | 25,242,245                              |
|    | -                       | -                           | 472,910   | 4,099,316                               |
|    | -                       | -                           | -   | 948,533                                 |
|    | -                       | -                           | -   | 279,508                                 |
|    | -                       | -                           | <u>2,574,741</u>                                      | <u>105,199,595</u>                      |
|    | -                       | -                           | 57,735  | 293,184                                 |
|    | -                       | -                           | 112,762   | 6,153,378                               |
|    | -                       | -                           | 77,237  | 3,426,245                               |
|    | -                       | -                           | 16,055  | 2,904,980                               |
|    | -                       | -                           | -   | 6,588,037                               |
|    | -                       | -                           | <u>263,789</u>  | <u>19,365,824</u>                       |
|    | -                       | -                           | -   | 298,461                                 |
|    | -                       | -                           | 25,000  | 2,165,521                               |
|    | -                       | -                           | -   | 10,796,022                              |
|    | -                       | -                           | -   | 986,759                                 |
|    | -                       | -                           | <u>25,000</u>   | <u>14,246,763</u>                       |
|    | -                       | -                           | -   | 15,406,669                              |
|    | -                       | -                           | 28,840  | 7,873,269                               |
|    | -                       | -                           | 189,125   | 256,603                                 |
|    | -                       | -                           | <u>2,086,383</u>                                      | <u>4,446,932</u>                        |
|    | -                       | -                           | <u>2,304,348</u>                                      | <u>27,983,473</u>                       |
|    | 31,095,000              | -                           | -   | 31,095,000                              |
|    | 6,121,647               | 296,780                     | -   | 6,418,427                               |
|    | <u>37,216,647</u>       | <u>296,780</u>              | -   | <u>37,513,427</u>                       |
|    | -                       | 5,868,855                   | -   | 5,868,855                               |
|    | -                       | 60,000                      | -   | 60,000                                  |
|    | -                       | 1,398,723                   | -   | 1,398,723                               |
|    | -                       | <u>18,081,559</u>           | -   | <u>18,081,559</u>                       |
|    | -                       | 25,409,137                  | -   | 25,409,137                              |
|    | <u>37,216,647</u>       | <u>25,705,917</u>           | <u>5,167,878</u>                                      | <u>229,718,219</u>                      |
|    | (18,386,175)            | (24,535,485)                | (158,039)   | (51,078,889)                            |
|    | -                       | 40,005,000                  | -   | 40,005,000                              |
|    | -                       | 265,930                     | -   | 265,930                                 |
|    | -                       | 485,492                     | -   | 485,492                                 |
|    | -                       | 870,096                     | -   | 14,302,224                              |
|    | -                       | -                           | -   | (14,302,224)                            |
|    | (18,386,175)            | 17,091,033                  | (158,039)   | (10,322,467)                            |
|    | <u>32,957,814</u>       | <u>7,298,758</u>            | <u>1,224,319</u>                                      | <u>78,298,095</u>                       |
| \$ | <u>14,571,639</u>       | \$ <u>24,389,791</u>        | \$ <u>1,066,280</u>                                   | \$ <u>67,975,628</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, 2008**

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

|   |    |                           |
|---|----|---------------------------|
| Net changes in fund balances of total governmental funds  | \$ | (10,322,467)              |
| 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  |    | 18,537,268                |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported in the funds   |    | (351,384)                 |
| The issuance of long-term debt (bonds, leases) 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 |    | (9,233,661)               |
| 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  |    | (25,740)                  |
| 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   |    | 56,042                    |
| Expenses related to the decrease of the liability for compensated absences reported in the Statement of Activities are reported as expenditures in the governmental funds   |    | 327,140                   |
| Expenses related to the increase of the liability for other postemployment benefits reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds  |    | (8,560,408)               |
| 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   |    | 1,138,126                 |
| Change in net assets of governmental activities   | \$ | <u><u>(8,435,084)</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, 2008**

|   | <u>Budgeted Amounts</u> |                      | <u>Actual</u>        | <u>Variance</u>              |
|---|-------------------------|----------------------|----------------------|------------------------------|
|   | <u>Original</u>         | <u>Final</u>         |                      | <u>with<br/>Final Budget</u> |
| <b>REVENUES</b>                           |                         |                      |                      |                              |
| Local                                     | \$ 36,519,944           | \$ 36,469,944        | \$ 36,643,825        | \$ 173,881                   |
| County                                    | 842,074                 | 842,074              | 835,735              | (6,339)                      |
| State                                     | 15,731,846              | 15,731,846           | 16,058,848           | 327,002                      |
| Federal                                   | 3,490,967               | 3,490,967            | 3,239,633            | (251,334)                    |
| Tuition From Other Districts              | 42,500                  | 92,500               | 40,750               | (51,750)                     |
| Total Revenues                            | <u>56,627,331</u>       | <u>56,627,331</u>    | <u>56,818,791</u>    | <u>191,460</u>               |
| <b>EXPENDITURES</b>                       |                         |                      |                      |                              |
| Current                                   |                         |                      |                      |                              |
| Instruction                               |                         |                      |                      |                              |
| Regular Instruction                       | 7,510,703               | 7,447,714            | 7,215,770            | 231,944                      |
| Special Instruction                       | 4,238,476               | 4,239,476            | 4,373,891            | (134,415)                    |
| Vocational Instruction                    | 623,610                 | 623,610              | 517,642              | 105,968                      |
| Student Activities - Athletics            | 288,173                 | 295,837              | 301,952              | (6,115)                      |
| Total Instruction                         | <u>12,660,962</u>       | <u>12,606,637</u>    | <u>12,409,255</u>    | <u>197,382</u>               |
| Pupil Support Services                    |                         |                      |                      |                              |
| Attendance                                | 298,291                 | 298,291              | 235,449              | 62,842                       |
| Guidance and Counseling                   | 1,534,676               | 1,533,376            | 1,426,242            | 107,134                      |
| Health and Ancillary Services             | 2,140,016               | 2,172,016            | 2,188,804            | (16,788)                     |
| Improvement of Instruction                | 1,578,388               | 1,579,550            | 1,287,386            | 292,164                      |
| Media Services                            | 4,244,753               | 4,009,177            | 3,519,046            | 490,131                      |
| Total Support Services                    | <u>9,796,124</u>        | <u>9,592,410</u>     | <u>8,656,927</u>     | <u>935,483</u>               |
| Administration                            |                         |                      |                      |                              |
| Board Services                            | 364,775                 | 364,775              | 298,461              | 66,314                       |
| General Administration                    | 999,299                 | 999,299              | 1,007,430            | (8,131)                      |
| Building Administration                   | 2,877,157               | 2,883,138            | 2,952,192            | (69,054)                     |
| Business, Central Services                | 986,206                 | 1,007,206            | 986,759              | 20,447                       |
| Total Administration                      | <u>5,227,437</u>        | <u>5,254,418</u>     | <u>5,244,842</u>     | <u>9,576</u>                 |
| Other                                     |                         |                      |                      |                              |
| Operation of Plant                        | 16,570,882              | 16,628,582           | 15,406,669           | 1,221,913                    |
| Pupil Transportation                      | 7,434,456               | 7,623,264            | 7,844,429            | (221,165)                    |
| Adult Literacy                            | 4,870                   | 4,870                | 3,704                | 1,166                        |
| Community Services                        | 1,715,729               | 1,715,729            | 1,579,199            | 136,530                      |
| Total Other                               | <u>25,725,937</u>       | <u>25,972,445</u>    | <u>24,834,001</u>    | <u>1,138,444</u>             |
| Total Expenditures                        | <u>53,410,460</u>       | <u>53,425,910</u>    | <u>51,145,025</u>    | <u>2,280,885</u>             |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | 3,216,871               | 3,201,421            | 5,673,766            | 2,472,345                    |
| <b>OTHER FINANCING USES</b>               |                         |                      |                      |                              |
| Transfers Out                             | <u>13,570,266</u>       | <u>13,984,347</u>    | <u>14,302,224</u>    | <u>(317,877)</u>             |
| <b>NET CHANGE IN FUND BALANCE</b>         | (10,353,395)            | (10,782,926)         | (8,628,458)          | 2,154,468                    |
| <b>FUND BALANCE, JULY 1</b>               | <u>36,576,376</u>       | <u>36,576,376</u>    | <u>36,576,376</u>    | <u>-</u>                     |
| <b>FUND BALANCE, JUNE 30</b>              | <u>\$ 26,222,981</u>    | <u>\$ 25,793,450</u> | <u>\$ 27,947,918</u> | <u>\$ 2,154,468</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, 2008**

|   | <u>Budgeted Amounts</u> |                    | <u>Actual</u>      | <u>Variance</u>              |
|---|-------------------------|--------------------|--------------------|------------------------------|
|   | <u>Original</u>         | <u>Final</u>       |                    | <u>with<br/>Final Budget</u> |
| <b>REVENUES</b>                           |                         |                    |                    |                              |
| Local                                     | \$ 54,532,342           | \$ 54,532,342      | \$ 55,091,486      | \$ 559,144                   |
| County                                    | 947,827                 | 947,827            | 926,262            | (21,565)                     |
| State                                     | 36,083,366              | 36,083,366         | 36,065,997         | (17,369)                     |
| Federal                                   | 5,419,877               | 5,419,877          | 4,612,906          | (806,971)                    |
| Tuition From Other Districts              | 71,000                  | 71,000             | 113,145            | 42,145                       |
| Total Revenues                            | <u>97,054,412</u>       | <u>97,054,412</u>  | <u>96,809,796</u>  | <u>(244,616)</u>             |
| <b>EXPENDITURES</b>                       |                         |                    |                    |                              |
| Current                                   |                         |                    |                    |                              |
| Instruction                               |                         |                    |                    |                              |
| Regular Instruction                       | 65,281,559              | 65,581,559         | 65,418,736         | 162,823                      |
| Special Instruction                       | 21,284,554              | 21,284,554         | 20,762,010         | 522,544                      |
| Vocational Instruction                    | 3,091,180               | 3,091,180          | 3,108,764          | (17,584)                     |
| Student Activities - Athletics            | 663,994                 | 663,994            | 646,581            | 17,413                       |
| Tuition To Other Districts                | 400,000                 | 400,000            | 279,508            | 120,492                      |
| Total Instruction                         | <u>90,721,287</u>       | <u>91,021,287</u>  | <u>90,215,599</u>  | <u>805,688</u>               |
| Pupil Support Services                    |                         |                    |                    |                              |
| Guidance and Counseling                   | 4,619,397               | 4,619,397          | 4,614,374          | 5,023                        |
| Health and Ancillary Services             | 1,254,567               | 1,254,567          | 1,160,204          | 94,363                       |
| Improvement of Instruction                | 1,563,807               | 1,563,807          | 1,601,539          | (37,732)                     |
| Media Services                            | 2,755,331               | 2,755,331          | 3,068,991          | (313,660)                    |
| Total Support Services                    | <u>10,193,102</u>       | <u>10,193,102</u>  | <u>10,445,108</u>  | <u>(252,006)</u>             |
| Administration                            |                         |                    |                    |                              |
| General Administration                    | 1,195,164               | 1,195,164          | 1,133,091          | 62,073                       |
| Building Administration                   | 7,765,497               | 7,765,497          | 7,843,830          | (78,333)                     |
| Total Administration                      | <u>8,960,661</u>        | <u>8,960,661</u>   | <u>8,976,921</u>   | <u>(16,260)</u>              |
| Other                                     |                         |                    |                    |                              |
| Operation of Plant                        | 807                     | 807                | -                  | 807                          |
| Adult Literacy                            | 71,341                  | 71,341             | 63,774             | 7,567                        |
| Community Services                        | 677,480                 | 677,480            | 781,350            | (103,870)                    |
| Total Other                               | <u>749,628</u>          | <u>749,628</u>     | <u>845,124</u>     | <u>(95,496)</u>              |
| Total Expenditures                        | <u>110,624,678</u>      | <u>110,924,678</u> | <u>110,482,752</u> | <u>441,926</u>               |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | (13,570,266)            | (13,870,266)       | (13,672,956)       | 197,310                      |
| <b>OTHER FINANCING SOURCES</b>            |                         |                    |                    |                              |
| Transfers In                              | 13,570,266              | 13,570,266         | 13,432,128         | (138,138)                    |
| <b>NET CHANGE IN FUND BALANCE</b>         | -                       | (300,000)          | (240,828)          | 59,172                       |
| <b>FUND BALANCE, JULY 1</b>               | 240,828                 | 240,828            | 240,828            | -                            |
| <b>FUND BALANCE, JUNE 30</b>              | <u>\$ 240,828</u>       | <u>\$ (59,172)</u> | <u>\$ -</u>        | <u>\$ 59,172</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, 2008**

|   | <u>Business-Type<br/>Activities-<br/>Nonmajor<br/>Enterprise Funds</u> | <u>Governmental<br/>Activities-<br/>Internal<br/>Service Funds</u> |
|---|--|--|
| <b>ASSETS</b>                                     |  |  |
| Current Assets                                    |  |  |
| Cash and Cash Equivalents                         | \$ 2,085,708   | \$ 3,958,206   |
| Investments                                       | -  | 2,146,912  |
| Receivables (Net of Allowance for Uncollectibles) |  |  |
| Local   | 180,536  | -  |
| Federal   | 451,573  | -  |
| Inventories                                       | 117,243  | -  |
| Prepaid Expenses                                  | 18,243   | -  |
| Total Current Assets                              | <u>2,853,303</u>   | <u>6,105,118</u>   |
| Noncurrent Assets                                 |  |  |
| Capital Assets (Net of Accumulated Depreciation)  |  |  |
| Furniture and Equipment                           | 261,014  | -  |
| Total Noncurrent Assets                           | <u>261,014</u>   | <u>-</u>   |
| Total Assets                                      | <u>3,114,317</u>   | <u>6,105,118</u>   |
| <b>LIABILITIES</b>                                |  |  |
| Current Liabilities                               |  |  |
| Accounts Payable                                  | 86,540   | 1,760,567  |
| Accrued Salaries and Payroll Taxes                | 40,899   | -  |
| Unearned Revenue                                  | 134,204  | -  |
| Total Current Liabilities                         | <u>261,643</u>   | <u>1,760,567</u>   |
| Noncurrent Liabilities                            |  |  |
| Liability for Long - Term                         |  |  |
| Compensated Absences                              | 142,981  | -  |
| Liability for Long - Term Other                   |  |  |
| Postemployment Benefits                           | 236,292  | -  |
| Total Noncurrent Liabilities                      | <u>379,273</u>   | <u>-</u>   |
| Total Liabilities                                 | <u>640,916</u>   | <u>1,760,567</u>   |
| <b>NET ASSETS</b>                                 |  |  |
| Invested in Capital Assets                        | 261,014  | -  |
| Unrestricted                                      | 2,212,387  | 4,344,551  |
| Total Net Assets                                  | <u>\$ 2,473,401</u>  | <u>\$ 4,344,551</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, 2008**

|   | <b>Business-Type<br/>Activities-<br/>Nonmajor<br/><u>Enterprise Funds</u></b> | <b>Governmental<br/>Activities-<br/>Internal<br/><u>Service Funds</u></b> |
|---|---|---|
| <b>OPERATING REVENUES</b>               |   |   |
| Food Sales                              | \$ 3,044,402  | \$ -  |
| Tuition                                 | 1,012,278   | -   |
| Insurance Premiums                      | -   | 19,145,137  |
| Total Operating Revenues                | <u>4,056,680</u>  | <u>19,145,137</u>   |
| <b>OPERATING EXPENSES</b>               |   |   |
| Food Purchased                          | 2,505,150   | -   |
| Salaries and Wages                      | 2,994,135   | 86,376  |
| Fringe Benefits                         | 1,254,582   | 21,364  |
| Supplies                                | 448,401   | -   |
| Purchased Services                      | 290,986   | 7,687   |
| Travel                                  | 24,689  | -   |
| Repairs                                 | 116,885   | -   |
| Donated Commodities Used                | 493,235   | -   |
| Financial Aid                           | 211,340   | -   |
| Excess Loss Insurance                   | -   | 300,976   |
| Administration Fees                     | -   | 334,187   |
| Benefits Paid/Accrued                   | -   | 17,456,602  |
| Depreciation                            | 63,292  | -   |
| Total Operating Expenses                | <u>8,402,695</u>  | <u>18,207,192</u>   |
| <b>OPERATING INCOME (LOSS)</b>          | <u>(4,346,015)</u>  | <u>937,945</u>  |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |   |   |
| State Assistance                        | 441,232   | -   |
| Federal Assistance                      | 3,291,754   | -   |
| Earnings on Investments                 | 82,019  | 200,181   |
| Donated Commodities                     | 493,235   | -   |
| Total Nonoperating Revenues             | <u>4,308,240</u>  | <u>200,181</u>  |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>   | (37,775)  | 1,138,126   |
| <b>TRANSFERS OUT</b>                    | (227,340)   | -   |
| <b>CHANGES IN NET ASSETS</b>            | (265,115)   | 1,138,126   |
| <b>NET ASSETS, JULY 1</b>               | <u>2,738,516</u>  | <u>3,206,425</u>  |
| <b>NET ASSETS, JUNE 30</b>              | <u>\$ 2,473,401</u>   | <u>\$ 4,344,551</u>   |

*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, 2008**

|  | <b>Business-Type<br/>Activities-<br/>Nonmajor<br/>Enterprise Funds</b> | <b>Governmental<br/>Activities-<br/>Internal<br/>Service Funds</b> |
|--|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |  |  |
| Cash Received from Sales/Tuition/Premiums  | \$ 3,985,621   | \$ 19,145,137  |
| Cash Payments for Supplies and Services  | (3,575,401)  | (548,229)  |
| Cash Payments to Employees for Services  | (4,053,558)  | (202,361)  |
| Cash Payments for Claims/Benefits  | -  | (17,297,981)   |
| Net Cash From Operating Activities   | <u>(3,643,338)</u>   | <u>1,096,566</u>   |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                                     |  |  |
| Federal/State Assistance   | 3,679,056  | -  |
| Net Cash From Noncapital Financing Activities  | <u>3,679,056</u>   | <u>-</u>   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                            |  |  |
| Acquisition of Capital Assets  | (14,802)   | -  |
| Net Cash From Capital and Related Financing Activities                                     | <u>(14,802)</u>  | <u>-</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |  |  |
| Interest on Investments  | 82,019   | 200,181  |
| Investments Purchased  | -  | (6,125,929)  |
| Investments Matured or Sold  | 1,045,778  | 7,268,793  |
| Net Cash From Investing Activities   | <u>1,127,797</u>   | <u>1,343,045</u>   |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                | 1,148,713  | 2,439,611  |
| <b>CASH AND CASH EQUIVALENTS, JULY 1</b>   | <u>936,995</u>   | <u>1,518,595</u>   |
| <b>CASH AND CASH EQUIVALENTS, JUNE 30</b>  | <u>\$ 2,085,708</u>  | <u>\$ 3,958,206</u>  |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO<br/>NET CASH FROM OPERATING ACTIVITIES</b> |  |  |
| Operating Income (Loss)  | \$ (4,346,015)   | \$ 937,945   |
| Adjustments to Reconcile Operating Income (Loss) to Net<br>Cash From Operating Activities  |  |  |
| Depreciation   | 63,292   | -  |
| Donated Commodities Used   | 493,235  | -  |
| Change in Assets and Liabilities   |  |  |
| Decrease in Receivables  | (83,094)   | -  |
| Decrease in Inventories  | 31,589   | -  |
| Increase in Prepaid Expenses   | (17,263)   | -  |
| Decrease in Accounts Payable<br>and Accrued Liabilities                                    | 6,291  | 158,621  |
| Decrease in Unearned Revenue   | (17,683)   | -  |
| Decrease in Compensated Absences Payable   | (9,982)  | -  |
| Increase in Other Postemployment Benefits Payable  | 236,292  | -  |
| Net Cash From Operating Activities   | <u>\$ (3,643,338)</u>  | <u>\$ 1,096,566</u>  |
| <b>SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES</b>                                 |  |  |
| Donated commodities received   | \$ 463,517   | \$ -   |
| Donated commodities used   | \$ 493,235   | \$ -   |

*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, 2008**

**ASSETS**

|                      |    |                       |
|----------------------|----|-----------------------|
| Cash                 | \$ | 700,151               |
| Prepaid Expenditures |    | <u>575</u>            |
| Total Assets         | \$ | <u><u>700,726</u></u> |

**LIABILITIES**

|                       |    |                       |
|-----------------------|----|-----------------------|
| Accounts Payable      | \$ | 18,670                |
| Due to Student Groups |    | <u>682,056</u>        |
| Total Liabilities     | \$ | <u><u>700,726</u></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, 2008**

**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, 2007. 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 major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a

**COLUMBIA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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 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.

**COLUMBIA PUBLIC SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008**

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 4). 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. 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



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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 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 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.

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

**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:

| <u>Capital Asset Type</u> | <u>Estimated Useful Life</u> | <u>Salvage Value</u> |
|---------------------------|------------------------------|----------------------|
| 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 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.

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A liability for compensated absences and other post-employment benefits 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.

**Note 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**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 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, 2008, at its May 12, 2007 and June 19, 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

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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.

The Teacher's Fund had a budgeted deficit fund balance of \$59,172, as of June 30, 2008. Budgeting a deficit fund balance is prohibited by state law.

**Excess of expenditures over appropriations**

For the year ended June 30, 2008, expenditures exceeded appropriations in Capital Projects Fund by \$955,917. These over expenditures were due to capital projects that were completed ahead of schedule. The over expenditures were funded by general obligation bonds issued during the year and available fund balance.

**Note 3 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 \$1,444,388 difference are as follows:

|  |    |           |
|--|----|-----------|
| Deferred property tax related to prior year  | \$ | 226,873   |
| Deferred remainder of property tax unearned  |    | 1,217,515 |
| Net adjustment to increase fund balance of total governmental funds to arrive at net assets of governmental activities | \$ | 1,444,388 |

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 \$166,733,449 difference are as follows:

|  |    |             |
|--|----|-------------|
| Compensated Absences   | \$ | 2,186,397   |
| Net OPEB Obligation  |    | 8,560,408   |
| Accrued Interest Payable   |    | 1,977,118   |
| Capital Leases Payable within One Year   |    | 161,831     |
| Capital Leases Payable in More than One Year   |    | 161,830     |
| General Obligation Bonds Due within One Year   |    | 12,260,000  |
| General Obligation Bonds Due in More than One Year   |    | 141,428,600 |
| Less: Deferred Charge for Issuance Costs (to be amortized over the life of the debt)                                 |    | (2,735)     |
| Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of governmental activities | \$ | 166,733,449 |

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**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 \$18,537,268 difference are as follows:

|   |                      |
|---|----------------------|
| Land  | \$ 1,360,725         |
| Construction in Progress  | 7,850,565            |
| Buildings   | 10,518,714           |
| Equipment   | 1,479,271            |
| Less: Depreciation Expense  | <u>(2,672,007)</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>\$ 18,537,268</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 \$351,384 difference are as follows:

|   |                     |
|---|---------------------|
| Earned but unavailable property tax   | \$ 1,217,516        |
| Prior years' earned but unavailable property tax  | <u>(1,568,900)</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>\$ (351,384)</u> |

Another element of that reconciliation state that "The issuance of long-term debt (bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of the long term debt consumes the current financial resources of the governmental funds." The details of this \$9,233,661 differences are as follows:

|   |                       |
|---|-----------------------|
| General obligation bonds issued   | \$ (40,005,000)       |
| Bond principal payments   | 31,095,000            |
| Capital lease financing   | (485,492)             |
| Principal payment on capital lease  | <u>161,831</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>\$ (9,233,661)</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 \$25,740 difference are as follows:

|   |                    |
|---|--------------------|
| Current bond interest payable   | \$ (1,977,118)     |
| Prior year's bond interest payable  | <u>1,951,378</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>\$ (25,740)</u> |

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Another element of that reconciliation state that "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." The details of this \$56,042 difference are as follows:

|   |              |
|---|--------------|
| Current year debt issuance related costs:   |              |
| Premium   | \$ (265,930) |
| Other issuance costs  | 296,780      |
| Amortization of bond issuance costs, premiums, and discounts  | 25,192       |
| Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities | \$ 56,042    |

**Note 4 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 6) has been recognized on the related balance sheet or statement of net assets.

**Note 5 DEPOSITS & INVESTMENTS**

**Deposits**

At June 30, 2008, the carrying amount of the District's deposits for the primary government was \$9,599,974 and the bank balance was \$7,476,351. 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, 2007, the carrying amount of the component unit's deposits was \$761,925 and the bank balance was \$758,934. The component unit does not have a deposit policy for custodial credit risk. As of December 31, 2007, \$163,407 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, 2008, the District (primary government) had the following investments:

| <u>Investment Type</u>   | <u>Amortized<br/>Cost</u> | <u>Maturity Less<br/>Than 1 Year</u> |
|--|---------------------------|--------------------------------------|
| U.S. Treasury Obligations  |                           |                                      |
| U.S. Treasury Bills  | \$ 35,325,713             | \$ 35,325,713                        |
| U.S. Treasury Notes  |                           |                                      |
| U.S. Agencies Obligations  |                           |                                      |
| Freddie Mac Discount Notes   | 16,126,319                | 16,126,319                           |
| Federal Home Loan Bank Discount Notes  | 2,998,685                 | 2,998,685                            |
| Federal National Mortgage Association Discount Notes                         | 19,131,646                | 19,131,646                           |
| External Investment Pool   |                           |                                      |
| Missouri Health and Education Facilities Authority Direct<br>Deposit Program | <u>1,570,934</u>          | <u>1,570,934</u>                     |
| Total Investments –<br>Primary Government                                    | <u>\$ 75,153,297</u>      | <u>\$ 75,153,297</u>                 |

As of December 31, 2007, the discretely presented component unit had the following investments:

| <u>Investment Type</u>                                     | <u>Fair<br/>Value</u> | <u>Maturity<br/>1-5 Years</u> |
|--|-----------------------|-------------------------------|
| U.S. Agencies Obligations                                  |                       |                               |
| Federal Home Loan Bank                                     | 50,266                | 50,266                        |
| Common Stock   | <u>272,625</u>        | <u>N/A</u>                    |
| Total Investments - Discretely Presented<br>Component Unit | <u>\$ 322,891</u>     | <u>\$ 50,266</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 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. The Missouri Department of Higher Education which administers the MOHEFA program issues a publicly available financial report. That report may be obtained by writing to the Missouri Department of Higher Education, 3515 Amazonas Drive, Jefferson City, Missouri 65109 or by calling 1-800-473-6757.

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

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**Credit Risk.** Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy provides that the District will minimize credit risk by pre-qualifying financial institutions, brokers/dealers, intermediaries, and advisors with which the district will do business, and diversifying the portfolio so that potential losses on individual securities will be minimized. At June 30, 2008, 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%.

**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:



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**Balance sheet:**

**Assets:**

|                                      |    |                   |
|--------------------------------------|----|-------------------|
| Cash and cash equivalents            |    |                   |
| Governmental Funds                   | \$ | 2,877,291         |
| Cash and cash equivalents            |    |                   |
| Enterprise Funds                     |    | 2,085,708         |
| Cash and cash equivalents            |    |                   |
| Internal Service Funds               |    | 3,958,206         |
| Cash – Fiduciary Funds               |    | 700,151           |
| Investments – Governmental Funds     |    | 73,006,385        |
| Investments – Enterprise Funds       |    | -                 |
| Investments – Internal Service Funds |    | 2,146,912         |
| Total                                | \$ | <u>84,774,653</u> |

**Note disclosure:**

|                             |    |                   |
|-----------------------------|----|-------------------|
| Cash on Hand                | \$ | 21,382            |
| Carrying Amount of Deposits |    | 9,599,974         |
| Investments                 |    | 75,153,297        |
| Total                       | \$ | <u>84,774,653</u> |

**Note 6 PROPERTY TAXES RECEIVABLE**

The amount of prior years' taxes due at June 30, 2008, was obtained from the County Collector who is responsible for the collection of all taxes. The net receivables were calculated as follows:

|  | General<br>Fund      | Teachers<br>Fund     | Debt<br>Service<br>Fund | Capital<br>Projects<br>Fund | Total                |
|--|----------------------|----------------------|-------------------------|-----------------------------|----------------------|
| Property Taxes Receivable (07-08) .... | \$ 27,148,098        | \$ 51,868,202        | \$ 16,258,879           | \$ 202,412                  | \$ 95,477,591        |
| Less: Allowance .....                  | 85,335               | 163,037              | 51,107                  | 636                         | 300,115              |
| Net Property Taxes Receivable ....     | <u>\$ 27,062,763</u> | <u>\$ 51,705,165</u> | <u>\$ 16,207,772</u>    | <u>\$ 201,776</u>           | <u>\$ 95,177,476</u> |
| Unearned Revenue .....                 | <u>\$ 26,833,583</u> | <u>\$ 51,267,300</u> | <u>\$ 16,070,517</u>    | <u>\$ 200,068</u>           | <u>\$ 94,371,468</u> |

The allowance for doubtful collections was computed by multiplying 0.70% by the total amount of personal property taxes assessed for 2006 through 2008 taxes. The 0.70% is the average uncollected percentage of personal property taxes for 2003 through 2005 taxes. All real property taxes prior to 2005 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.

**Note 7 INVENTORIES**

Physical inventories of goods on hand were taken as of June 30, 2008. Inventories on hand, stated at cost or average cost, at June 30, 2008, are as follows:

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|                                 |                   |
|---------------------------------|-------------------|
| General Fund:                   |                   |
| Consumable supplies .....       | \$ 230,872        |
| Gasoline, fuel oil.....         | <u>51,544</u>     |
| Total .....                     | <u>\$ 282,416</u> |
| Food Services Fund:             |                   |
| Food supplies - purchased ..... | \$ 23,994         |
| Donated commodities.....        | <u>93,249</u>     |
| Total .....                     | <u>\$ 117,243</u> |

**Note 8 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund balances at June 30, 2008, resulting from interfund loans are summarized as follows:

|                |                         |                      |
|----------------|-------------------------|----------------------|
|                | Interfund<br>Receivable | Interfund<br>Payable |
| General Fund   | \$ 1,645,927            | \$ -                 |
| Teacher's Fund | <u>-</u>                | <u>1,645,927</u>     |
| Total          | <u>\$ 1,645,927</u>     | <u>\$ 1,645,927</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, 2008.

|                               |  |   |
|-------------------------------|--|---|
|                               | <b>TRANSFERS FROM</b>                      |   |
|                               | Governmental<br>Activities<br>General Fund | Business-Type<br>Activities<br>Adult Education Fund |
| <b>TRANSFERS TO</b>           |  |   |
| Governmental Activities:      |  |   |
| Teachers Fund                 | \$ 13,432,128                              | \$ -  |
| Capital Projects Fund         | <u>870,096</u>                             | <u>-</u>  |
| Total Governmental Activities | <u>\$ 14,302,224</u>                       | <u>\$ 227,340</u>                                   |

The District routinely transfers amounts from the General Fund to the Teachers Fund and the Capital Projects Fund in accordance with regulations of the State of Missouri. The amounts transferred to the Teachers Fund are required to balance the fund's revenues and expenditures. The District had a zero balance in the Teachers Fund at June 30, 2008. The transfers to the Capital Projects Fund are for equipment purchases and other amounts allowed by State regulation.

The District also made a one time capital asset transfer of \$227,340 from the Adult Education Enterprise Fund to the Governmental Activities because the Strawn Building will no longer be used for Adult Education. This transfer is not possible at the fund level because governmental funds do not report capital assets.

**Note 9 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.

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PSRS members are required to contribute 12.5% 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, 2008, were \$23,343,633, which was equal to the required contributions, which were made up of \$11,671,817 in employee contributions and \$11,671,817 in employer contributions. For the years ended June 30, 2008, 2007, and 2006, the District contributed 100% of the required contributions. The contributions for the last three fiscal years were as follows:

| <b>Year Ended<br/>June 30,</b> | <b>Amount of Employer<br/>Contribution</b> | <b>Contribution as a<br/>Percentage of<br/>Covered Salaries</b> |
|--------------------------------|--|---|
| 2008                           | \$ 11,671,817                              | 12.5%   |
| 2007                           | 10,239,557                                 | 12.0%   |
| 2006                           | 9,174,900                                  | 11.5%   |

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 6.00% 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, 2008, were \$2,919,586, which was equal to the required contributions, which were made up of \$1,459,793 in employee contributions and \$1,459,793 in employer contributions. For the years ended June 30, 2008, 2007, and 2006, the District contributed 100% of the required contributions. The contributions for the last three fiscal years were as follows:

| <b>Year Ended<br/>June 30,</b> | <b>Amount of Employer<br/>Contribution</b> | <b>Contribution as a<br/>Percentage of<br/>Covered Salaries</b> |
|--------------------------------|--|---|
| 2008                           | \$ 1,459,793                               | 6.00%   |
| 2007                           | 1,294,601                                  | 5.75%   |
| 2006                           | 1,142,715                                  | 5.50%   |

The District contributed to PSRS on total salaries and benefits of \$93,374,532 and to PEERS on total salaries and benefits of \$24,329,879 for the year ended June 30, 2008. The overall payroll (salaries and benefits) for the District was \$122,620,807, which includes payroll of \$4,916,396 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 10 LEASES**

**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

**COLUMBIA PUBLIC SCHOOL DISTRICT  
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JUNE 30, 2008**

operating leases. Lease expenditures for the year ended June 30, 2008, were \$1,079,736. Future minimum lease payments for these leases are as follows:

| <u>Year Ending<br/>June 30,</u> | <u>Amount</u>       |
|---------------------------------|---------------------|
| 2009                            | 975,732             |
| 2010                            | 729,631             |
| 2011                            | 220,568             |
| Total                           | \$ <u>1,925,931</u> |

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

**Capital Leases**

The District has entered into a lease agreement as lessee for financing the acquisition of mobile classroom trailers with a down payment of \$161,831. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its minimum lease payments as of the inception date.

The asset acquired through the capital lease is as follows:

| <u>Governmental Activities:</u> |                   |
|---------------------------------|-------------------|
| Asset:                          |                   |
| Mobile Classroom Trailers       | \$ 485,492        |
| Less: Accumulated Depreciation  | <u>(9,710)</u>    |
| Total                           | <u>\$ 475,782</u> |

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008, were as follows:

| <u>Governmental Activities:</u>         |                   |
|---|-------------------|
| Year Ending June 30, 2008               |                   |
| 2009                                    | \$ 161,831        |
| 2010                                    | <u>161,830</u>    |
| Total minimum lease payments            | 323,661           |
| Less: amount representing interest      | <u>(22,539)</u>   |
| Present value of minimum lease payments | <u>\$ 301,122</u> |

**Note 11 LONG-TERM DEBT**

**Bonds Payable**

All District bonds are general obligation bonds with maturities from 2009 to 2026 and average net interest rates at issue from 2.83% to 7.23%. General obligation bonds outstanding at June 30, 2008, were \$153,590,000. Scheduled bond retirement and interest payable in the next fiscal year are \$12,260,000 and \$6,039,930, 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, 2008, the District had accumulated \$14,571,639 in the Debt Service Fund for future debt requirements.

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

**COLUMBIA PUBLIC SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008**

| Year Ending<br>June 30, | Bond<br>Payment       | Interest<br>Payment  | Total                 |
|-------------------------|-----------------------|----------------------|-----------------------|
| 2009                    | 12,260,000            | 6,039,930            | 18,299,930            |
| 2010                    | 13,375,000            | 5,652,438            | 19,027,438            |
| 2011                    | 14,370,000            | 5,106,508            | 19,476,508            |
| 2012                    | 13,955,000            | 4,594,071            | 18,549,071            |
| 2013                    | 15,590,000            | 4,015,514            | 19,605,514            |
| 2014-2018               | 50,905,000            | 12,645,011           | 63,550,011            |
| 2019-2023               | 21,810,000            | 5,162,615            | 26,972,615            |
| 2024-2026               | 11,325,000            | 1,098,125            | 12,423,125            |
|                         | <u>\$ 153,590,000</u> | <u>\$ 44,314,212</u> | <u>\$ 197,904,212</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, 2008, was calculated as follows:

|   |                       |
|---|-----------------------|
| Legal Debt Limit (Excluding State Assessed Utilities) | \$ 287,313,466        |
| Less Indebtedness                                     |                       |
| General Obligation Bonds Payable .....                | \$ 153,590,000        |
| Balance of Debt Service Fund .....                    | <u>(14,571,639)</u>   |
| Total Estimated Legal Debt Margin .....               | <u>\$ 148,295,105</u> |

**Changes in Long-Term Debt**

Changes in long-term debt for the District for the year ended June 30, 2008, are as follows:

|                                  | Balance,<br>June 30, 2007 | Additions            | Reductions             | Balance<br>June 30, 2008 | Due In<br>One Year   |
|----------------------------------|---------------------------|----------------------|------------------------|--------------------------|----------------------|
| <b>Governmental Activities:</b>  |                           |                      |                        |                          |                      |
| Bonds                            | \$ 144,680,000            | \$ 40,005,000        | \$ (31,095,000)        | \$ 153,590,000           | \$ 12,260,000        |
| Less Deferred Amounts            | 151,807                   | -                    | (56,042)               | 95,765                   | (2,735)              |
| Capital Leases                   | -                         | 485,492              | (161,831)              | 323,661                  | 161,831              |
| Compensated Absences             | 2,513,637                 | 820,952              | (1,148,092)            | 2,186,497                | 540,000              |
| Net OPEB Obligation              | -                         | 8,560,408            | -                      | 8,560,408                | -                    |
| Total Governmental Activities    | <u>\$ 147,345,444</u>     | <u>\$ 49,871,852</u> | <u>\$ (32,460,965)</u> | <u>\$ 164,756,331</u>    | <u>\$ 12,959,096</u> |
| <b>Business-Type Activities:</b> |                           |                      |                        |                          |                      |
| Compensated Absences             | \$ 152,963                | 31,805               | (41,787)               | \$ 142,981               | \$ 42,000            |
| Net OBEB Obligation              | -                         | 236,292              | -                      | 236,292                  | -                    |
| Total Business-Type Activities   | <u>\$ 152,963</u>         | <u>268,097</u>       | <u>(41,787)</u>        | <u>\$ 379,273</u>        | <u>\$ 42,000</u>     |

The General Fund has typically been used to liquidate the liabilities for post-employment benefits and compensated absences for Governmental Activities. The Capital Projects Fund will be used to liquidate the capital lease liability.

**Note 12 CHANGES IN CAPITAL ASSETS**

Capital Assets activity for the year ended June 30, 2008, was as follows:

**COLUMBIA PUBLIC SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008**

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>     | <u>Decreases</u>      | <u>Ending<br/>Balance</u> |
|--|------------------------------|----------------------|-----------------------|---------------------------|
| <b>Governmental Activities:</b>                          |                              |                      |                       |                           |
| Capital assets that are not depreciated:                 |                              |                      |                       |                           |
| Land   | \$ 5,181,048                 | \$ 1,360,725         | \$ -                  | \$ 6,541,773              |
| Construction in progress                                 | 7,093,430                    | 16,467,256           | (8,616,691)           | 14,943,995                |
| Capital assets that are depreciated:                     |                              |                      |                       |                           |
| Buildings  | 165,604,214                  | 9,565,688            | -                     | 175,169,902               |
| Mobile classroom trailers                                | 2,218,976                    | 953,026              | -                     | 3,172,002                 |
| Furniture and equipment                                  | 8,363,729                    | 1,479,271            | -                     | 9,843,000                 |
| Total capital assets, governmental activities            | <u>188,461,397</u>           | <u>29,825,966</u>    | <u>(8,616,691)</u>    | <u>209,670,672</u>        |
| Accumulated depreciation, governmental activities:       |                              |                      |                       |                           |
| Buildings  | (30,292,799)                 | (1,783,838)          | -                     | (32,076,637)              |
| Mobile classroom trailers                                | (1,198,247)                  | (107,820)            | -                     | (1,306,067)               |
| Furniture and equipment                                  | (3,871,067)                  | (780,349)            | -                     | (4,651,416)               |
| Total accumulated depreciation, governmental activities  | <u>(35,362,113)</u>          | <u>(2,672,007)</u>   | <u>-</u>              | <u>(38,034,120)</u>       |
| Total capital assets, governmental activities, net       | <u>\$ 153,099,284</u>        | <u>\$ 27,153,959</u> | <u>\$ (8,616,691)</u> | <u>\$ 171,636,552</u>     |
| <b>Business-Type Activities:</b>                         |                              |                      |                       |                           |
| Capital assets that are not depreciated:                 |                              |                      |                       |                           |
| Land   | \$ 37,763                    | \$ -                 | \$ (37,763)           | \$ -                      |
| Capital assets that are depreciated:                     |                              |                      |                       |                           |
| Buildings  | 289,976                      | -                    | (289,976)             | -                         |
| Furniture and equipment                                  | 997,901                      | 14,802               | -                     | 1,012,703                 |
| Total capital assets, business-type activities           | <u>1,325,640</u>             | <u>14,802</u>        | <u>(327,739)</u>      | <u>1,012,703</u>          |
| Accumulated depreciation, business-type activities:      |                              |                      |                       |                           |
| Buildings  | (100,399)                    | -                    | 100,399               | -                         |
| Furniture and equipment                                  | (688,397)                    | (63,292)             | -                     | (751,689)                 |
| Total accumulated depreciation, business-type activities | <u>(788,796)</u>             | <u>(63,292)</u>      | <u>100,399</u>        | <u>(751,689)</u>          |
| Total capital assets, business-type activities, net      | <u>\$ 536,844</u>            | <u>\$ (48,490)</u>   | <u>\$ (227,340)</u>   | <u>\$ 261,014</u>         |

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

**Note 13 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

As of June 30, 2008, the District had the following commitments with respect to unfinished capital projects:

| <u>Capital Project</u>                   | <u>Remaining<br/>Construction<br/>Commitment</u> | <u>Expected<br/>Date of<br/>Completion</u> |
|--|--|--|
| <b>Capital Projects Fund</b>             |  |  |
| Custom Energy at Various Schools         | \$ 3,724,419                                     | 9/15/08                                    |
| New Elementary School                    | 14,591,861                                       | 6/26/09                                    |
| New High School                          | 655,399  | 6/30/10                                    |
| Hickman High School Natatorium           | 57,096   | 7/28/08                                    |
| Career Center Addition                   | 72,972   | 7/30/08                                    |
| Roof Replacement at Various Schools      | 1,285,669  | 9/26/08                                    |
| Rock Bridge High School Concession Stand | 123,538  | 7/25/08                                    |
|  | <u>\$ 20,510,954</u>                             |  |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008**

**Note 14 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 15 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 \$4,344,551 as of June 30, 2008. 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, 2008, the total claims liability was \$1,760,567. Changes in the claims liability amount for the past three fiscal years were:

| <u>Year<br/>Ended<br/>June 30,</u> | <u>Beginning<br/>of Fiscal<br/>Year<br/>Liability</u> | <u>Current Year<br/>Claims and<br/>Changes in<br/>Estimates</u> | <u>Claim<br/>Payment</u> | <u>Administrative<br/>Cost</u> | <u>Balance at<br/>Fiscal<br/>Year-End</u> |
|------------------------------------|---|---|--------------------------|--------------------------------|---|
| 2008                               | \$ 1,601,946  | \$ 18,258,073   | \$ (17,757,578)          | \$ (341,874)                   | \$ 1,760,567                              |
| 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                                 |

**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, 2008, 2007, and 2006, the settlements did not exceed the insurance coverage provided by commercial insurance.

**COLUMBIA PUBLIC SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008**

**Note 16 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 17 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 Investment Committee with the advice of an outside financial consultant, Cottonwood Advisors. The plans are managed by CPI as a third party administrator. Edward Jones is the broker of record for the 457(b) plan and LaBrunerie Financial Services is the broker of record for the 403(b) plan.

**Note 18 OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description**

The Columbia Public School District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides pre- and post-Medicare healthcare benefits and dental benefits for eligible retirees and their dependents through the District's group health insurance plan, which covers both active and retired members. On July 1, 2007, the actuarial valuation date, the Retiree Health Plan covered 2,326 active employees, and 359 retirees and surviving spouses. Benefit provisions are established by the Board of Education ("Board") annually. The Retiree Health Plan does not issue separately audited financial statements.

**Funding Policy**

Contribution requirements are also established by the Board annually. The District does not contribute toward the cost of current-year premiums for eligible retired plan members and their dependents



**COLUMBIA PUBLIC SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008**

Eligible retirees pay 100 percent of the blended premium rates used for both active and non-Medicare eligible retired members.

**Annual OPEB Cost and Net OPEB Obligation**

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). In the July 1, 2007 actuarial valuation, the ARC and related information was calculated using the entry age normal cost method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Retiree Health Plan:

|  |    |            |
|--|----|------------|
| Annual required contribution               | \$ | 10,415,700 |
| Interest on net OPEB obligation            |    | -          |
| Adjustment to annual required contribution |    | -          |
| Annual OPEB cost (expense)                 |    | 10,415,700 |
| Contributions made                         |    | 1,622,000  |
| Increase in net OPEB obligation            |    | 8,793,700  |
| Net OPEB obligation-July 1, 2007           |    | -          |
| Net OPEB obligation-June 30, 2008          | \$ | 8,793,700  |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year was as follows:

| <u>Year Ended<br/>June 30,</u> | <u>Annual<br/>OPEB<br/>Cost</u> | <u>Percentage of Annual<br/>OPEB Cost<br/>Contributed</u> | <u>Net<br/>OPEB<br/>Obligation</u> |
|--------------------------------|---------------------------------|---|------------------------------------|
| 2008                           | \$ 10,415,700                   | 15.6%   | \$ 8,793,700                       |

In June 2004, the GASB issued Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions", which was effective for periods beginning after December 15, 2006. The statement was implemented prospectively, therefore, information regarding other postemployment benefits is only available for the current year and is not available for the two preceding years.

**Funded Status and Funding Progress**

As of July 1, 2007, the actuarial accrued liability for benefits was \$108,765,700, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$94,334,200, and the ratio of the unfunded actuarial liability to the covered payroll was 115.3 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, present as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**COLUMBIA PUBLIC SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008**

**Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following assumptions were made:

**Retirement age for active employees.** Based on the historical average retirement age for the covered plan members were assumed to retire at age 60, or at the first subsequent year in which the member would qualify for benefits.

**Marital Status.** Marital status of members at the calculation date was assumed to continue throughout retirement.

**Mortality.** Life expectancies were based on the 1994 Group Annual Mortality Table used by PSRS, with male ages set back three year and female ages set back three years.

**Turnover.** Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to period the present value of total benefits to be paid.

**Healthcare cost trend rate.** The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services. A rate of 10 percent initially, reduced to an ultimate rate of 4.5 percent after 10 years, was used.

**Health insurance premiums.** July 1, 2007, health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

**Inflation rate.** The expected long-term inflation assumption of 3.25 percent was based on the projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

**Payroll growth rate.** The expected long-term payroll growth rate was assumed to be 4.25 percent plus a seniority/merit scale used for PSRS/PEERS valuations.

Based on the historical and expected returns of the District's short-term investment portfolio, a discount rate of 4.25 percent was used. The amortization period used was thirty year open and the amortization method was level percentage of payroll.

**COLUMBIA PUBLIC SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN  
 FOR THE YEAR ENDED JUNE 30, 2008**

| <u>Actuarial<br/>Valuation<br/>Date<br/>July 1,</u> | <u>Actuarial<br/>Value of<br/>Assets<br/>(a)</u> | <u>Actuarial<br/>Accrued<br/>Liability<br/>(AAL)-<br/>Entry Age<br/>(b)</u> | <u>Unfunded<br/>AAL<br/>(UAAL)<br/>(b-a)</u> | <u>Funded<br/>Ratio<br/>(a/b)</u> | <u>Covered<br/>Payroll<br/>(c)</u> | <u>UAAL as a<br/>Percentage<br/>of Covered<br/>Payroll<br/>((b-a)/c)</u> |
|---|--|---|--|-----------------------------------|------------------------------------|--|
| 2007  | \$ -   | \$ 108,765,700  | \$ 108,765,700                               | 0.0%                              | \$ 94,334,200                      | 115.3%   |

**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, 2008**

|                                   | <u>Budgeted Amounts</u> |                      | <u>Actual</u>        | <u>Variance</u>              |
|-----------------------------------|-------------------------|----------------------|----------------------|------------------------------|
|                                   | <u>Original</u>         | <u>Final</u>         |                      | <u>with<br/>Final Budget</u> |
| <b>REVENUES</b>                   |                         |                      |                      |                              |
| Local                             | \$ 16,689,809           | \$ 16,689,809        | \$ 16,990,771        | \$ 300,962                   |
| County                            | 273,817                 | 273,817              | 277,787              | 3,970                        |
| State                             | 1,547,088               | 1,547,088            | 1,561,914            | 14,826                       |
| Total Revenues                    | <u>18,510,714</u>       | <u>18,510,714</u>    | <u>18,830,472</u>    | <u>319,758</u>               |
| <b>EXPENDITURES</b>               |                         |                      |                      |                              |
| Debt Service                      |                         |                      |                      |                              |
| Principal                         | 31,095,000              | 31,095,000           | 31,095,000           | -                            |
| Interest and Fees                 | 6,101,955               | 6,130,795            | 6,121,647            | 9,148                        |
| Total Expenditures                | <u>37,196,955</u>       | <u>37,225,795</u>    | <u>37,216,647</u>    | <u>9,148</u>                 |
| <b>NET CHANGE IN FUND BALANCE</b> | (18,686,241)            | - (18,715,081)       | - (18,386,175)       | 328,906                      |
| <b>FUND BALANCE, JULY 1</b>       | <u>32,957,814</u>       | <u>32,957,814</u>    | <u>32,957,814</u>    | <u>-</u>                     |
| <b>FUND BALANCE, JUNE 30</b>      | <u>\$ 14,271,573</u>    | <u>\$ 14,242,733</u> | <u>\$ 14,571,639</u> | <u>\$ 328,906</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, 2008**

|                                       | <u>Budgeted Amounts</u> |                      | <u>Actual</u>        | <u>Variance<br/>with<br/>Final Budget</u> |
|---------------------------------------|-------------------------|----------------------|----------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>         |                      |   |
| <b>REVENUES</b>                       |                         |                      |                      |   |
| Local                                 | \$ 907,284              | \$ 1,097,284         | \$ 1,073,670         | \$ (23,614)                               |
| County                                | 6,983                   | 4,983                | 4,886                | (97)                                      |
| State                                 | 91,004                  | 91,004               | 91,876               | 872                                       |
| Total Revenues                        | <u>1,005,271</u>        | <u>1,193,271</u>     | <u>1,170,432</u>     | <u>(22,839)</u>                           |
| <b>EXPENDITURES</b>                   |                         |                      |                      |   |
| Debt Service                          |                         |                      |                      |   |
| Interest and Fees                     | -                       | 299,750              | 296,780              | 2,970                                     |
| Capital Outlay and Construction       |                         |                      |                      |   |
| Furniture and Equipment               | 2,760,000               | 5,692,500            | 5,868,855            | (176,355)                                 |
| Vehicles                              | 60,000                  | 60,000               | 60,000               | -   |
| Land and Site Improvements            | 720,000                 | 1,485,000            | 1,398,723            | 86,277                                    |
| Building Additions and Renovations    | 8,460,000               | 17,212,750           | 18,081,559           | (868,809)                                 |
| Total Capital Outlay and Construction | <u>12,000,000</u>       | <u>24,450,250</u>    | <u>25,409,137</u>    | <u>(958,887)</u>                          |
| Total Expenditures                    | <u>12,000,000</u>       | <u>24,750,000</u>    | <u>25,705,917</u>    | <u>(955,917)</u>                          |
| <b>REVENUES UNDER EXPENDITURES</b>    | (10,994,729)            | (23,556,729)         | (24,535,485)         | (978,756)                                 |
| <b>OTHER FINANCING SOURCES</b>        |                         |                      |                      |   |
| General Obligation Bonds Issued       | 10,000,000              | 40,005,000           | 40,005,000           | -   |
| Premium on Bonds Issued               | -                       | 265,930              | 265,930              | -   |
| Capital Leases                        | -                       | -                    | 485,492              | 485,492                                   |
| Transfers In                          | -                       | 414,081              | -                    | (414,081)                                 |
| Total Other Financing Sources         | <u>10,000,000</u>       | <u>40,685,011</u>    | <u>40,756,422</u>    | <u>71,411</u>                             |
| <b>NET CHANGE IN FUND BALANCE</b>     | (994,729)               | 17,128,282           | 16,220,937           | (907,345)                                 |
| <b>FUND BALANCE, JULY 1</b>           | <u>7,298,758</u>        | <u>7,298,758</u>     | <u>7,298,758</u>     | <u>-</u>                                  |
| <b>FUND BALANCE, JUNE 30</b>          | <u>\$ 6,304,029</u>     | <u>\$ 24,427,040</u> | <u>\$ 23,519,695</u> | <u>\$ (907,345)</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, 2008**

|                                   | <u>Budgeted Amounts</u> |                     | <u>Actual</u>       | <u>Variance</u><br><u>with</u> |
|-----------------------------------|-------------------------|---------------------|---------------------|--------------------------------|
|                                   | <u>Original</u>         | <u>Final</u>        |                     | <u>Final Budget</u>            |
| <b>REVENUES</b>                   |                         |                     |                     |                                |
| Local                             | \$ 1,776,975            | \$ 1,937,351        | \$ 1,135,090        | \$ (802,261)                   |
| State                             | 2,411,137               | 2,412,761           | 2,045,104           | (367,657)                      |
| Federal                           | 1,487,508               | 1,487,508           | 1,829,645           | 342,137                        |
| Total Revenues                    | <u>5,675,620</u>        | <u>5,837,620</u>    | <u>5,009,839</u>    | <u>(827,781)</u>               |
| <b>EXPENDITURES</b>               |                         |                     |                     |                                |
| Current                           |                         |                     |                     |                                |
| Instruction                       |                         |                     |                     |                                |
| Regular Instruction               | 1,965,140               | 2,127,140           | 1,995,487           | 131,653                        |
| Special Instruction               | 145,500                 | 145,500             | 106,344             | 39,156                         |
| Vocational Instruction            | 700,000                 | 700,000             | 472,910             | 227,090                        |
| Total Instruction                 | <u>2,810,640</u>        | <u>2,972,640</u>    | <u>2,574,741</u>    | <u>397,899</u>                 |
| Pupil Support Services            |                         |                     |                     |                                |
| Guidance and Counseling           | 70,134                  | 70,134              | 57,735              | 12,399                         |
| Health and Ancillary Services     | 112,500                 | 112,500             | 112,762             | (262)                          |
| Improvement of Instruction        | 98,138                  | 98,138              | 77,237              | 20,901                         |
| Media Services                    | 229,220                 | 229,220             | 16,055              | 213,165                        |
| Total Support Services            | <u>509,992</u>          | <u>509,992</u>      | <u>263,789</u>      | <u>246,203</u>                 |
| Other                             |                         |                     |                     |                                |
| Pupil Transportation              | -                       | -                   | 28,840              | (28,840)                       |
| District Administration           | -                       | -                   | 25,000              | (25,000)                       |
| Adult Literacy                    | 181,614                 | 181,614             | 189,125             | (7,511)                        |
| Community Services                | 2,173,374               | 2,173,374           | 2,086,383           | 86,991                         |
| Total Other                       | <u>2,354,988</u>        | <u>2,354,988</u>    | <u>2,329,348</u>    | <u>25,640</u>                  |
| Total Expenditures                | <u>5,675,620</u>        | <u>5,837,620</u>    | <u>5,167,878</u>    | <u>669,742</u>                 |
| <b>NET CHANGE IN FUND BALANCE</b> | -                       | -                   | (158,039)           | (158,039)                      |
| <b>FUND BALANCE, JULY 1</b>       | <u>1,224,319</u>        | <u>1,224,319</u>    | <u>1,224,319</u>    | -                              |
| <b>FUND BALANCE, JUNE 30</b>      | <u>\$ 1,224,319</u>     | <u>\$ 1,224,319</u> | <u>\$ 1,066,280</u> | <u>\$ (158,039)</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, 2008**

|   | <u>Enterprise Funds</u>  |                            | <u>Total<br/>Nonmajor<br/>Enterprise<br/>Funds</u> |
|---|--------------------------|----------------------------|--|
|   | <u>Food<br/>Services</u> | <u>Adult<br/>Education</u> |  |
| <b>ASSETS</b>                                     |                          |                            |  |
| Current Assets                                    |                          |                            |  |
| Cash and Cash Equivalents                         | \$ 1,779,930             | \$ 305,778                 | \$ 2,085,708                                       |
| Receivables (Net of Allowance for Uncollectibles) |                          |                            |  |
| Local   | -                        | 180,536                    | 180,536  |
| Federal   | 352,333                  | 99,240                     | 451,573  |
| Inventories                                       | 117,243                  | -                          | 117,243  |
| Prepaid Expenditures                              | 17,153                   | 1,090                      | 18,243   |
| Total Current Assets                              | <u>2,266,659</u>         | <u>586,644</u>             | <u>2,853,303</u>                                   |
| Noncurrent Assets                                 |                          |                            |  |
| Capital Assets (Net of Accumulated Depreciation)  |                          |                            |  |
| Furniture and Equipment                           | 247,430                  | 13,584                     | 261,014  |
| Total Noncurrent Assets                           | <u>247,430</u>           | <u>13,584</u>              | <u>261,014</u>                                     |
| Total Assets                                      | <u>2,514,089</u>         | <u>600,228</u>             | <u>3,114,317</u>                                   |
| <b>LIABILITIES</b>                                |                          |                            |  |
| Current Liabilities                               |                          |                            |  |
| Accounts Payable                                  | 20,761                   | 65,779                     | 86,540   |
| Accrued Salaries and Payroll Taxes                | 22,979                   | 17,920                     | 40,899   |
| Unearned Revenue                                  | 93,249                   | 40,955                     | 134,204  |
| Total Current Liabilities                         | <u>136,989</u>           | <u>124,654</u>             | <u>261,643</u>                                     |
| Noncurrent Liabilities                            |                          |                            |  |
| Liability for Long-Term                           |                          |                            |  |
| Compensated Absences                              | 109,392                  | 33,589                     | 142,981  |
| Liability for Long-Term Other                     |                          |                            |  |
| Postemployment Benefits                           | 156,215                  | 80,077                     | 236,292  |
| Total Noncurrent Liabilities                      | <u>265,607</u>           | <u>113,666</u>             | <u>379,273</u>                                     |
| Total Liabilities                                 | <u>402,596</u>           | <u>238,320</u>             | <u>640,916</u>                                     |
| <b>NET ASSETS</b>                                 |                          |                            |  |
| Invested in Capital Assets                        | 247,430                  | 13,584                     | 261,014  |
| Unrestricted                                      | 1,864,063                | 348,324                    | 2,212,387  |
| Total Net Assets                                  | <u>\$ 2,111,493</u>      | <u>\$ 361,908</u>          | <u>\$ 2,473,401</u>                                |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

|   | <u>Enterprise Funds</u>  |                            | <u>Total<br/>Nonmajor<br/>Enterprise<br/>Funds</u> |
|---|--------------------------|----------------------------|--|
|   | <u>Food<br/>Services</u> | <u>Adult<br/>Education</u> |  |
| <b>OPERATING REVENUES</b>               |                          |                            |  |
| Food Sales                              | \$ 3,044,402             | \$ -                       | \$ 3,044,402                                       |
| Tuition                                 | -                        | 1,012,278                  | 1,012,278  |
| Total Operating Revenues                | <u>3,044,402</u>         | <u>1,012,278</u>           | <u>4,056,680</u>                                   |
| <b>OPERATING EXPENSES</b>               |                          |                            |  |
| Food Purchased                          | 2,505,150                | -                          | 2,505,150  |
| Salaries and Wages                      | 1,979,456                | 1,014,679                  | 2,994,135  |
| Fringe Benefits                         | 922,599                  | 331,983                    | 1,254,582  |
| Supplies                                | 314,907                  | 133,494                    | 448,401  |
| Purchased Services                      | 102,152                  | 188,834                    | 290,986  |
| Travel                                  | 7,464                    | 17,225                     | 24,689   |
| Repairs                                 | 106,039                  | 10,846                     | 116,885  |
| Donated Commodities Used                | 493,235                  | -                          | 493,235  |
| Financial Aid                           | -                        | 211,340                    | 211,340  |
| Depreciation                            | 60,274                   | 3,018                      | 63,292   |
| Total Operating Expenses                | <u>6,491,276</u>         | <u>1,911,419</u>           | <u>8,402,695</u>                                   |
| <b>OPERATING LOSS</b>                   | <u>(3,446,874)</u>       | <u>(899,141)</u>           | <u>(4,346,015)</u>                                 |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |                          |                            |  |
| State Assistance                        | 47,474                   | 393,758                    | 441,232  |
| Federal Assistance                      | 2,828,497                | 463,257                    | 3,291,754  |
| Earnings on Investments                 | 70,865                   | 11,154                     | 82,019   |
| Donated Commodities                     | 493,235                  | -                          | 493,235  |
| Transfer Out                            | -                        | (227,341)                  | (227,341)  |
| Total Nonoperating Revenues             | <u>3,440,071</u>         | <u>640,828</u>             | <u>4,080,899</u>                                   |
| <b>CHANGES IN NET ASSETS</b>            | (6,803)                  | (258,313)                  | (265,116)  |
| <b>NET ASSETS, JULY 1</b>               | <u>2,118,296</u>         | <u>620,220</u>             | <u>2,738,516</u>                                   |
| <b>NET ASSETS, JUNE 30</b>              | <u>\$ 2,111,493</u>      | <u>\$ 361,907</u>          | <u>\$ 2,473,400</u>                                |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

|   | <u>Enterprise Funds</u>  |                            | <b>Total<br/>Nonmajor<br/>Enterprise<br/>Funds</b> |
|---|--------------------------|----------------------------|--|
|   | <u>Food<br/>Services</u> | <u>Adult<br/>Education</u> |  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |                          |                            |  |
| Cash Received from Sales/Tuition  | \$ 3,044,402             | 941,219                    | \$ 3,985,621                                       |
| Cash Payments for Supplies and Services   | (3,074,914)              | (500,487)                  | (3,575,401)  |
| Cash Payments to Employees for Services   | (2,781,577)              | (1,271,981)                | (4,053,558)  |
| Net Cash From Operating Activities  | <u>(2,812,089)</u>       | <u>(831,249)</u>           | <u>(3,643,338)</u>                                 |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                            |                          |                            |  |
| Federal/State Assistance  | 2,881,476                | 797,580                    | 3,679,056  |
| Net Cash From Noncapital Financing Activities                                     | <u>2,881,476</u>         | <u>797,580</u>             | <u>3,679,056</u>                                   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                   |                          |                            |  |
| Acquisition of Capital Assets   | (14,802)                 | -                          | (14,802)   |
| Net Cash From Capital and Related Financing Activities                            | <u>(14,802)</u>          | <u>-</u>                   | <u>(14,802)</u>                                    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |                          |                            |  |
| Interest on Investments   | 70,865                   | 11,154                     | 82,019   |
| Investments Purchased   | -                        | -                          | -  |
| Investments Matured or Sold   | 1,045,778                | -                          | 1,045,778  |
| Net Cash From Investing Activities  | <u>1,116,643</u>         | <u>11,154</u>              | <u>1,127,797</u>                                   |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                                  | 1,171,228                | (22,515)                   | 1,148,713  |
| <b>CASH AND CASH EQUIVALENTS, JULY 1</b>  | <u>608,702</u>           | <u>328,293</u>             | <u>936,995</u>                                     |
| <b>CASH AND CASH EQUIVALENTS, JUNE 30</b>   | <u>\$ 1,779,930</u>      | <u>\$ 305,778</u>          | <u>\$ 2,085,708</u>                                |
| <b>RECONCILIATION OF OPERATING LOSS TO<br/>NET CASH FROM OPERATING ACTIVITIES</b> |                          |                            |  |
| Operating Loss  | \$ (3,446,874)           | \$ (899,141)               | \$ (4,346,015)                                     |
| Adjustments to Reconcile Operating Loss to Net<br>Cash From Operating Activities  |                          |                            |  |
| Depreciation  | 60,274                   | 3,018                      | 63,292   |
| Donated Commodities Used  | 493,235                  | -                          | 493,235  |
| Change in Assets and Liabilities  |                          |                            |  |
| Increase in Receivables   | -                        | (83,094)                   | (83,094)   |
| Decrease in Inventories   | 31,589                   | -                          | 31,589   |
| Increase in Prepaid Expenses  | (16,273)                 | (990)                      | (17,263)   |
| Increase (Decrease) in Accounts Payable<br>and Accrued Liabilities                | (51,877)                 | 58,168                     | 6,291  |
| Increase (Decrease) in Unearned Revenue   | (29,718)                 | 12,035                     | (17,683)   |
| Decrease in Compensated Absences Payable  | (8,660)                  | (1,322)                    | (9,982)  |
| Increase in Other Postemployment Benefits Payable                                 | 156,215                  | 80,077                     | 236,292  |
| Net Cash From Operating Activities  | <u>\$ (2,812,089)</u>    | <u>\$ (831,249)</u>        | <u>\$ (3,643,338)</u>                              |
| <b>SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES</b>                        |                          |                            |  |
| Donated Commodities Received  | \$ 463,517               | \$ -                       | \$ 463,517   |
| Donated Commodities Used  | \$ 493,235               | \$ -                       | \$ 493,235   |

## **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, 2008**

|                           | <u>Workers'</u><br><u>Compensation</u> | <u>Medical</u><br><u>Insurance</u> | <u>Dental</u><br><u>Insurance</u> | <u>Total</u>        |
|---------------------------|--|------------------------------------|-----------------------------------|---------------------|
| <b>ASSETS</b>             |  |                                    |                                   |                     |
| Current Assets            |  |                                    |                                   |                     |
| Cash and Cash Equivalents | \$ 560,585                             | \$ 2,979,219                       | \$ 418,402                        | \$ 3,958,206        |
| Investments               | <u>2,145,166</u>                       | <u>1,746</u>                       | <u>-</u>                          | <u>2,146,912</u>    |
| Total Assets              | <u>2,705,751</u>                       | <u>2,980,965</u>                   | <u>418,402</u>                    | <u>6,105,118</u>    |
| <b>LIABILITIES</b>        |  |                                    |                                   |                     |
| Current Liabilities       |  |                                    |                                   |                     |
| Accounts Payable          | <u>4,935</u>                           | <u>1,755,506</u>                   | <u>126</u>                        | <u>1,760,567</u>    |
| <b>NET ASSETS</b>         |  |                                    |                                   |                     |
| Unrestricted              | <u>2,700,816</u>                       | <u>1,225,459</u>                   | <u>418,276</u>                    | <u>4,344,551</u>    |
| Total Net Assets          | <u>\$ 2,700,816</u>                    | <u>\$ 1,225,459</u>                | <u>\$ 418,276</u>                 | <u>\$ 4,344,551</u> |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2008**

|                                | <u>Workers'<br/>Compensation</u> | <u>Medical<br/>Insurance</u> | <u>Dental<br/>Insurance</u> | <u>Total</u>               |
|--------------------------------|----------------------------------|------------------------------|-----------------------------|----------------------------|
| <b>OPERATING REVENUES</b>      |                                  |                              |                             |                            |
| Insurance Premiums             | \$ <u>1,446,572</u>              | \$ <u>16,498,234</u>         | \$ <u>1,200,331</u>         | \$ <u>19,145,137</u>       |
| <b>OPERATING EXPENSES</b>      |                                  |                              |                             |                            |
| Salaries and Wages             | 38,869                           | 43,188                       | 4,319                       | 86,376                     |
| Fringe Benefits                | 9,614                            | 10,682                       | 1,068                       | 21,364                     |
| Purchased Services             | 297                              | 7,173                        | 217                         | 7,687                      |
| Excess Loss Insurance          | 84,147                           | 216,829                      | -                           | 300,976                    |
| Administration Fees            | 117,640                          | 116,756                      | 99,791                      | 334,187                    |
| Benefits Paid/Accrued          | <u>455,585</u>                   | <u>15,992,145</u>            | <u>1,008,872</u>            | <u>17,456,602</u>          |
| Total Operating Expenses       | <u>706,152</u>                   | <u>16,386,773</u>            | <u>1,114,267</u>            | <u>18,207,192</u>          |
| <b>OPERATING INCOME (LOSS)</b> | 740,420                          | 111,461                      | 86,064                      | 937,945                    |
| <b>NONOPERATING REVENUES</b>   |                                  |                              |                             |                            |
| Earnings on Investments        | <u>74,656</u>                    | <u>113,360</u>               | <u>12,165</u>               | <u>200,181</u>             |
| <b>CHANGES IN NET ASSETS</b>   | 815,076                          | 224,821                      | 98,229                      | 1,138,126                  |
| <b>NET ASSETS, JULY 1</b>      | <u>1,885,740</u>                 | <u>1,000,638</u>             | <u>320,047</u>              | <u>3,206,425</u>           |
| <b>NET ASSETS, JUNE 30</b>     | <u>\$ <u>2,700,816</u></u>       | <u>\$ <u>1,225,459</u></u>   | <u>\$ <u>418,276</u></u>    | <u>\$ <u>4,344,551</u></u> |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

|   | <u>Workers'<br/>Compensation</u> | <u>Medical<br/>Insurance</u> | <u>Dental<br/>Insurance</u> | <u>Total</u>        |
|---|----------------------------------|------------------------------|-----------------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                                  |                              |                             |                     |
| Cash Received from Premiums   | \$ 1,446,572                     | \$ 16,498,234                | \$ 1,200,331                | \$ 19,145,137       |
| Cash Payments for Supplies and Services   | (202,084)                        | (340,758)                    | (5,387)                     | (548,229)           |
| Cash Payments to Employees for Services   | (48,483)                         | (53,870)                     | (100,008)                   | (202,361)           |
| Cash Payments for Claims/Benefits   | (454,346)                        | (15,834,812)                 | (1,008,823)                 | (17,297,981)        |
| Net Cash From Operating Activities  | <u>741,659</u>                   | <u>268,794</u>               | <u>86,113</u>               | <u>1,096,566</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                                  |                              |                             |                     |
| Interest on Investments   | 74,656                           | 113,360                      | 12,165                      | 200,181             |
| Investments Purchased   | (2,145,166)                      | (3,980,763)                  | -                           | (6,125,929)         |
| Investments Matured or Sold   | 1,290,634                        | 5,978,159                    | -                           | 7,268,793           |
| Net Cash From Investing Activities  | <u>(779,876)</u>                 | <u>2,110,756</u>             | <u>12,165</u>               | <u>1,343,045</u>    |
| <b>NET INCREASE (DECREASE) IN CASH AND<br/>CASH EQUIVALENTS</b>                     |                                  |                              |                             |                     |
|   | (38,217)                         | 2,379,550                    | 98,278                      | 2,439,611           |
| <b>CASH AND CASH EQUIVALENTS, JULY 1</b>  |                                  |                              |                             |                     |
|   | <u>598,802</u>                   | <u>599,669</u>               | <u>320,124</u>              | <u>1,518,595</u>    |
| <b>CASH AND CASH EQUIVALENTS, JUNE 30</b>   |                                  |                              |                             |                     |
|   | <u>\$ 560,585</u>                | <u>\$ 2,979,219</u>          | <u>\$ 418,402</u>           | <u>\$ 3,958,206</u> |
| <b>RECONCILIATION OF OPERATING INCOME TO<br/>NET CASH FROM OPERATING ACTIVITIES</b> |                                  |                              |                             |                     |
| Operating Income (Loss)   | \$ 740,420                       | \$ 111,461                   | \$ 86,064                   | \$ 937,945          |
| Change in Assets and Liabilities  |                                  |                              |                             |                     |
| Increase in Accounts Payable  | 1,239                            | 157,333                      | 49                          | 158,621             |
| Net Cash From Operating Activities  | <u>\$ 741,659</u>                | <u>\$ 268,794</u>            | <u>\$ 86,113</u>            | <u>\$ 1,096,566</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, 2008**

|                           | <u>Balance<br/>July 1, 2007</u> | <u>Additions</u>    | <u>Deductions</u>   | <u>Balance<br/>June 30, 2008</u> |
|---------------------------|---------------------------------|---------------------|---------------------|----------------------------------|
| <b>ASSETS</b>             |                                 |                     |                     |                                  |
| Cash and Cash Equivalents | \$ 680,568                      | \$ 1,913,677        | \$ 1,894,094        | \$ 700,151                       |
| Prepaid Expenditures      | -                               | 575                 | -                   | 575                              |
| Total Assets              | <u>\$ 680,568</u>               | <u>\$ 1,914,252</u> | <u>\$ 1,894,094</u> | <u>\$ 700,726</u>                |
| <b>LIABILITIES</b>        |                                 |                     |                     |                                  |
| Accounts Payable          | \$ 18,078                       | \$ 1,876,608        | \$ 1,876,016        | \$ 18,670                        |
| Due to Student Groups     | 662,490                         | 1,914,252           | 1,894,686           | 682,056                          |
| Total Liabilities         | <u>\$ 680,568</u>               | <u>\$ 3,790,860</u> | <u>\$ 3,770,702</u> | <u>\$ 700,726</u>                |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN DUE TO STUDENT GROUPS  
STUDENT ACTIVITY FUND  
FOR THE YEAR ENDED JUNE 30, 2008**

|                             | <u>Balance<br/>July 1, 2007</u> | <u>Additions</u>           | <u>Deductions</u>          | <u>Balance<br/>June 30, 2008</u> |
|-----------------------------|---------------------------------|----------------------------|----------------------------|----------------------------------|
| Hickman High                | \$ 197,856                      | \$ 706,652                 | \$ 699,207                 | \$ 205,301                       |
| Rock Bridge High            | 200,743                         | 636,930                    | 653,621                    | 184,052                          |
| Douglass High               | 913                             | 5,280                      | 5,408                      | 785                              |
| Jefferson Junior High       | 35,306                          | 41,752                     | 52,834                     | 24,224                           |
| Oakland Junior High         | 23,518                          | 77,522                     | 59,908                     | 41,132                           |
| West Junior High            | 48,127                          | 113,556                    | 103,858                    | 57,825                           |
| Gentry Middle               | 39,557                          | 81,946                     | 75,067                     | 46,436                           |
| Lange Middle                | 16,763                          | 52,056                     | 38,517                     | 30,302                           |
| Smithton Middle             | 32,470                          | 28,526                     | 18,873                     | 42,123                           |
| Columbia Area Career Center | 67,237                          | 162,991                    | 180,352                    | 49,876                           |
| All Senior High             | <u>-</u>                        | <u>7,041</u>               | <u>7,041</u>               | <u>-</u>                         |
| <b>TOTAL</b>                | <b>\$ <u>662,490</u></b>        | <b>\$ <u>1,914,252</u></b> | <b>\$ <u>1,894,686</u></b> | <b>\$ <u>682,056</u></b>         |

*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.

| <b>Financial Trends</b>  | <b>Pages</b> |
|--|--------------|
| These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time   | 78-81        |
| <b>Revenue Capacity</b>  |              |
| These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes   | 82-86        |
| <b>Debt Capacity</b>   |              |
| 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 | 87-89        |
| <b>Demographic and Economic Information</b>  |              |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place                                    | 90-91        |
| <b>Operating Information</b>   |              |
| 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        | 92-99        |

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 SEVEN FISCAL YEARS  
(accrual basis of accounting )**

|   | <u>2002</u>          | <u>2003</u>          | <u>2004</u>          | <u>2005</u>          | <u>2006</u>          | <u>2007</u>          | <u>2008</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        | \$ 40,309,416        |
| Restricted  | 24,691,076           | 19,561,703           | 18,802,860           | 15,452,347           | 21,650,657           | 15,405,027           | 16,821,429           |
| Unrestricted                                      | 13,369,795           | 21,262,742           | 23,997,435           | 30,102,944           | 32,131,429           | 37,725,319           | 21,536,825           |
| 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> | <u>\$ 78,667,670</u> |
| Business-Type Activities                          |                      |                      |                      |                      |                      |                      |                      |
| Investment in Capital Assets                      | \$ 594,149           | \$ 676,855           | \$ 666,820           | \$ 612,799           | \$ 545,485           | \$ 536,844           | \$ 261,013           |
| Unrestricted                                      | 1,119,446            | 1,360,761            | 1,808,505            | 2,071,787            | 2,021,464            | 2,201,672            | 2,212,387            |
| 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>  | <u>\$ 2,473,400</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        | \$ 40,570,429        |
| Restricted  | 24,691,076           | 19,561,703           | 18,802,860           | 15,452,347           | 21,650,657           | 15,405,027           | 16,821,429           |
| Unrestricted                                      | 14,489,241           | 22,623,503           | 25,805,940           | 32,174,731           | 34,152,893           | 39,926,991           | 23,749,212           |
| 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> | <u>\$ 81,141,070</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 SEVEN FISCAL YEARS  
(accrual basis of accounting )**

|  | <u>2002</u>           | <u>2003</u>           | <u>2004</u>           | <u>2005</u>           | <u>2006</u>           | <u>2007</u>           | <u>2008</u>           |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Expenses</b>                                |                       |                       |                       |                       |                       |                       |                       |
| Governmental Activities                        |                       |                       |                       |                       |                       |                       |                       |
| Instruction                                    |                       |                       |                       |                       |                       |                       |                       |
| Regular Instruction                            | \$ 51,648,524         | \$ 52,507,413         | \$ 51,943,685         | \$ 60,010,663         | \$ 62,368,219         | \$ 69,409,879         | \$ 78,791,970         |
| Special Education                              | 17,902,735            | 18,155,878            | 18,902,996            | 20,082,002            | 22,252,901            | 23,869,576            | 26,521,438            |
| Vocational Instruction                         | 3,399,091             | 3,505,684             | 3,662,831             | 3,455,086             | 3,385,039             | 3,825,527             | 4,188,212             |
| Student Activities                             | 775,348               | 779,063               | 750,410               | 733,748               | 1,211,202             | 1,357,904             | 1,013,059             |
| Tuition to Other Districts                     | 325,486               | 349,088               | 396,470               | 354,159               | 375,203               | 280,821               | 279,508               |
| 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>     | <u>110,794,187</u>    |
| Support Services                               |                       |                       |                       |                       |                       |                       |                       |
| Attendance                                     | 153,602               | 147,998               | 146,083               | 163,181               | 187,923               | 187,146               | 303,736               |
| Guidance and Counseling                        | 4,907,155             | 4,797,385             | 4,830,688             | 4,948,835             | 5,173,219             | 5,479,692             | 6,484,209             |
| Health and Ancillary Services                  | 2,544,079             | 2,630,980             | 2,633,925             | 2,747,952             | 2,392,264             | 3,096,930             | 3,621,207             |
| Improvement of Instruction                     | 2,286,164             | 2,219,231             | 1,986,066             | 2,109,746             | 2,175,427             | 2,749,239             | 3,042,460             |
| Media Services                                 | 6,918,783             | 5,588,187             | 5,771,286             | 7,532,218             | 7,113,770             | 7,524,417             | 10,260,074            |
| Board Services                                 | 352,086               | 316,632               | 242,897               | 319,449               | 289,040               | 368,499               | 298,461               |
| General Administration                         | 1,531,762             | 1,733,066             | 1,595,475             | 1,687,864             | 1,930,574             | 2,162,707             | 2,405,270             |
| Building Administration                        | 7,063,174             | 7,562,808             | 7,828,216             | 8,649,127             | 8,955,676             | 9,859,820             | 11,577,111            |
| Business, Central Services                     | 1,492,325             | 1,071,247             | 763,309               | 800,688               | 885,449               | 869,884               | 1,039,911             |
| Operation of Plant                             | 13,477,311            | 14,420,078            | 14,747,806            | 15,636,034            | 16,576,111            | 18,450,861            | 18,045,027            |
| Pupil Transportation                           | 4,920,751             | 5,353,259             | 5,864,266             | 6,418,242             | 6,945,474             | 7,302,948             | 7,876,799             |
| Adult Literacy                                 | 2,175,298             | 385,942               | 426,265               | 205,451               | 216,756               | 263,542               | 260,673               |
| Community Services                             | 1,317,415             | 3,413,094             | 3,445,418             | 3,676,452             | 3,645,829             | 4,255,908             | 4,591,710             |
| 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>     | <u>69,806,648</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             | 6,122,195             |
| 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>      | <u>6,122,195</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>    | <u>186,723,030</u>    |
| Business-Type Activities                       |                       |                       |                       |                       |                       |                       |                       |
| Food Services                                  | 4,566,258             | 4,665,802             | 4,782,168             | 5,246,357             | 5,767,486             | 6,075,353             | 6,491,276             |
| Adult Education                                | 2,034,483             | 2,019,107             | 1,852,542             | 1,767,660             | 1,744,828             | 1,741,502             | 1,911,419             |
| 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>      | <u>8,402,695</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> | <u>\$ 195,125,725</u> |
| <b>Program Revenues</b>                        |                       |                       |                       |                       |                       |                       |                       |
| Governmental Activities                        |                       |                       |                       |                       |                       |                       |                       |
| Charges for Services                           | \$ 1,488,738          | \$ 1,367,765          | \$ 1,280,592          | \$ 1,071,876          | \$ 1,045,101          | \$ 1,014,499          | \$ 993,080            |
| Operating Grants and Contributions             | 25,683,051            | 26,148,620            | 27,552,721            | 28,622,367            | 31,487,752            | 24,382,218            | 19,613,888            |
| Capital Grants and Contributions               | 988,283               | 804,728               | 639,303               | 614,341               | 979,008               | 2,222,829             | 678,780               |
| 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>     | <u>21,285,748</u>     |

**COLUMBIA PUBLIC SCHOOL DISTRICT**  
**CHANGES IN NET ASSETS**  
**LAST SEVEN 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>                   | <u>2008</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                     | 3,044,402                     |
| Adult Education   | 1,123,413                     | 1,192,950                     | 907,133                       | 862,321                       | 865,631                       | 944,217                       | 1,012,278                     |
| Operating Grants and Contributions                      | 3,033,119                     | 3,148,152                     | 3,411,663                     | 3,519,780                     | 3,645,210                     | 3,776,711                     | 4,226,221                     |
| 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>              | <u>8,282,901</u>              |
| Total Primary Government Program Revenue                | 34,945,282                    | 35,330,043                    | 36,545,035                    | 37,531,862                    | 40,819,513                    | 35,508,372                    | 29,568,649                    |
| Net Expenses  | <u><u>\$(101,042,313)</u></u> | <u><u>\$(102,833,682)</u></u> | <u><u>\$(103,152,916)</u></u> | <u><u>\$(115,852,444)</u></u> | <u><u>\$(119,668,261)</u></u> | <u><u>\$(140,252,834)</u></u> | <u><u>\$(165,557,076)</u></u> |
| <b>General Revenues and Other Changes in Net Assets</b> |                               |                               |                               |                               |                               |                               |                               |
| Governmental Activities                                 |                               |                               |                               |                               |                               |                               |                               |
| Taxes   |                               |                               |                               |                               |                               |                               |                               |
| Property Tax  | \$ 60,302,141                 | \$ 63,123,678                 | \$ 68,391,365                 | \$ 69,559,312                 | \$ 78,624,488                 | \$ 83,795,282                 | \$ 89,864,833                 |
| Other Taxes   | 1,409,982                     | 1,459,605                     | 1,611,888                     | 1,629,305                     | 1,863,554                     | 2,067,302                     | 2,034,410                     |
| Allocation of Statewide Education Sales Tax             | 13,475,207                    | 11,641,327                    | 11,950,276                    | 12,471,601                    | 14,526,830                    | 13,910,834                    | 13,649,941                    |
| Federal and State Aid not Restricted for Specific Pur   | 27,317,398                    | 29,464,863                    | 26,407,425                    | 31,790,801                    | 34,430,983                    | 43,071,267                    | 47,511,413                    |
| Interest and Investment Earnings                        | 1,728,418                     | 1,111,562                     | 1,414,390                     | 2,175,247                     | 3,549,322                     | 4,831,876                     | 3,191,901                     |
| Miscellaneous   | 719,863                       | 572,386                       | 509,289                       | 419,119                       | 316,963                       | 1,356,259                     | 749,700                       |
| 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>            | <u>157,002,198</u>            |
| Business Type Activities                                |                               |                               |                               |                               |                               |                               |                               |
| Interest and Investment Earnings                        | -                             | -                             | -                             | -                             | 87,025                        | 99,596                        | 82,019                        |
| Transfers   | -                             | -                             | -                             | -                             | -                             | -                             | (227,341)                     |
| Total business-type activities                          | <u>-</u>                      | <u>-</u>                      | <u>-</u>                      | <u>-</u>                      | <u>87,025</u>                 | <u>99,596</u>                 | <u>(145,322)</u>              |
| Total Primary Government                                | <u><u>\$ 104,953,009</u></u>  | <u><u>\$ 107,373,421</u></u>  | <u><u>\$ 110,284,633</u></u>  | <u><u>\$ 118,045,385</u></u>  | <u><u>\$ 133,399,165</u></u>  | <u><u>\$ 149,132,416</u></u>  | <u><u>\$ 157,084,217</u></u>  |
| <b>Change in Net Assets</b>                             |                               |                               |                               |                               |                               |                               |                               |
| Governmental Activities                                 | \$ 3,726,227                  | \$ 4,215,718                  | \$ 6,694,008                  | \$ 1,983,680                  | 13,848,541                    | 8,708,015                     | (8,435,084)                   |
| Business-Type Activities                                | 184,469                       | 324,021                       | 437,709                       | 209,261                       | (117,637)                     | 171,567                       | (265,116)                     |
| Total Primary Government                                | <u><u>\$ 3,910,696</u></u>    | <u><u>\$ 4,539,739</u></u>    | <u><u>\$ 7,131,717</u></u>    | <u><u>\$ 2,192,941</u></u>    | <u><u>\$ 13,730,904</u></u>   | <u><u>\$ 8,879,582</u></u>    | <u><u>\$ (8,700,200)</u></u>  |

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

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



**COLUMBIA PUBLIC SCHOOL DISTRICT  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST SEVEN 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>          | <u>2008</u>          |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund                       |                      |                      |                      |                      |                      |                      |                      |
| Reserved                           | \$ 522,966           | \$ 427,514           | \$ 491,984           | \$ 564,902           | \$ 627,876           | \$ 778,518           | \$ 434,900           |
| Unreserved                         | 15,271,637           | 18,552,271           | 25,220,503           | 28,230,419           | 29,041,547           | 35,797,858           | 27,513,018           |
| 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> | <u>\$ 27,947,918</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            | 1,066,280            |
| Debt Service Fund                  | 8,009,105            | 8,831,185            | 9,515,917            | 9,688,814            | 11,141,807           | 12,737,024           | 14,571,639           |
| Capital Projects Fund              | 14,782,945           | 19,507,012           | 16,380,223           | 14,171,357           | 16,520,138           | 7,298,758            | 24,389,791           |
| 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> | <u>\$ 40,027,710</u> |

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

|  |    | <u>2003</u>        | <u>2004</u>          | <u>2005</u>          | <u>2006</u>            | <u>2007</u>          | <u>2008</u>            |
|--|----|--------------------|----------------------|----------------------|------------------------|----------------------|------------------------|
| <b>Revenues</b>  |    |                    |                      |                      |                        |                      |                        |
| Local  | \$ | 77,757,743         | \$ 79,218,104        | \$ 85,216,745        | \$ 87,499,385          | \$ 100,101,728       | \$ 110,934,842         |
| County   |    | 1,645,944          | 1,822,429            | 1,878,501            | 1,867,269              | 1,978,368            | 2,044,670              |
| State  |    | 47,090,443         | 47,451,572           | 44,547,579           | 50,488,949             | 53,907,503           | 55,823,739             |
| Federal  |    | 6,755,578          | 7,258,313            | 8,076,523            | 8,543,318              | 10,292,703           | 9,682,184              |
| Tuition other Districts  |    | 122,820            | 86,969               | 110,411              | 75,661                 | 130,007              | 153,895                |
| <b>Total Revenue</b>   |    | <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>178,639,330</u>     |
| <b>Expenditures</b>  |    |                    |                      |                      |                        |                      |                        |
| Administration   |    | 10,550,750         | 10,357,435           | 10,204,711           | 11,259,026             | 11,965,986           | 14,246,763             |
| Regular Instruction  |    | 52,286,130         | 52,877,919           | 51,179,206           | 59,652,322             | 62,917,117           | 74,629,993             |
| Special Instruction  |    | 18,160,565         | 18,388,595           | 18,702,425           | 20,109,440             | 22,637,937           | 25,242,245             |
| Vocational Instruction   |    | 3,425,062          | 3,571,360            | 3,582,205            | 3,575,699              | 3,710,923            | 4,099,316              |
| Pupil Transportation   |    | 4,921,314          | 5,353,642            | 5,863,990            | 6,418,287              | 6,946,067            | 7,873,269              |
| 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           | 19,365,824             |
| Community Services   |    | 3,520,046          | 3,831,105            | 3,804,345            | 3,885,949              | 3,915,395            | 4,703,535              |
| Student Activities   |    | 776,400            | 770,554              | 685,706              | 697,828                | 1,179,082            | 948,533                |
| Capital Outlay   |    | 15,333,410         | 10,756,450           | 12,446,394           | 16,445,758             | 9,947,723            | 25,409,137             |
| Debt Services  |    |                    |                      |                      |                        |                      |                        |
| Principal  |    | 4,745,000          | 9,605,000            | 27,660,000           | 17,505,000             | 9,520,000            | 31,095,000             |
| Interest   |    | 5,853,260          | 6,362,844            | 7,785,755            | 6,848,129              | 6,834,191            | 6,418,427              |
| Payment Between Districts                                      |    | 325,486            | 349,088              | 396,470              | 354,159                | 375,203              | 279,508                |
| <b>Total Expenditures</b>                                      |    | <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>229,718,219</u>     |
| Excess of revenues under expenditures                          |    | (11,373,566)       | (12,701,913)         | (28,530,989)         | (26,020,315)           | (2,656,367)          | (51,078,889)           |
| <b>Other Financing Sources (Uses)</b>                          |    |                    |                      |                      |                        |                      |                        |
| General Obligation Bonds Issued                                |    | 10,000,000         | 15,000,000           | 8,800,000            | 12,500,000             | 9,995,000            | 40,005,000             |
| Refunding Bonds Issued   |    | -                  | 14,320,000           | 32,640,000           | -                      | 20,190,000           | -                      |
| Premium on Refunding Bonds Issued                              |    | -                  | -                    | -                    | -                      | 781,970              | 265,930                |
| Capital Leases   |    | -                  | -                    | -                    | -                      | -                    | 485,492                |
| Transfers In   |    | 57,680             | 175,472              | 58,513               | 80,152                 | 27,564               | 14,302,224             |
| Transfers Out  |    | (57,680)           | (175,472)            | (58,513)             | (80,152)               | (27,564)             | (14,302,224)           |
| <b>Total Other Financing Sources (Uses)</b>                    |    | <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>40,756,422</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>\$ (10,322,467)</u> |
| <b>Debt Service as a percentage of noncapital expenditures</b> |    | 8.19%              | 11.59%               | 22.73%               | 15.41%                 | 10.28%               | 18.36%                 |

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

| <b>Fiscal<br/>Year<br/>Ended<br/>June 30,</b> | <b>Real Estate</b> |                     |                   | <b>Personal</b> | <b>Total<br/>Taxable Value</b> | <b>Total<br/>Direct<br/>Tax Rate</b> | <b>Estimated<br/>Actual Valuation</b> | <b>Assessment<br/>Ratio*</b> |
|---|--------------------|---------------------|-------------------|-----------------|--------------------------------|--------------------------------------|---------------------------------------|------------------------------|
|   | <b>Residential</b> | <b>Agricultural</b> | <b>Commercial</b> |                 |                                |                                      |                                       |                              |
| 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%                        |
| 2008  | 1,091,069,881      | 14,083,961          | 465,502,090       | 344,767,174     | 1,915,423,106                  | 4.7089                               | 8,348,938,393                         | 22.9%                        |

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  
1999 - 2008**

| Year Ended June 30,                    | <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>2008</u>    |
|--|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <b><u>Columbia School District</u></b> |                |                |                  |                  |                  |                  |                  |                  |                  |                |
| Incidental Fund                        | 1.05           | 1.27           | 1.3600           | 1.3544           | 1.3844           | 1.5744           | 1.5744           | 1.3163           | 1.3006           | 1.3389         |
| Teachers Fund                          | 2.34           | 2.70           | 2.5581           | 2.5581           | 2.5581           | 2.5581           | 2.5581           | 2.5581           | 2.5581           | 2.5581         |
| Debt Service                           | .73            | .73            | .8219            | 0.8219           | .8019            | 0.8019           | 0.8019           | 0.8019           | 0.8019           | 0.8019         |
| Capital Projects                       | 0              | .00            | .0500            | 0.02             | 0.01             | 0.01             | 0.01             | 0.01             | 0.01             | 0.01           |
| Total Columbia School District         | <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>    | <u>4.7089</u>  |
| <b>Overlapping Rates</b>               |                |                |                  |                  |                  |                  |                  |                  |                  |                |
| <b><u>City Residents:</u></b>          |                |                |                  |                  |                  |                  |                  |                  |                  |                |
| City of Columbia                       | \$ .41         | \$ .41         | \$ .4100         | \$ .4100         | \$ .4100         | \$ .4100         | \$ .4100         | \$ .4100         | \$ .4100         | \$ .4100       |
| State of Missouri                      | .03            | .03            | .0300            | .0300            | .0300            | .0300            | .0300            | .0300            | .0300            | .3000          |
| County of Boone                        | .12            | .13            | .1300            | .1300            | .1300            | .1300            | .1300            | .1200            | .1200            | .1200          |
| Road and Bridge                        | .05            | .05            | .0500            | .0500            | .0500            | .0500            | .0500            | .0475            | .0475            | .0475          |
| Library                                | .29            | .65            | .6500            | .6441            | .6391            | .6341            | .6341            | .5720            | .5270            | .5271          |
| Group Home                             | .12            | .12            | .1200            | .1189            | .1194            | .1194            | .1195            | .1114            | .1114            | .1114          |
| Subtotal City Residents                | <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>6.2249</u>  |
| <b><u>County Residents:</u></b>        |                |                |                  |                  |                  |                  |                  |                  |                  |                |
| Fire District                          | .60            | .60            | .6000            | .6000            | .6000            | .6000            | .6000            | .5929            | .5929            | .5929          |
| Fire Dispatch Fund                     | .03            | .03            | .0300            | .0295            | .0295            | .0295            | .0295            | .0283            | .0283            | .0283          |
| Fire Bond                              | .22            | .22            | .2200            | .2200            | .2200            | .2084            | .1936            | .1936            | .0804            | .1523          |
| Less:                                  |                |                |                  |                  |                  |                  |                  |                  |                  |                |
| City of Columbia (above)               | (.41)          | (.41)          | (.4100)          | (.4100)          | (.4100)          | (.4100)          | (.4100)          | (.4100)          | (.4100)          | (.4100)        |
| Differential Library Tax               | <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>   | <u>(.2285)</u> |
| Total County Residents                 | <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> | <u>6.3599</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>2008</u>                    |             |   | <u>1999</u>                    |             |   |
|--|--------------------------------|-------------|---|--------------------------------|-------------|---|
|  | <u>Assessed<br/>Valuation*</u> | <u>Rank</u> | <u>Percentage of<br/>Total Assessed<br/>Valuation</u> | <u>Assessed<br/>Valuation*</u> | <u>Rank</u> | <u>Percentage of<br/>Total Assessed<br/>Valuation</u> |
| The Kroenke Group                              | 10,215,695                     | 1           | 0.53%   |                                |             |   |
| Boone Electric                                 | 9,911,936                      | 2           | 0.52%   | 3,936,283                      | 8           | 0.36%   |
| Columbia Mall LLC                              | 8,520,254                      | 3           | 0.44%   | 6,947,213                      | 4           | 0.64%   |
| State Farm Mutual Automobile Insurance Company | 7,913,247                      | 4           | 0.41%   | 13,836,989                     | 2           | 1.27%   |
| Boone Crossing                                 | 7,864,177                      | 5           | 0.41%   |                                |             |   |
| Grindstone Plaza Development                   | 5,740,711                      | 6           | 0.30%   |                                |             |   |
| Shelter Mutual Insurance Company               | 5,461,706                      | 7           | 0.29%   | 5,654,897                      | 5           | 0.52%   |
| AB Chance                                      | 4,431,741                      | 8           | 0.23%   |                                |             |   |
| Rayman Columbia Center Trust                   | 4,343,968                      | 9           | 0.23%   |                                |             |   |
| Broadway Fairview Venture                      | 4,126,263                      | 10          | 0.22%   |                                |             |   |
| 3M   |                                |             |   | 26,774,443                     | 1           | 2.45%   |
| Regional Alternative Health Services           |                                |             |   | 6,974,959                      | 3           | 0.64%   |
| Quaker Oats                                    |                                |             |   | 5,375,145                      | 6           | 0.49%   |
| Ford Motor Company                             |                                |             |   | 4,800,573                      | 7           | 0.44%   |
| Broadway Crossing                              |                                |             |   | 4,142,067                      | 9           | 0.38%   |
| Rusk Rehabilitation Center                     |                                |             |   | 3,783,072                      | 10          | 0.35%   |
|  | <u>\$ 68,529,698</u>           |             | <u>3.58%</u>  | <u>82,225,641</u>              |             | <u>7.54%</u>  |

\*Major taxpayers are reported for the District's 2008 fiscal year.

Source: Information Services  
Boone County Government Center

**COLUMBIA PUBLIC SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST SEVEN 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%                    | 2,269,141                              | 82,801,986                       | 98.10%                    |
| 2008               | 90,195,359                              | 86,102,363  | 95.46%                    | N/A                                    | 86,102,363                       | 95.46%                    |

Source: Boone County Clerk  
Accounting Data

**COLUMBIA PUBLIC SCHOOL DISTRICT  
RATIO OF OUTSTANDING DEBT  
LAST SEVEN 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   |
| 2008                       | 1,915,423,106         | 153,590,000                     | 14,571,639                     | 139,018,361                    | .073  | 1,080                             | N/A   |

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

\*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 thru 2008 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, 2008**

| <u>Governmental Unit</u>                 | <u>Assesed<br/>Valuation</u> | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable*</u> | <u>Estimated<br/>Share of<br/>Direct and<br/>Overlapping<br/>Debt</u> |
|--|------------------------------|-----------------------------|---|---|
| City of Columbia                         | 1,564,964,931                | \$ -                        | 100%  | \$ -  |
| County of Boone                          | 2,219,912,270                | 609,096                     | 86%   | 523,823   |
| Boone County Fire Protection District    | 498,632,689                  | 1,612,997                   | 69%   | 1,112,968   |
| Columbia Library District                | 692,924,449                  | 13,465,000                  | 100%  | <u>13,465,000</u>   |
| Subtotal, Overlapping Debt               |                              |                             |   | 15,101,790  |
| <b>District Direct Debt</b>              |                              |                             |   | <u>153,590,000</u>  |
| <b>Total Direct and Overlapping Debt</b> |                              |                             |   | <b>\$ 168,691,790</b>   |

**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 SEVEN FISCAL YEARS**

| <u>Year Ended June 30,</u> | <u>Assessed Value</u> | <u>Legal Debt Limit*</u> | <u>Indebtedness**</u> | <u>Legal Debt Margin</u> | <u>Total Net Debt Applicable To Debt Margin As A Percentage of Debt Limit</u> |
|----------------------------|-----------------------|--------------------------|-----------------------|--------------------------|---|
| 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%   |
| 2008                       | 1,915,426,106         | 287,313,466              | 139,018,361           | 148,295,105              | 48.4%   |

\* 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**

| <u>Calendar Year</u> | <u>Population*</u> | <u>Personal Income (thousands of dollars)</u> | <u>Per Capita Personal Income</u> | <u>Unemployment Rate **</u> |
|----------------------|--------------------|---|-----------------------------------|-----------------------------|
| 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%                        |
| 2008                 | 128,717            | N/A   | N/A                               | 4.2%                        |

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>2008</u>      |             |                                       | <u>1999</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     | 8,188            | 1           | 9.28%                                 | 14,569           |             | 16.58%                                |
| University Hospital & Clinics       | 4,046            | 2           | 4.60%                                 | 4,716            |             | 5.36%                                 |
| Columbia Public Schools             | 2,413            | 3           | 2.75%                                 | 1,600            |             | 1.82%                                 |
| Boone Hospital Center               | 1,657            | 4           | 1.89%                                 | 1,740            |             | 1.98%                                 |
| City of Columbia                    | 1,242            | 5           | 1.41%                                 | 1,041            |             | 1.18%                                 |
| State Farm Insurance Companies      | 1,149            | 6           | 1.31%                                 | 1,544            |             | 1.76%                                 |
| Shelter Insurance Group             | 1,050            | 7           | 1.19%                                 | 1,695            |             | 1.93%                                 |
| MBS Textbook Exchange               | 1,086            | 8           | 1.24%                                 |                  |             |                                       |
| U.S. Department of Veterans Affairs | 1,086            | 9           | 1.24%                                 |                  |             |                                       |
| Columbia Foods Inc                  | 600              | 10          | 0.68%                                 |                  |             |                                       |
| Columbia Regional Hospital          |                  |             |                                       | 782              |             | 0.89%                                 |
| Harry S Truman Veterans Hospital    |                  |             |                                       | 1,000            |             | 1.14%                                 |
| 3M                                  |                  |             |                                       | 925              |             | 1.05%                                 |
|                                     | <b>* 22,517</b>  |             | <b>25.59%</b>                         | <b>29,612</b>    |             | <b>33.69%</b>                         |

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 SEVEN 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>   | <u>2008</u>    |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|----------------|
| Instruction                |                 |                 |                 |                 |                 |               |                |
| Regular Instruction        | 1,009.74        | 1,013.74        | 984.10          | 978.15          | 1,015.44        | 1106.64       | 1135.64        |
| Special Education          | 486.04          | 480.90          | 493.45          | 491.07          | 530.80          | 523.05        | 531.3          |
| Vocational Instruction     | 43.51           | 41.21           | 41.80           | 40.47           | 44.65           | 43.81         | 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> | <u>1710.75</u> |
| Support Services           |                 |                 |                 |                 |                 |               |                |
| Guidance and Counseling    | 148.49          | 147.48          | 150.11          | 148.57          | 144.54          | 156.35        | 168.45         |
| Improvement of Instruction | 97.80           | 97.78           | 100.50          | 97.21           | 102.61          | 107.55        | 115.24         |
| General Administration     | 27              | 26              | 20              | 19              | 21              | 22            | 22             |
| Building Administration    | 137.25          | 142.89          | 144.48          | 144.87          | 143.3           | 147.54        | 150.04         |
| Business, Central Services | 13.00           | 13.00           | 13.00           | 11.00           | 12.00           | 13            | 13             |
| Operation of Plant         | 178.92          | 175.84          | 185.83          | 182.91          | 186.09          | 193.93        | 198.93         |
| Pupil Transportation       | 1.00            | 0.75            | 0.75            | 0.75            | 0.75            | 0.75          | 2              |
| Adult Education            | 0.76            | 0.76            | 0.76            | 0.76            | 0.76            | 0.79          | 0.79           |
| Community Services         | 29.69           | 30.38           | 29.34           | 28.39           | 28.85           | 49.46         | 50.46          |
| 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> | <u>720.91</u>  |
| Total Employees            | 2,173.20        | 2,170.73        | 2,164.12        | 2,143.15        | 2,230.79        | 2364.87       | 2431.66        |

Source: School District Records

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

| <u>School<br/>Year</u> | <u>Current<br/>Operating<br/>Expenditures</u> | <u>Average Daily<br/>Attendance</u> | <u>Expenditures<br/>Per Average<br/>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  |
| 2008                   | 161,231,498                                   | 15,885                              | 10,150   |

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 SEVEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>Minimum Salary</u> | <u>Maximum Salary</u> | <u>Average Salary</u> | <u>Statewide Average</u> |
|--------------------|-----------------------|-----------------------|-----------------------|--------------------------|
| 2002               | 25,680                | 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                   |
| 2008               | 34,353                | 66,478                | 47,234                | 43,236                   |

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 2007-08, 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 |          |          |          |          |          | Missouri |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|  | 2002-03  | 2003-04  | 2004-05  | 2005-06  | 2006-07  | 2007-08  | 2002-03  | 2003-04  | 2004-05  | 2005-06  | 2006-07  | 2007-08  |
| Students per Teacher                     | 13       | 13       | 13       | 13       | 13       | 12       | 13       | 14       | 14       | 13       | 13       | 13       |
| Students per Classroom Teacher           | 20       | 19       | 19       | 19       | 19       | 18       | 18       | 19       | 19       | 18       | 18       | 18       |
| Average Teacher Salary (Total)           | \$40,973 | \$41,864 | \$45,215 | \$46,101 | \$48,040 | \$49,867 | \$39,280 | \$39,786 | \$40,685 | \$42,064 | \$43,524 | \$45,027 |
| Students per Administrator               | 224      | 240      | 238      | 236      | 234      | 216      | 204      | 206      | 204      | 203      | 197      | 189      |
| Average Administrator Salary             | \$73,531 | \$73,925 | \$79,083 | \$81,299 | \$84,331 | \$87,914 | \$69,724 | \$71,279 | \$72,830 | \$75,223 | \$77,644 | \$80,208 |
| Students Eligible for Free/Reduced Lunch | 29.60%   | 30.80%   | 31.10%   | 31.80%   | 31.10%   | 33.30%   | 39.20%   | 40.50%   | 41.70%   | 40.80%   | 41.80%   | 42.10%   |

Source: Missouri Department of Elementary and Secondary Education

Note: Amounts for average teacher's salary include additional salary for extended contracts, career ladder, and extra duty pay.

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

| <u>School</u>               | <u>Fiscal Year</u> |             |
|-----------------------------|--------------------|-------------|
|                             | <u>2008</u>        | <u>2007</u> |
| <b>Elementary</b>           |                    |             |
| 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                  | 281                | 279         |
| 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                  | 561                | 516         |
| 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                  | 178                | 183         |
| Derby Ridge (1991)          |                    |             |
| Building Square Feet        | 79,310             | 79,310      |
| Trailer Square Feet         | 14,112             | 12,096      |
| Capacity (with trailers)    | 875                | 875         |
| Capacity (without trailers) | 600                | 600         |
| Enrollment                  | 708                | 715         |
| Fairview (1964)             |                    |             |
| Building Square Feet        | 55,410             | 55,410      |
| Trailer Square Feet         | 2,016              | 2,016       |
| Capacity (with trailers)    | 600                | 600         |
| Capacity (without trailers) | 550                | 550         |
| Enrollment                  | 544                | 538         |
| Field (1916)                |                    |             |
| Building Square Feet        | 26,295             | 26,295      |
| Trailer Square Feet         | 7,056              | 7,056       |
| Capacity (with trailers)    | 425                | 425         |
| Capacity (without trailers) | 250                | 250         |
| Enrollment                  | 291                | 286         |
| 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                  | 313                | 341         |
| 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                  | 346                | 323         |



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

| <u>School</u>                 | <u>Fiscal Year</u> |             |
|-------------------------------|--------------------|-------------|
|                               | <u>2008</u>        | <u>2007</u> |
| <b>Elementary (cont.)</b>     |                    |             |
| Midway Heights (1956)         |                    |             |
| Building Square Feet          | 34,885             | 34,885      |
| Capacity                      | 375                | 375         |
| Enrollment                    | 265                | 268         |
| 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                    | 758                | 751         |
| 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                    | 308                | 303         |
| 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                    | 510                | 470         |
| Paxton Keeley (2001)          |                    |             |
| Building Square Feet          | 98,060             | 98,060      |
| Capacity                      | 650                | 650         |
| Enrollment                    | 700                | 687         |
| Ridgeway (1922)               |                    |             |
| Building Square Feet          | 32,353             | 32,353      |
| Capacity                      | 280                | 280         |
| Enrollment                    | 231                | 231         |
| 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                    | 480                | 438         |
| 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                    | 519                | 554         |
| Shepard Boulevard (1968)      |                    |             |
| Building Square Feet          | 42,185             | 42,185      |
| Trailer Square Feet           | 10,080             | 9,072       |
| Capacity (with trailers)      | 550                | 550         |
| Capacity (without trailers)   | 300                | 300         |
| Enrollment                    | 545                | 466         |

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

| <u>School</u>                 | <u>Fiscal Year</u> |             |
|-------------------------------|--------------------|-------------|
|                               | <u>2008</u>        | <u>2007</u> |
| <b>Elementary (cont.)</b>     |                    |             |
| 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                    | 326                | 282         |
| West Boulevard (1949)         |                    |             |
| Building Square Feet          | 41,725             | 41,725      |
| Trailer Square Feet           | 5,040              | 5,040       |
| Capacity (with trailers)      | 425                | 425         |
| Capacity (without trailers)   | 300                | 300         |
| Enrollment                    | 307                | 275         |
| <b>Middle</b>                 |                    |             |
| 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)   | 775                | 1,100       |
| Enrollment                    | 730                | 747         |
| 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                    | 834                | 757         |
| 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                    | 880                | 930         |
| <b>Junior High</b>            |                    |             |
| Jefferson Junior High (1910)  |                    |             |
| Building Square Feet          | 131,346            | 131,346     |
| Capacity                      | 900                | 900         |
| Enrollment                    | 820                | 911         |
| 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                    | 741                | 750         |

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

| <u>School</u>                  | <u>Fiscal Year</u> |             |
|--------------------------------|--------------------|-------------|
|                                | <u>2008</u>        | <u>2007</u> |
| <b>Junior High (cont.)</b>     |                    |             |
| 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                     | 942                | 953         |
| <b>High</b>                    |                    |             |
| Douglass High School (1916)    |                    |             |
| Building Square Feet           | 49,540             | 49,540      |
| Capacity                       | 250                | 250         |
| Enrollment                     | 145                | 248         |
| 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                     | 2,114              | 2,109       |
| Rock Bridge High School (1970) |                    |             |
| Building Square Feet           | 298,275            | 298,275     |
| Capacity                       | 1,800              | 1,800       |
| Enrollment                     | 1,746              | 1,722       |
| <b>Other</b>                   |                    |             |
| 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                    | 74,092             | 49,250      |
| Capacity                       | N/A                | N/A         |
| Enrollment                     | 1984               | 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*



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**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, 2008, and have issued our report thereon dated December 1, 2008. 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 104 through 116 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.

December 1, 2008

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

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

Board of Education  
Columbia Public School District  
Columbia, Missouri

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, 2008. 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.

**PARTNERS**

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

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, except for the noncompliance described in the Schedule of Findings (2008-3 and 2008-4) - State Requirements, Columbia Public School District, Columbia, Missouri, complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2008.

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.

MEMBERS OF AMERICAN INSTITUTE  
OF CERTIFIED PUBLIC ACCOUNTANTS

December 1, 2008

*Gerding, Korte & Chitwood*  
Gerding, Korte and Chitwood  
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, 2008**

|  | Incidental Fund      |                     |                    |                   |
|--|----------------------|---------------------|--------------------|-------------------|
|  | General              | Food Services       | Student Activities | Adult Education   |
| <b>REVENUES</b>                                    |                      |                     |                    |                   |
| Local  | \$ 36,607,904        | \$ 3,115,276        | \$ 1,905,509       | \$ 1,029,325      |
| County   | 835,735              | -                   | -                  | -                 |
| State  | 16,058,848           | 47,474              | -                  | 393,758           |
| Federal  | 3,239,633            | 2,828,497           | -                  | 463,257           |
| Other  | 35,921               | -                   | -                  | -                 |
| Tuition Other Districts                            | 40,750               | -                   | -                  | -                 |
| Total Revenues                                     | <u>56,818,791</u>    | <u>5,991,247</u>    | <u>1,905,509</u>   | <u>1,886,340</u>  |
| <b>EXPENDITURES</b>                                |                      |                     |                    |                   |
| Regular Instruction                                | 7,159,829            | -                   | -                  | -                 |
| Special Instruction                                | 4,365,052            | -                   | -                  | -                 |
| Vocational Instruction                             | 402,326              | -                   | -                  | 140,040           |
| Student Activities                                 | 298,172              | -                   | 1,817,020          | -                 |
| Tuition Other Districts                            | -                    | -                   | -                  | -                 |
| Total Instruction                                  | <u>12,225,379</u>    | <u>-</u>            | <u>1,817,020</u>   | <u>140,040</u>    |
| Attendance   | 235,449              | -                   | -                  | -                 |
| Guidance and Counseling                            | 1,425,190            | -                   | -                  | -                 |
| Health and Ancillary Services                      | 2,188,804            | -                   | -                  | -                 |
| Improvement of Instruction                         | 1,281,432            | -                   | -                  | -                 |
| Media Services                                     | 3,486,999            | -                   | -                  | -                 |
| Board Services                                     | 298,461              | -                   | -                  | -                 |
| General Administration                             | 1,005,771            | -                   | -                  | -                 |
| Building Administration                            | 2,950,392            | -                   | -                  | -                 |
| Business, Central Services                         | 986,759              | -                   | -                  | -                 |
| Operation of Plant                                 | 15,360,454           | -                   | -                  | -                 |
| Pupil Transportation                               | 7,844,429            | -                   | 40,972             | -                 |
| Food Services                                      | -                    | 5,910,090           | -                  | -                 |
| Total Pupil Support Services                       | <u>37,064,140</u>    | <u>5,910,090</u>    | <u>40,972</u>      | <u>-</u>          |
| Adult Education                                    | 3,704                | -                   | -                  | 1,580,014         |
| Community Services                                 | 1,574,654            | -                   | -                  | 194,240           |
| Debt Service                                       | -                    | -                   | -                  | -                 |
| Capital Outlay and Construction                    | -                    | -                   | -                  | -                 |
| Total Other  | <u>1,578,358</u>     | <u>-</u>            | <u>-</u>           | <u>1,774,254</u>  |
| Total Expenditures                                 | <u>50,867,877</u>    | <u>5,910,090</u>    | <u>1,857,992</u>   | <u>1,914,294</u>  |
| <b>EXCESS (DEFICIT) REVENUES OVER EXPENDITURES</b> | 5,950,914            | 81,157              | 47,517             | (27,954)          |
| <b>OTHER FINANCING SOURCES (USES)</b>              |                      |                     |                    |                   |
| General Obligation Bonds Issued                    | -                    | -                   | -                  | -                 |
| Transfers In                                       | -                    | -                   | -                  | -                 |
| Transfers Out                                      | <u>(14,579,372)</u>  | <u>(42,488)</u>     | <u>(27,951)</u>    | <u>-</u>          |
| <b>NET CHANGES IN FUND BALANCES</b>                | (8,628,458)          | 38,669              | 19,566             | (27,954)          |
| <b>FUND BALANCE, JULY 1</b>                        | <u>36,576,376</u>    | <u>1,825,394</u>    | <u>662,490</u>     | <u>376,278</u>    |
| <b>FUND BALANCE, JUNE 30</b>                       | <u>\$ 27,947,918</u> | <u>\$ 1,864,063</u> | <u>\$ 682,056</u>  | <u>\$ 348,324</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>         |                                      |                      |                          |                      |                              |  |              |  |
| \$ 1,135,089                | \$ 43,793,103        | \$ 55,091,487                        | \$ 16,990,771        | \$ 1,251,637             | \$ 117,126,998       |                              |  |              |  |
| -                           | 835,735              | 926,262                              | 277,787              | 4,886                    | 2,044,670            |                              |  |              |  |
| 2,045,104                   | 18,545,184           | 36,065,996                           | 1,561,914            | 91,876                   | 56,264,970           |                              |  |              |  |
| 1,829,645                   | 8,361,032            | 4,612,906                            | -                    | -                        | 12,973,938           |                              |  |              |  |
| -                           | 35,921               | -                                    | -                    | 87,963                   | 123,884              |                              |  |              |  |
| -                           | 40,750               | 113,145                              | -                    | -                        | 153,895              |                              |  |              |  |
| <u>5,009,838</u>            | <u>71,611,725</u>    | <u>96,809,796</u>                    | <u>18,830,472</u>    | <u>1,436,362</u>         | <u>188,688,355</u>   |                              |  |              |  |
| 1,883,382                   | 9,043,211            | 65,418,736                           | -                    | 168,046                  | 74,629,993           |                              |  |              |  |
| 106,344                     | 4,471,396            | 20,762,010                           | -                    | 8,839                    | 25,242,245           |                              |  |              |  |
| 173,384                     | 715,750              | 3,108,764                            | -                    | 414,842                  | 4,239,356            |                              |  |              |  |
| -                           | 2,115,192            | 646,581                              | -                    | 31,731                   | 2,793,504            |                              |  |              |  |
| -                           | -                    | 279,508                              | -                    | -                        | 279,508              |                              |  |              |  |
| <u>2,163,110</u>            | <u>16,345,549</u>    | <u>90,215,599</u>                    | <u>-</u>             | <u>623,458</u>           | <u>107,184,606</u>   |                              |  |              |  |
| -                           | 235,449              | -                                    | -                    | -                        | 235,449              |                              |  |              |  |
| 57,735                      | 1,482,925            | 4,614,374                            | -                    | 1,052                    | 6,098,351            |                              |  |              |  |
| 112,762                     | 2,301,566            | 1,160,204                            | -                    | -                        | 3,461,770            |                              |  |              |  |
| 77,237                      | 1,358,669            | 1,601,539                            | -                    | 5,954                    | 2,966,162            |                              |  |              |  |
| 13,156                      | 3,500,155            | 3,068,991                            | -                    | 34,946                   | 6,604,092            |                              |  |              |  |
| -                           | 298,461              | -                                    | -                    | -                        | 298,461              |                              |  |              |  |
| 25,000                      | 1,030,771            | 1,133,091                            | -                    | 1,659                    | 2,165,521            |                              |  |              |  |
| -                           | 2,950,392            | 7,843,830                            | -                    | 1,800                    | 10,796,022           |                              |  |              |  |
| -                           | 986,759              | -                                    | -                    | -                        | 986,759              |                              |  |              |  |
| -                           | 15,360,454           | -                                    | -                    | 46,215                   | 15,406,669           |                              |  |              |  |
| 28,840                      | 7,914,241            | -                                    | -                    | 42,488                   | 7,956,729            |                              |  |              |  |
| -                           | 5,910,090            | -                                    | -                    | -                        | 5,910,090            |                              |  |              |  |
| <u>314,730</u>              | <u>43,329,932</u>    | <u>19,422,029</u>                    | <u>-</u>             | <u>134,114</u>           | <u>62,886,075</u>    |                              |  |              |  |
| 189,125                     | 1,772,843            | 63,774                               | -                    | -                        | 1,836,617            |                              |  |              |  |
| 2,061,796                   | 3,830,690            | 781,350                              | -                    | 29,131                   | 4,641,171            |                              |  |              |  |
| -                           | -                    | -                                    | 37,216,647           | -                        | 37,216,647           |                              |  |              |  |
| -                           | -                    | -                                    | -                    | 25,220,425               | 25,220,425           |                              |  |              |  |
| <u>2,250,921</u>            | <u>5,603,533</u>     | <u>845,124</u>                       | <u>37,216,647</u>    | <u>25,249,556</u>        | <u>68,914,860</u>    |                              |  |              |  |
| <u>4,728,761</u>            | <u>65,279,014</u>    | <u>110,482,752</u>                   | <u>37,216,647</u>    | <u>26,007,128</u>        | <u>238,985,541</u>   |                              |  |              |  |
| 281,077                     | 6,332,711            | (13,672,956)                         | (18,386,175)         | (24,570,766)             | (50,297,186)         |                              |  |              |  |
| -                           | -                    | -                                    | -                    | 40,005,000               | 40,005,000           |                              |  |              |  |
| -                           | -                    | 13,432,128                           | -                    | 1,656,799                | 15,088,927           |                              |  |              |  |
| <u>(439,116)</u>            | <u>(15,088,927)</u>  | <u>-</u>                             | <u>-</u>             | <u>-</u>                 | <u>(15,088,927)</u>  |                              |  |              |  |
| (158,039)                   | (8,756,216)          | (240,828)                            | (18,386,175)         | 17,091,033               | (10,292,186)         |                              |  |              |  |
| <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>    |                              |  |              |  |
| \$ <u>1,066,280</u>         | \$ <u>31,908,641</u> | \$ <u>-</u>                          | \$ <u>14,571,639</u> | \$ <u>24,389,791</u>     | \$ <u>70,870,071</u> |                              |  |              |  |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF REVENUES CLASSIFIED BY SOURCE  
FOR THE YEAR ENDED JUNE 30, 2008**

|                                      | <b>Incidental<br/>Fund</b> | <b>Special<br/>Revenue<br/>Fund</b> | <b>Debt<br/>Service<br/>Fund</b> | <b>Capital<br/>Projects<br/>Fund</b> | <b>Total</b>       |
|--------------------------------------|----------------------------|-------------------------------------|----------------------------------|--------------------------------------|--------------------|
| <b>LOCAL SOURCES:</b>                |                            |                                     |                                  |                                      |                    |
| Current Tax                          | \$ 24,492,908              | \$ 46,766,408                       | \$ 14,660,050                    | \$ 182,996                           | \$ 86,102,362      |
| Delinquent Tax                       | 1,160,701                  | 2,241,644                           | 702,690                          | 8,819                                | 4,113,854          |
| School District Trust Fund           | 8,531,213                  | 5,118,728                           | -                                | -                                    | 13,649,941         |
| Financial Institution Tax            | 21,535                     | 41,146                              | 12,898                           | 161                                  | 75,740             |
| In Lieu of Tax                       | -                          | -                                   | 16,807                           | -                                    | 16,807             |
| Surtax                               | 547,359                    | 1,045,783                           | 327,827                          | 4,088                                | 1,925,057          |
| Tuition, K-12                        | 34,289                     | -                                   | -                                | 16,807                               | 51,096             |
| Summer School Tuition K-12           | 49,668                     | 39,545                              | -                                | -                                    | 89,213             |
| Tuition, Post Secondary              | 964,157                    | -                                   | -                                | -                                    | 964,157            |
| Earnings on Investments              | 1,581,191                  | (178,502)                           | 1,270,499                        | 844,385                              | 3,517,573          |
| Other Interest Earned                | 22,279                     | -                                   | -                                | -                                    | 22,279             |
| Food Service Sales                   | 3,044,410                  | -                                   | -                                | -                                    | 3,044,410          |
| Student Activities                   | 2,004,457                  | -                                   | -                                | -                                    | 2,004,457          |
| Community Services                   | 8,995                      | -                                   | -                                | -                                    | 8,995              |
| Rentals                              | 18,578                     | -                                   | -                                | -                                    | 18,578             |
| Offset Printing                      | 99,158                     | -                                   | -                                | -                                    | 99,158             |
| Donations/Fundraising                | 440,524                    | -                                   | -                                | -                                    | 440,524            |
| Project Construct                    | 342,144                    | -                                   | -                                | -                                    | 342,144            |
| Adult Ed Tuition                     | 50,693                     | -                                   | -                                | -                                    | 50,693             |
| Erate refunds                        | 91,495                     | -                                   | -                                | -                                    | 91,495             |
| Youthbuild Grant                     | 40,560                     | -                                   | -                                | -                                    | 40,560             |
| Foundation Grant                     | 39,494                     | -                                   | -                                | -                                    | 39,494             |
| Boone Hospital Nurse                 | 22,500                     | -                                   | -                                | -                                    | 22,500             |
| Substitute Reimbursement             | -                          | 16,735                              | -                                | -                                    | 16,735             |
| Wallace Foundation Model Netics      | 25,000                     | -                                   | -                                | -                                    | 25,000             |
| MBS Deli                             | 80,647                     | -                                   | -                                | -                                    | 80,647             |
| Other Local Sources                  | 79,148                     | -                                   | -                                | 194,381                              | 273,529            |
| <b>Total Local Sources</b>           | <b>43,793,103</b>          | <b>55,091,487</b>                   | <b>16,990,771</b>                | <b>1,251,637</b>                     | <b>117,126,998</b> |
| <b>COUNTY SOURCES:</b>               |                            |                                     |                                  |                                      |                    |
| Fines & Forfeitures                  | 788,386                    | 761,317                             | 249,427                          | -                                    | 1,799,130          |
| State Assessed Utilities             | 47,349                     | 74,478                              | 28,360                           | 4,533                                | 154,720            |
| County Stock Insurance Fund          | -                          | 90,467                              | -                                | 353                                  | 90,820             |
| <b>Total County Sources</b>          | <b>835,735</b>             | <b>926,262</b>                      | <b>277,787</b>                   | <b>4,886</b>                         | <b>2,044,670</b>   |
| <b>STATE SOURCES:</b>                |                            |                                     |                                  |                                      |                    |
| Basic Formula-State Monies           | 9,910,194                  | 29,730,584                          | -                                | -                                    | 39,640,778         |
| Transportation                       | 3,107,609                  | -                                   | -                                | -                                    | 3,107,609          |
| Early Childhood                      | 589,273                    | 1,125,874                           | -                                | -                                    | 1,715,147          |
| Career Ladder                        | -                          | 1,081,872                           | -                                | -                                    | 1,081,872          |
| Basic Formula - Classroom Trust Fund | 1,550,491                  | 2,621,685                           | 1,561,914                        | 91,876                               | 5,825,966          |
| Parents as Teachers                  | 335,209                    | 640,456                             | -                                | -                                    | 975,665            |
| Vocational, Technical                | 444,239                    | 440,121                             | -                                | -                                    | 884,360            |
| School Health Grant                  | 87,120                     | -                                   | -                                | -                                    | 87,120             |
| Excess Cost                          | 93,976                     | 182,423                             | -                                | -                                    | 276,399            |
| Adult Basic Education                | 242,798                    | -                                   | -                                | -                                    | 242,798            |
| Food Service                         | 47,474                     | -                                   | -                                | -                                    | 47,474             |
| High Need Fund                       | 123,558                    | 240,127                             | -                                | -                                    | 363,685            |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF REVENUES CLASSIFIED BY SOURCE  
FOR THE YEAR ENDED JUNE 30, 2008  
(continued)**

|                                   | <u>Incidental<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Total</u>          |
|-----------------------------------|----------------------------|-------------------------------------|----------------------------------|--------------------------------------|-----------------------|
| <b>STATE SOURCES (cont.):</b>     |                            |                                     |                                  |                                      |                       |
| A+ Schools Grant                  | \$ 29,884                  | \$ -                                | \$ -                             | \$ -                                 | \$ 29,884             |
| Select Teachers (STARR)           | 45,895                     | -                                   | -                                | -                                    | 45,895                |
| Vocational Enhancement            | 468,897                    | -                                   | -                                | -                                    | 468,897               |
| Missouri Preschool Project        | 65,000                     | -                                   | -                                | -                                    | 65,000                |
| Grant for School Technology       | 25,765                     | -                                   | -                                | -                                    | 25,765                |
| PAT Grant                         | 21,250                     | -                                   | -                                | -                                    | 21,250                |
| Readers for the blind             | 1,494                      | 2,854                               | -                                | -                                    | 4,348                 |
| Project Construct                 | 1,305,571                  | -                                   | -                                | -                                    | 1,305,571             |
| Other State Sources               | 49,487                     | -                                   | -                                | -                                    | 49,487                |
| Total State Sources               | <u>18,545,184</u>          | <u>36,065,996</u>                   | <u>1,561,914</u>                 | <u>91,876</u>                        | <u>56,264,970</u>     |
| <b>FEDERAL SOURCES:</b>           |                            |                                     |                                  |                                      |                       |
| Pell Grants                       | 194,240                    | -                                   | -                                | -                                    | 194,240               |
| Voc Ed Act - Title I, Basic Grant | 221,369                    | 137,063                             | -                                | -                                    | 358,432               |
| Title I - ESEA                    | 1,101,824                  | 1,625,810                           | -                                | -                                    | 2,727,634             |
| Title V                           | 77,237                     | -                                   | -                                | -                                    | 77,237                |
| Ind With Disabilities Ed Act      | 1,176,663                  | 2,240,008                           | -                                | -                                    | 3,416,671             |
| Early Childhood                   | 85,113                     | 162,617                             | -                                | -                                    | 247,730               |
| Adult Basic Education             | 232,407                    | -                                   | -                                | -                                    | 232,407               |
| School Lunch Program              | 2,200,894                  | -                                   | -                                | -                                    | 2,200,894             |
| School Breakfast Program          | 626,937                    | -                                   | -                                | -                                    | 626,937               |
| After School Snack Program        | 666                        | -                                   | -                                | -                                    | 666                   |
| Summer Food                       | 2,880                      | -                                   | -                                | -                                    | 2,880                 |
| Childcare Development             | 40,000                     | -                                   | -                                | -                                    | 40,000                |
| Title IV, Drug Free Schools       | 50,833                     | -                                   | -                                | -                                    | 50,833                |
| Title II, Part A                  | 1,557,954                  | 445,901                             | -                                | -                                    | 2,003,855             |
| Title III - ESEA                  | 95,714                     | -                                   | -                                | -                                    | 95,714                |
| Title II, Part D ESEA             | 1,367                      | -                                   | -                                | -                                    | 1,367                 |
| Medicaid                          | 428,254                    | -                                   | -                                | -                                    | 428,254               |
| Workforce Investment Act          | 7,672                      | -                                   | -                                | -                                    | 7,672                 |
| Mentoring Grant                   | 76,814                     | -                                   | -                                | -                                    | 76,814                |
| FEMA                              | 123,810                    | -                                   | -                                | -                                    | 123,810               |
| Other Federal Sources             | 58,384                     | 1,507                               | -                                | -                                    | 59,891                |
| Total Federal Sources             | <u>8,361,032</u>           | <u>4,612,906</u>                    | <u>-</u>                         | <u>-</u>                             | <u>12,973,938</u>     |
| <b>OTHER SOURCES:</b>             |                            |                                     |                                  |                                      |                       |
| Sale of Bonds                     | -                          | -                                   | -                                | 40,005,000                           | 40,005,000            |
| Net Insurance Recovery            | 35,921                     | -                                   | -                                | 61,299                               | 97,220                |
| Sale of Other Property            | -                          | -                                   | -                                | 26,664                               | 26,664                |
| Total Other Sources               | <u>35,921</u>              | <u>-</u>                            | <u>-</u>                         | <u>40,092,963</u>                    | <u>40,128,884</u>     |
| <b>TUITION OTHER DISTRICTS:</b>   |                            |                                     |                                  |                                      |                       |
| Tuition Other Districts           | -                          | 72,395                              | -                                | -                                    | 72,395                |
| Area Vocational School Fees       | 40,750                     | 40,750                              | -                                | -                                    | 81,500                |
| Total Tuition Other Districts     | <u>40,750</u>              | <u>113,145</u>                      | <u>-</u>                         | <u>-</u>                             | <u>153,895</u>        |
| Total Revenues                    | <u>\$ 71,611,725</u>       | <u>\$ 96,809,796</u>                | <u>\$ 18,830,472</u>             | <u>\$ 41,441,362</u>                 | <u>\$ 228,693,355</u> |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES BY OBJECT  
FOR THE YEAR ENDED JUNE 30, 2008**

|                                 | Incidental<br>Fund   | Special<br>Revenue<br>Fund | Debt<br>Service<br>Fund | Capital<br>Projects<br>Fund | Total                 |
|---------------------------------|----------------------|----------------------------|-------------------------|-----------------------------|-----------------------|
| <b>SALARIES:</b>                |                      |                            |                         |                             |                       |
| Certificated Salaries           | \$ 2,033,869         | \$ 88,751,697              | \$ -                    | \$ -                        | \$ 90,785,566         |
| Non-Certificated Salaries       | 20,593,915           | -                          | -                       | -                           | 20,593,915            |
| Total Salaries                  | <u>22,627,784</u>    | <u>88,751,697</u>          | <u>-</u>                | <u>-</u>                    | <u>111,379,481</u>    |
| <b>FRINGE BENEFITS:</b>         |                      |                            |                         |                             |                       |
| Teacher Retirement              | 291,351              | 11,390,023                 | -                       | -                           | 11,681,374            |
| Non-Teacher Retirement          | 1,316,024            | 146,732                    | -                       | -                           | 1,462,756             |
| Social Security                 | 1,550,582            | 1,303,226                  | -                       | -                           | 2,853,808             |
| Medical and Dental Benefits     | 3,477,160            | 8,611,566                  | -                       | -                           | 12,088,726            |
| Workers' Compensation           | 911,945              | -                          | -                       | -                           | 911,945               |
| Total Fringe Benefits           | <u>7,547,062</u>     | <u>21,451,547</u>          | <u>-</u>                | <u>-</u>                    | <u>28,998,609</u>     |
| <b>PURCHASED SERVICES:</b>      |                      |                            |                         |                             |                       |
| Instructional Services          | -                    | 279,508                    | -                       | -                           | 279,508               |
| Professional Services           | 6,403,090            | -                          | -                       | -                           | 6,403,090             |
| Property Services               | 3,368,505            | -                          | -                       | -                           | 3,368,505             |
| Contracted Transportation       | 6,476,805            | -                          | -                       | -                           | 6,476,805             |
| Other Transportation, Non-Route | 424,085              | -                          | -                       | -                           | 424,085               |
| Travel                          | 1,612,595            | -                          | -                       | -                           | 1,612,595             |
| Insurance                       | 585,612              | -                          | -                       | -                           | 585,612               |
| Communications and Printing     | 962,040              | -                          | -                       | -                           | 962,040               |
| Dues and Fees                   | 349,099              | -                          | -                       | -                           | 349,099               |
| Service Charges                 | 50,520               | -                          | -                       | -                           | 50,520                |
| Financial Aid Adult Ed.         | 211,130              | -                          | -                       | -                           | 211,130               |
| Total Purchased Services        | <u>20,443,481</u>    | <u>279,508</u>             | <u>-</u>                | <u>-</u>                    | <u>20,722,989</u>     |
| <b>SUPPLIES:</b>                |                      |                            |                         |                             |                       |
| General Supplies                | 6,046,660            | -                          | -                       | -                           | 6,046,660             |
| Regular Textbook                | 1,661,747            | -                          | -                       | -                           | 1,661,747             |
| Library Books                   | 1,088                | -                          | -                       | -                           | 1,088                 |
| Food Supplies                   | 2,505,150            | -                          | -                       | -                           | 2,505,150             |
| Energy Supplies                 | 4,446,042            | -                          | -                       | -                           | 4,446,042             |
| Total Supplies                  | <u>14,660,687</u>    | <u>-</u>                   | <u>-</u>                | <u>-</u>                    | <u>14,660,687</u>     |
| <b>CAPITAL OUTLAY:</b>          |                      |                            |                         |                             |                       |
| Land                            | -                    | -                          | -                       | 1,323,032                   | 1,323,032             |
| Buildings and Additions         | -                    | -                          | -                       | 17,587,739                  | 17,587,739            |
| Improvements to Buildings       | -                    | -                          | -                       | 75,691                      | 75,691                |
| Equipment and Vehicles          | -                    | -                          | -                       | 7,020,666                   | 7,020,666             |
| Total Capital Outlay            | <u>-</u>             | <u>-</u>                   | <u>-</u>                | <u>26,007,128</u>           | <u>26,007,128</u>     |
| <b>DEBT SERVICE:</b>            |                      |                            |                         |                             |                       |
| Principal                       | -                    | -                          | 31,095,000              | -                           | 31,095,000            |
| Interest                        | -                    | -                          | 6,110,795               | -                           | 6,110,795             |
| Professional Fees               | -                    | -                          | 10,852                  | -                           | 10,852                |
| Total Debt Service              | <u>-</u>             | <u>-</u>                   | <u>37,216,647</u>       | <u>-</u>                    | <u>37,216,647</u>     |
| Total Expenditures              | <u>\$ 65,279,014</u> | <u>\$ 110,482,752</u>      | <u>\$ 37,216,647</u>    | <u>\$ 26,007,128</u>        | <u>\$ 238,985,541</u> |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
 ASSESSED VALUATION AND TAX LEVY  
 JUNE 30, 2008**

The assessed valuation of the tangible taxable property for the calendar years 2007 and 2006 for purposes of local taxation was as follows:

|                        | <u>Current Year</u>         |        | <u>Prior Year</u>        |
|------------------------|-----------------------------|--------|--------------------------|
| Real Estate:           |                             |        |                          |
| Residential.....       | \$ 1,091,069,881            | \$     | 1,031,640,380            |
| Agriculture .....      | 14,083,961                  |        | 14,453,757               |
| Commercial .....       | 465,502,090                 |        | 430,681,524              |
| Personal Property..... | <u>344,767,174</u>          |        | <u>330,456,006</u>       |
| <br>TOTAL              | <br>\$ <u>1,915,423,106</u> | <br>\$ | <br><u>1,807,231,667</u> |

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2007 for purposes of local taxation was as follows:

|                             | <u>Adjusted</u>      |        | <u>Unadjusted</u> |
|-----------------------------|----------------------|--------|-------------------|
| Operating Fund.....         | \$ 1.3389            | \$     | 1.669             |
| Teachers Fund .....         | 2.5581               |        | 2.5581            |
| Debt Service Fund.....      | 0.8019               |        | 0.8019            |
| Capital Projects Fund ..... | <u>0.0100</u>        |        | <u>0.0100</u>     |
| <br>TOTAL                   | <br>\$ <u>4.7089</u> | <br>\$ | <br><u>5.039</u>  |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2008**

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

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> |
|---|--------------|
| Grades K to 5 (Benton, Lee, New Haven and Russell Boulevard)  | 1,051.39     |
| Grades K to 5 (Blue Ridge, Cedar Ridge, Derby Ridge, Eugene Field, Grant, Midway Heights, Parkade, Ridgeway, Rock Bridge, West Boulevard, Two Mile Prairie, Gifted Center and Juvenile Justice) | 1,066.60     |
| Grades K to 5 (Fairview)  | 1,051.84     |
| Grades K to 5 (Paxton Keeley)   | 1,076.80     |
| Grades K to 5 (Mill Creek and Shepard Boulevard)  | 1,061.39     |
| <br>Grades 6 to 7   | <br>1,118.50 |
| <br>Grades 8 to 9   | <br>1,087.50 |
| <br>Grades 6 to 12 – Juvenile Justice Center  | <br>1,085.00 |
| Grades 6 to 12 – Douglass High School   | 1,044.30     |
| <br>Grades 10 to 12 – Hickman High School   | <br>1,087.50 |
| Grades 10 to 12 – Rock Bridge High School   | 1,140.02     |

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

|                                   | <u>Days</u> |
|-----------------------------------|-------------|
| Grades K to 5                     | 174         |
| Grades 6 to 7                     | 174         |
| Grades 8 to 12                    | 176         |
| Grades 6 to 8                     | 174         |
| Grades 6 to 12 (Juvenile Justice) | 176         |
| Grades 6 to 12 (Douglass)         | 176         |
| Grades 10 to 12 (Hickman)         | 176         |
| Grades 10 to 12 (Rock Bridge)     | 176         |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2008**

2. Average Daily Attendance (ADA)

| <u>Regular Term</u>   | <u>Full Time/<br/>Part Time</u> | <u>Remedial</u> | <u>Total</u>     |
|---|---------------------------------|-----------------|------------------|
| Grades K to 5 (Benton, Lee, New Haven and Russell Boulevard)  | 1,245.71                        | 0.28            | 1,245.99         |
| Grades K to 5 (Blue Ridge, Cedar Ridge, Derby Ridge, Eugene Field, Grant, Midway Heights, Parkade, Ridgeway, Rock Bridge, West Boulevard, Two Mile Prairie, Gifted Center and Juvenile Justice) | 3,559.46                        | 0.80            | 3,560.26         |
| Grades K to 5 (Fairview)  | 493.26                          | 0               | 493.26           |
| Grades K to 5 (Paxton Keeley)   | 635.60                          | 0               | 635.60           |
| Grades K to 5 (Mill Creek and Shepard Boulevard)  | 1,231.00                        | 0               | 1,231.00         |
| Grades 6 to 7   | 2,236.58                        | 0               | 2,236.58         |
| Grades 8 to 9   | 2,355.03                        | 0               | 2,355.03         |
| Grades 6 to 12 – Juvenile Justice Center  | 15.02                           | 0               | 15.02            |
| Grades 6 to 12 – Douglass High School   | 98.45                           | 0               | 98.45            |
| Grades 10 to 12 – Hickman High School   | 1,752.26                        | 0               | 1,752.26         |
| Grades 10 to 12 – Rock Bridge High School   | <u>1,463.45</u>                 | <u>0</u>        | <u>1,463.45</u>  |
| Subtotal Regular Term   | <u>15,085.82</u>                | <u>1.08</u>     | <u>15,086.90</u> |
|   | <u>Resident</u>                 |                 | <u>Total</u>     |
| Summer School Subtotal  | <u>798.06</u>                   | <u>0</u>        | <u>798.06</u>    |
| Total Regular Term Plus Summer School ADA   | <u>15,883.88</u>                | <u>1.08</u>     | <u>15,884.96</u> |

3. September Membership

|                                | <u>Full Time/<br/>Part Time</u> | <u>Total</u>     |
|--------------------------------|---------------------------------|------------------|
| September Membership FTE Count | <u>16,380.75</u>                | <u>16,380.75</u> |

4. Free and Reduced Priced Lunch FTE Count (Section 163.011(6), RSMo)

|                 | <u>Full Time/<br/>Part Time</u> | <u>Total</u>    |
|-----------------|---------------------------------|-----------------|
| State FTE Total |                                 |                 |
| Free            | 4,571.43                        | 4,571.43        |
| Reduced         | <u>803.46</u>                   | <u>803.46</u>   |
| Total           | <u>5,374.89</u>                 | <u>5,374.89</u> |



**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2008**

5. Finance

|    |   |             |
|----|---|-------------|
| A. | As required by Section 162.401, RSMo, a bond was purchased for the District's treasurer in the total amount of:   | \$100,000   |
| B. | The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.   | True        |
| C. | The District maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo.   | True        |
| D. | The District issued the following type(s) of general obligation refunding bonds in the current year:  |             |
|    | • Current   | N/A         |
|    | • Advanced-Defeased   | N/A         |
|    | • Advanced-Crossover  | N/A         |
| E. | The District has appropriately included all current and prior year Crossover refunding bonds in the financial statements.   | True        |
| F. | The District has a school improvement plan.   | True        |
| G. | The District has a professional development committee plan adopted by the board with the professional development committee plan identifying the current year basic formula apportionment.  | True        |
| H. | The amount spent for approved professional development committee plan activities was:   | \$1,279,812 |
| I. | The District did not use state-funded monies to supplant existing salaries.   | True        |
| J. | The District did not use federal monies to supplant state expenditures.   | True        |
| K. | Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records.   | True        |
| L. | If a \$162,326 or 7% SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. | N/A         |
| M. | The District took action prior to October 31 to cause the current year's audit to be performed.   | True        |
| N. | The District published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.   | True        |
| O. | All above "false" answers <u>must</u> be supported by a finding or management letter comment.   |             |
|    | Finding #   | N/A         |
|    | Management Letter Comment#  | N/A         |

6. 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.  | True |
| 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. | True |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2008**

6. Transportation (Section 163.161, RSMo) (continued)

|    |  |           |
|----|--|-----------|
| C. | Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was: |           |
|    | • Eligible ADT   | 7,437.50  |
|    | • Ineligible ADT   | 0         |
| D. | 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.      | True      |
| E. | Actual odometer records show the total district-operated <u>and</u> contracted mileage for the year was:   | 2,737,601 |
|    | Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route <u>and</u> disapproved miles (combined) was:                      |           |
|    | • Eligible Miles   | 2,211,249 |
|    | • Ineligible Miles (Non-Route/Disapproved)   | 305,593   |
| F. | Number of days the District operated the school transportation system during the regular school year:  | 176       |
| G. | All above "False" answers <u>must</u> be supported by a finding or management letter comment   |           |
|    | Finding #  | N/A       |
|    | Management Letter Comment #  | N/A       |

7. Missouri School Improvement Program (MSIP)

|    |  |        |
|----|--|--------|
| A. | The District has adequate procedures that allow for the proper recording and reporting of hours of absence.  | False  |
| 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. | True   |
| C. | The District has a set of adequate procedures for following up on the college and career placement of all of the previous year's graduates 180 days after graduation.  | True   |
| D. | The District has a set of procedures that ensure advanced courses and career courses (approved by the state) are properly identified and reported according to Core Data standards.  | True   |
| E. | All of the "False" answers <u>must</u> be supported by a finding or management letter comment.   |        |
|    | Finding #:   | 2008-3 |
|    | Management Letter Comment #:   | N/A    |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF TRANSPORTATION COSTS  
YEAR ENDED JUNE 30, 2008**

|                     | <u>Regular</u>            |                     | <u>Handicapped<br/>Contracted</u> |
|---------------------|---------------------------|---------------------|-----------------------------------|
|                     | <u>District<br/>Owned</u> | <u>Contracted</u>   |                                   |
| Salary and Benefits | \$ 39,930                 | \$ -                | \$ 19,966                         |
| Purchased Services  | 15,871                    | 5,017,925           | 1,867,381                         |
| Supplies            | 1,541                     | 681,236             | 270,391                           |
| Capital Outlay      | <u>-</u>                  | <u>-</u>            | <u>-</u>                          |
| Total               | <u>\$ 57,342</u>          | <u>\$ 5,699,161</u> | <u>\$ 2,157,738</u>               |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS – STATE REQUIREMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

Budget

**Finding 2008-4:** Missouri statutes regarding budget preparation require that budgets not authorize deficit fund balances and actual expenditures may not exceed the authorized budget. The amended budget for the Teachers Fund authorized a deficit fund balance. Additionally, the actual expenditures of the Capital Projects Fund exceeded the amended budget authorization.

We recommend strict adherence with State law in all budgetary matters.

View of Responsible Official:

The District agrees with the auditor's finding. The deficit budgeted in the Teachers Fund was due to an oversight. We intended to adjust the transfer amount budgeted from the Incidental Fund so that the Teachers Fund would have a zero ending balance.

The over-budget amount in the Capital Projects Fund resulted from bills for year-end accruals being larger than expected. The spring construction volume was large and ahead of schedule in many cases. All of the projects that resulted in overspending in the Capital Projects Fund were approved by the Board of Education, and only the timing of the expenditure between this fiscal year and the next was affected. The Capital Projects Fund had an adequate balance to complete the projects.

The District will not budget for a deficit balance in any fund in the future and will ensure that expenditures do not exceed the budget in any fund, unless the Board of Education approves an increase in the budget.

Attendance

**Finding 2008-3:** During our testing of attendance data for compliance with State regulations, we noted inconsistencies related to attendance totals compared to prior years and one attendance center that did not meet the required minimum hours of attendance as set by State law. The inconsistencies noted turned out to be actual errors in the attendance data. These errors resulted in the under reporting of attendance data. The attendance data was corrected and resubmitted to the State. The corrections also resulted in the attendance center that was previously below the minimum hours required to be in compliance and above the minimum requirement.

The District's attendance software requires modification to be in compliance with State regulations for tracking student attendance by hour rather than by period, which is the method used by the computer program.

We recommend the attendance software's data and output be continually monitored during this fiscal year to be sure the results are reasonable and in compliance with State regulations.

In addition, we recommend the District establish written policies related to modifying the calendar of an attendance center to provide oversight of compliance with State laws and to promote consistency for all attendance centers.

View of Responsible Official:

We agree with the auditor's statement that District attendance data are reliable and with the finding that the process used to collect attendance data needs to be improved. The District's attendance software vendor and Instructional and Information Technology Services' Data Services department are working to correct the software and programming issues that have contributed to the need for manual adjustments made to attendance information. These efforts will continue cooperatively until all issues are resolved. A test of attendance calculation and accuracy will be performed in December over the holiday break and reported to the Board of Education. A corrective action plan includes more frequent testing and reporting of attendance and enrollment to building principals going forward. The District and the software provider have prepared an extensive joint corrective action plan.

**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS – STATE REQUIREMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

Attendance (cont.)

Additionally, the District has provided extensive training during the fall of 2008 to all attendance secretaries and principals regarding scheduling, calendars, and attendance data collection. Such training will be provided to employees at least annually.

The District will establish written procedures in order to codify its current requirement that building principals must obtain the approval of the Assistant Superintendents for Elementary or Secondary Education prior to implementing any schedule change which would potentially impact compliance with State law regarding minimum hours of attendance or District revenue based upon student attendance. Final approval will come from the office of the Chief Operations Officer.

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  
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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, 2008, and have issued our report thereon dated December 1, 2008. 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.

December 1, 2008

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

MEMBERS OF AMERICAN INSTITUTE  
OF CERTIFIED PUBLIC ACCOUNTANTS

**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

| Federal Grantor/<br>Pass Through<br>Program Title                                 | Federal<br>CFDA<br>Number | Pass-Through<br>Grantor's<br>Number | Major<br>Federal<br>Assistance<br>Program | Program<br>or<br>Award<br>Amount | Expenditures            |
|---|---------------------------|-------------------------------------|---|----------------------------------|-------------------------|
| <b><u>U.S. DEPARTMENT OF EDUCATION</u></b>  |                           |                                     |   |                                  |                         |
| <b>Direct Programs:</b>   |                           |                                     |   |                                  |                         |
| Pell Grant  | 84.063                    | N/A                                 | X   | (1) \$                           | 194,240                 |
| Federal Family Education Loans  | 84.032                    | N/A                                 | X   | (1)                              | 19,573                  |
| Mentoring Program Grants  | 84.184B                   | N/A                                 |   | \$ 71,419                        | 57,463                  |
| Total   |                           |                                     |   |                                  | <u>271,276</u>          |
| <b>Passed Through State Department of Elementary<br/>and Secondary Education:</b> |                           |                                     |   |                                  |                         |
| Title I, Regular and Summer School  | 84.010A                   | 010-093                             |   | 2,673,663                        | 2,673,663               |
| School Improvement Grant  | 84.010A                   | 010-093                             |   | 103,820                          | 58,306                  |
| Title II. A   | 84.367A                   | 010-093                             |   | 891,472                          | 736,610                 |
| Education of Handicapped:   |                           |                                     |   |                                  |                         |
| Individuals with Disabilities Education Act (IDEA)                                | 84.027A                   | 010-093-EN                          | X   | 3,372,730                        | 3,372,730               |
| Early Childhood Special Education (ECSE)  | 84.027A & 84.173A         | 010-093-EC                          | X   | 280,650                          | 280,650                 |
| Vocational Education  | 84.048A                   | 010-093                             |   | 358,432                          | 358,429                 |
| Adult Education and Literacy  | 84.002A                   | 010-093                             |   | 233,157                          | 233,157                 |
| Title III   | 84.365A                   | 010-093                             |   | 106,802                          | 95,714                  |
| Drug-Free Schools and Communities (Title IV.A)                                    | 84.186A                   | 010-093                             |   | 81,999                           | 50,833                  |
| Title V, Innovative Education   | 84.340A                   | 010-093                             |   | 91,071                           | 77,237                  |
| Leveraging Educational Assistance Partnership                                     | 84.069A                   | 010-093                             |   | (1)                              | 17,600                  |
| Mathematics and Science Partnerships  | 84.366B                   | 010-093                             | X   | 2,194,580                        | 929,520                 |
| Project Construct:  |                           |                                     |   |                                  |                         |
| Preschool Assessment  | 84.010A                   | 010-093                             |   | 95,376                           | 91,505                  |
| Entitlement   | 84.027A                   | 010-093                             |   | 32,664                           | 39,379                  |
| Total   |                           |                                     |   |                                  | <u>9,015,333</u>        |
| <b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>   |                           |                                     |   | <b>\$</b>                        | <b><u>9,286,609</u></b> |



**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

| Federal Grantor/<br>Pass Through<br>Program Title                                 | Federal<br>CFDA<br>Number | Pass-Through<br>Grantor's<br>Number | Major<br>Federal<br>Assistance<br>Program | Program<br>or<br>Award<br>Amount | Expenditures        |
|---|---------------------------|-------------------------------------|---|----------------------------------|---------------------|
| <b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>                                      |                           |                                     |   |                                  |                     |
| <b>Passed Through State Department of Elementary<br/>and Secondary Education:</b> |                           |                                     |   |                                  |                     |
| National School Lunch   | 10.555                    | 010-093                             | X   | (1)                              | \$ 2,206,551        |
| National School Breakfast   | 10.553                    | 010-093                             | X   | (1)                              | 627,452             |
| Food Distribution   | 10.555                    | 010-093                             | X   | (1)                              | 493,235             |
| Total   |                           |                                     |   |                                  | <u>3,327,238</u>    |
| <b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>                                       |                           |                                     |   |                                  | <u>\$ 3,327,238</u> |
| <br><b><u>U.S. DEPARTMENT OF LABOR</u></b>  |                           |                                     |   |                                  |                     |
| <b>Passed Through State Department of Labor<br/>and Industrial Relations:</b>     |                           |                                     |   |                                  |                     |
| WIA   | 17.225                    | 39-0005-3-01, 32-0005-3-01          |   | (1)                              | \$ 7,672            |
| Total   |                           |                                     |   |                                  | <u>7,672</u>        |
| <b>TOTAL U.S. DEPARTMENT OF LABOR</b>   |                           |                                     |   |                                  | <u>\$ 7,672</u>     |
| <br><b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>                    |                           |                                     |   |                                  |                     |
| <b>Passed Through State Department of Elementary<br/>and Secondary Education:</b> |                           |                                     |   |                                  |                     |
| School Age Children   | 93.575                    | 010-093                             |   | \$ 40,000                        | \$ 40,000           |
| Total   |                           |                                     |   |                                  | <u>40,000</u>       |
| <b>TOTAL U.S. DEPARTMENT OF HEALTH AND<br/>HUMAN SERVICES</b>                     |                           |                                     |   |                                  | <u>\$ 40,000</u>    |

**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

| Federal Grantor/<br>Pass Through<br>Program Title              | Federal<br>CFDA<br>Number | Pass-Through<br>Grantor's<br>Number | Major<br>Federal<br>Assistance<br>Program | Program<br>or<br>Award<br>Amount | Expenditures         |
|--|---------------------------|-------------------------------------|---|----------------------------------|----------------------|
| <b><u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u></b>              |                           |                                     |   |                                  |                      |
| <b>Passed Through State Emergency Management Agency:</b>       |                           |                                     |   |                                  |                      |
| Disaster Relief  | 97.036                    | 010-093                             |   | (1)                              | \$ <u>35,732</u>     |
| Total  |                           |                                     |   |                                  | <u>35,732</u>        |
| <b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>               |                           |                                     |   |                                  | <u>\$ 35,732</u>     |
| <b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b> |                           |                                     |   |                                  |                      |
| <b>Passed Through City of Columbia:</b>                        |                           |                                     |   |                                  |                      |
| Community Development Block Grant                              | 14.727                    |                                     |   | \$ 20,000                        | \$ <u>3,911</u>      |
| Total  |                           |                                     |   |                                  | <u>3,911</u>         |
| <b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>       |                           |                                     |   |                                  | <u>\$ 3,911</u>      |
| <b><u>U.S. GENERAL SERVICES ADMINISTRATION</u></b>             |                           |                                     |   |                                  |                      |
| <b>Passed Through State Agency for Surplus Property:</b>       |                           |                                     |   |                                  |                      |
| Surplus Property   | 39.003                    | 010-093                             |   | (1)                              | \$ <u>117</u>        |
| Total  |                           |                                     |   |                                  | <u>117</u>           |
| <b>TOTAL U.S. GENERAL SERVICES ADMINISTRATION</b>              |                           |                                     |   |                                  | <u>\$ 117</u>        |
| <b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>                      |                           |                                     |   |                                  | <u>\$ 12,701,279</u> |

(1) No specific award amount.

**COLUMBIA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2008**

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 domestic 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 assistances 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 and B federal financial assistance programs. For the District, Type A programs are those which exceed \$380,451 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 \$117 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 \$493,235, valued at the cost assigned to those commodities by the U.S. Department of Agriculture.



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PARTNERS

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*Travis W. Hundley*

MEMBERS OF AMERICAN INSTITUTE  
OF CERTIFIED PUBLIC ACCOUNTANTS

**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, 2008, which collectively comprise the Columbia Public School District's basic financial statements and have issued our report thereon dated December 1, 2008. 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 deficiencies 2008-1 and 2008-2 described in the accompanying schedule of findings and questioned costs to be significant deficiencies 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 deficiencies described above are material weaknesses.

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 December 1, 2008.

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.

December 1, 2008

  
Gerding, Korte and Chitwood  
Certified Public Accountants



Professional Corporation  
Certified Public Accountants

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

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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, 2008. 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.

### PARTNERS

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

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.

In our opinion, 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, 2008.

### 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.

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

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

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

This report is intended solely for the information and use of 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.

December 1, 2008

  
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, 2008**

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: unqualified

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               | Special Education (IDEA, Part B)                |
| 84.173A               | Special Education (IDEA, Preschool)             |
| 10.553                | School Breakfast Program                        |
| 10.555                | National School Lunch Program and Snack Program |
| 10.550                | Food Distribution                               |
| 84.366B               | Mathematics and Science Partnerships            |
| 84.063                | Federal Pell Grant Program                      |
| 84.032                | Federal Family Education Loans                  |

Dollar threshold used to distinguish between type A and type B programs: \$380,451

Auditee qualified as low-risk auditee?  Yes  No



**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AND SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2008**

Section II: Findings

**Finding No.: 2008-1 Payroll Budgeting**

Criteria:

The objectives of internal control over payroll transactions with respect to budgeting are as follows:

1. To provide reasonable assurance that the transactions are properly authorized by the Board of Education through the budget process.
2. To assure that payroll transactions are recorded to allow for meaningful analysis of actual operating results in comparison to the budget.

Recording of payroll costs should include sufficient detail to allow for monitoring of the components of payroll including, but not limited to, regular payroll costs, overtime costs and extra-duty pay. The budget for payroll should be sufficiently detailed to plan for regular payroll costs, overtime costs, extra-duty pay and any other payroll cost determined to be worthy of monitoring in detail. Additionally, the budget should be amended as determined necessary to allow for extra-duty and additional hires throughout the year.

Condition:

Currently, the payroll budget is developed by multiplying the prior year's projected payroll totals by a factor intended to include increases in wage rates for the employees of the District.

However, the District's actual payroll cost for such areas as overtime and extra-duty payrolls are currently recorded in the totals for regular pay. The process of preparing the budget to include all items recorded in a payroll account from one year to the next, without differentiation of the nature of the item being budgeted, results in the re-authorization of all extra payroll costs. This occurs whether or not the extra-duty or overtime pay is anticipated or necessary for the upcoming year.

Next, the original payroll budget is not amended to reflect the actual staff hired for the year. Consequently, the budget is overstated because of the lower cost of newly hired employees who are replacing retiring employees. This inherent overstatement resulting from the current budget methodology allows for the hiring of unbudgeted staff and extra payroll costs without budgetary justification, or approval.

Additionally, the approval process for extra-duty payroll currently falls under the purview of the District's Human Resources Department. There is no consideration of the cost of the extra payroll costs within the context of the budget and Board of Education policy GCKA requires Board approval of extra-duty stipends for all professional staff.

Finally, the District may hire additional staff throughout the year, which were not considered in the original budget. We noted that many times hiring decisions are made and staff is already on the job before the Board of Education or the District's Budget Officer approves the hiring. Consequently, it appears that the budget process is not an integral part of the decision to hire.

Cause:

The process for preparing the payroll budget works well for initial budgeting and planning. However, there is no process in place to amend the budget to allow for actual staff hired, planned extra-duty pay or overtime expected.

**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AND SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2008**

Section II: Findings (continued)

Effects:

- The approval process for extra-duty and overtime pay is not separately considered in the budget process. Consequently, the likelihood of incurring unnecessary payroll costs increases when there is no budgetary requirement for justifying the additional cost.
- The cost and frequency of extra-duty payments has increased significantly over the last few years.
- The budget is overstated by not amending the budget to take into account the effect of newly hired employees compared to retiring employees. Because of the inherent overstatement in the budget, additional hiring and extra payroll costs added during the year will likely be below the budget in total.

Recommendation:

Payroll control would be improved if the budget was used as a tool to authorize and monitor all elements of payroll cost. We recommend the District change the process of budgetary approval for all functions to include separate accounts for other elements of payroll, such as extra-duty pay and overtime. Additionally, Board policy GCKA must be followed.

The initial budget could be developed based upon the current methodology. However, this preliminary budget should be amended around October each year to match the personnel assignments and actual contracts issued to certificated staff and estimated cost of non-certificated staff. Each function of the District would then have a personnel budget that should approximate the actual personnel assignments for the current year.

Next, administrative and management personnel should submit their plans for the year, to the District's Budget Officer, potentially resulting in additional payroll costs for new hires, extra-duty pay and overtime. These items would be included in a subsequent amended budget if deemed necessary and reasonable by the District's Budget Officer. The Board of Education would approve the amended budget and any new contract hires, thereby approving the additional planned cost of new hires, extra-duty pay and overtime.

View of Responsible Official:

The District administers numerous payroll accounts that represent different categories of compensation. As it is important that this communication about the District's response in the area of payroll control be precise, a listing of these categories and their definitions has been created.

We agree with the auditor's finding that the procedure used to create a subsequent year's budget should include separate budgeting for base contract teacher pay; extra-duty contracts; Category I, II, and III stipends; and overtime. As pointed out by the auditor in his report to the Board of Education on December 8, it will be difficult for the District to implement this recommendation quickly. Existing procedures have been in place for 25 years and are based on the functionality and limitations of the District's current finance software. However, until new finance software is fully implemented, the Assistant Superintendent for Human Resources will provide budget detail that will allow the Director of Business Services to manually separate payroll categories during the budgeting process in order to obtain explicit Board of Education approval for each payroll budget category.

The District is in the process of purchasing new software which will enhance its ability to implement a position-control budgeting system, including separate budget lines for payroll categories. A request for proposals was issued on November 24, 2008, for new finance software that includes that requirement for a position-control budgeting system, and bids will be opened on January 7, 2009. It will require two to three budget cycles to fully implement this

**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AND SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2008**

Section II: Findings (continued)

software and related procedures, but when fully implemented, it will allow the District to more closely monitor the status of these budgets. Any additions or changes to the position-control system that would result in increased budget cost will require approval of the Board of Education. As the budget allows, the administration will also request the additional staffing for Business Services that will be required to implement the auditor's recommendations regarding the need to separate payroll accounts.

We agree with the auditor's finding that the budget is not currently amended in the fall of each year to match the personnel assignments and actual contracts issued to certificated staff and the estimated cost of non-certificated staff in order to most accurately reflect the contractual expense actually incurred and to take into account the effect of newly hired employees compared to retiring employees. Action has already been taken in response to this finding. The Board of Education received a budget report at its November 2008 meeting that included projected payroll expenditures based on current employees. A budget amendment was not made, as projected payroll expenditures were in line with the budget. This will be done annually in the future.

The District will comply with Board of Education policy GCKA as it is written, ensuring that extra-duty stipends in Categories I, II, and III are approved by the Board. The Board of Education will review policy GCKA as a result of discussions with the District's auditor to provide appropriate guidance to the administration. The stipend committee's recalibration of recommended stipends was presented to the Board of Education on May 8, 2006, and was approved in the 2006-07 budget with a \$250,000 budget increase. This current stipend schedule and the special pay rate schedule will be presented to the Board for reauthorization at the January 2009 Board of Education meeting and annually thereafter. Each month, any new stipend will be presented to the Board for approval as a part of the consent agenda.

It is important to note that the year-to-year increases cited by the auditor in the total amount of stipend pay in the District were compensation associated with District programs. Given the current limitations of our budgeting software, these stipends are tracked manually by the Human Resources department. The Assistant Superintendent for Human Resources and the Director of Business Services have implemented a procedure to review stipends and special payroll. This procedure will improve monitoring and control of these payroll accounts until the new finance software is fully operational. The Assistant Superintendent for Human Resources and the Director of Business Services will work with internal budget managers to implement individual tracking systems.

While the District concurs with the above findings and will implement the described remedies, the District differs with the auditor's conclusion that "the budget process is not an integral part of the decision to hire." The current year budget is integral to District hiring decisions. While current practice includes the filling of essential positions during the month prior to the next Board of Education meeting, these hires begin work with the explicit, written communication that their employment is contingent on Board of Education approval, and contracts are not issued until their employment is formally approved by the Board of Education at its next meeting. The District's new hire form will be amended to include specific budgetary considerations when those hires are made beyond the current budget. These forms will be used to generate the corresponding budget amendment, if necessary, for the Board of Education's approval. The District will update its written financial procedures to reflect this standard of practice hiring authority.

**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AND SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2008**

Section II: Findings (continued)

**Finding No.: 2008-2 Segregation of Duties**

Criteria:

The objectives of internal control are to provide reasonable, but not absolute, assurance that assets are safeguarded and the financial statements are reliable. When the duties of one employee involve complete control over most, or all, aspects of an accounting cycle, without the involvement of other intervening employees, conflicts with the internal control objective may arise. This kind of conflict is generally referred to as a lack of segregation of duties.

Condition:

Columbia Public School District has potential conflicts with personnel who have the ability to single-handedly access, record and report transactions related to student activities (ECA) and Career Center revenue.

Effect:

The lack of segregation of duties increases the risk of both fraud and error within the Columbia Public School District's accounting system and financial statements.

Recommendation:

To address the segregation of duties issue we recommend, where practical, cross-training of building support staff and periodic rotation of duties among accounting staff.

View of Responsible Official:

We agree with the auditor's finding that Columbia Public Schools has potential risk in the area of segregation of duties in student activities (ECA) and Career Center revenue. While no problems were discovered, ECA sponsors will be reminded to continually review and monitor their monthly financial reports to help ensure accuracy of funds deposited and expended. Career Center administration will explore cross-training options to improve segregation in the area of student tuition.

Due to staffing levels at all locations, segregating duties to provide complete assurance beyond these practices is very costly.

Section III: Federal Award Findings and Questioned Costs

None

**COLUMBIA PUBLIC SCHOOL DISTRICT  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008**

Finding No.: 2007-1 Payroll Control

This item continues to be a finding and has been addressed in the Schedule of Findings and Questioned Costs and Summary of Auditors' Results – Federal Requirements on page 127 and 128, item 2008-1.

Finding No.: 2007-2 Subrecipient Monitoring

*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.

*Status:*

The District has implemented subrecipient monitoring procedures; however, we recommend they expand their monitoring and have addressed this in the Audit Communications Letter under Section III, Other Current Year Matters, item E.

Finding No.: 2007-3 Allowable Costs/Cost Principles

*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. In addition, the employee's overtime was approved by the District's Assistant Superintendent of Human Resources rather than by appropriate supervisory channels.

*Status:*

It appears the District has substantially addressed this issue.

Finding No.: 2007-04 Allowable Costs/Cost Principles

*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.

*Status:*

We noted no payroll discrepancies related to Title IIA. It appears the District has adequately addressed this issue.