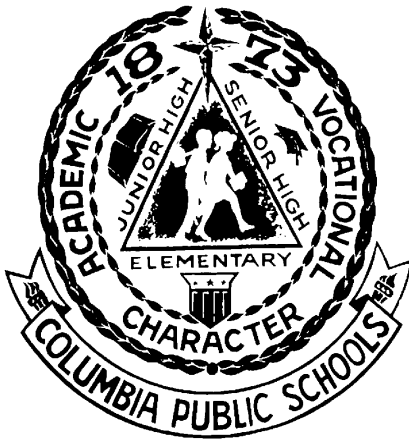


Comprehensive Annual Financial Report

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*Columbia Public School District
Columbia, Missouri*

For Fiscal Year Ended June 30, 2006

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2006**

**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

Mr. Brian Benter CPA, Accountant

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Introductory Section



Dr. Phyllis A. Chase
Superintendent of Schools

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

October 15, 2006

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, 2006.

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, 2006. 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 16,951 students. Enrollment growth reflects the growth of the community. For the period 1996 through 2006 overall enrollment of the District increased by 8.8%. 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 5,200 part-time and full-time adult students enrolled annually in more than 2,600 courses. Approximately 15% of the school population is served by the Special Education Department of the Columbia Public School District. Specially trained teachers provide services to students needing both modified programs and specialized instruction. The District has developed programs for exceptional pupils that include services for students with mental or orthopedic handicaps, speech or language disorders, learning disabilities, behavior disorders, and auditory or visual handicaps, as well as services for infants and pre-school severely handicapped children. It is the goal of the Columbia Public School District to provide appropriate instructional services for each child according to individual and unique needs.

The Columbia Public School District contracts with First Student, Inc. to provide transportation for eligible students to and from school and on school sponsored activity trips. Approximately 12,500 students are eligible to be transported to and from school on a daily basis. One hundred forty-one (141) school buses are used in the transportation program. Most buses serve multiple routes.

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

An elected seven-member board governs the District. The Columbia School District Board (the Board) is the basic level of government that has financial accountability and control over all activities related to public school education in the District. The District is not a component unit of another reporting entity. The Board meets prior to July 1 and adopts the annual budget. The budget serves as the foundation for the District's financial planning and control. The budget is prepared by fund and function and may be amended at this level only by the approval of a majority of the members of the Board of Education. The administration may amend the budget only at the object and location (school or building) level without seeking the approval of the Board. The Board of Education approved budget amendments for the year ended June 30, 2006, at its August 25, 2005, September 12, 2005, February 13, 2006, and June 12, 2006, meetings.

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

Local Economy

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

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

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

The economic diversity of Columbia, along with the high quality of education offered here, makes Columbia an attractive community. As such, Columbia continues to experience stable growth, and enjoys a low unemployment rate (3.6% in June 2006).

Long-Term Financial Planning

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

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

Relevant Financial Policies

Risk Management

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

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

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

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

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

Cash Management

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

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

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

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

Awards and Acknowledgements

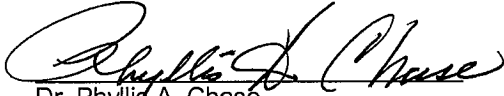
This past year, our Comprehensive Annual Financial Report earned both the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting. These awards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

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

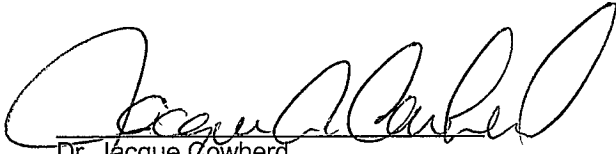
It is our intention that this Comprehensive Annual Financial Report will provide the District's management, outside investors, and interested local citizens with the most meaningful financial presentation possible. We are hopeful that all readers of the report will obtain a clear and concise picture of the District's financial condition as of June 30, 2006.

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

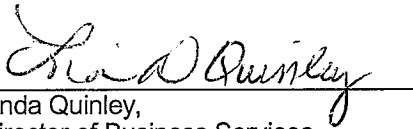
Respectfully submitted,



Dr. Phyllis A. Chase,
Superintendent



Dr. Jacques Cowherd,
Deputy Superintendent for Administration



Linda Quinley,
Director of Business Services

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2006**

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

BOARD OF EDUCATION

Ms. Karla DeSpain, President

Mr. Donald R. Ludwig, Vice-President

Mr. David P. Ballenger, Member

Mr. Steve Calloway, Member

Dr. Michelle Gadbois, Member

Mr. J. C. Headley, Member

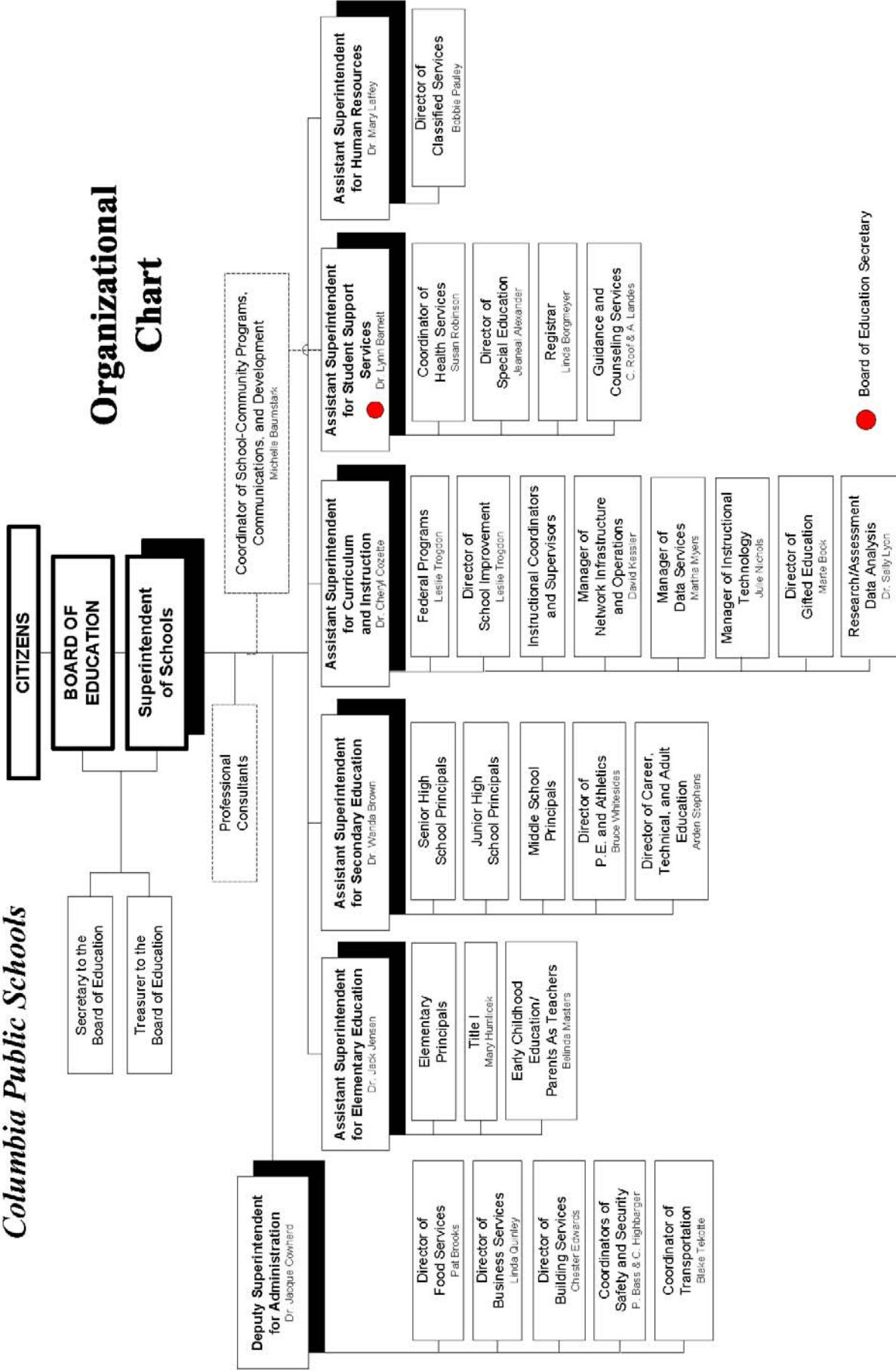
Mr. Darin Preis, Member

DISTRICT ADMINISTRATION

Dr. Phyllis A. Chase	Superintendent of Schools
Dr. Jacque Cowherd	Deputy Superintendent for Administration
Dr. Cheryl Cozette	Assistant Superintendent for Curriculum & Instruction
Dr. Jack Jensen	Assistant Superintendent for Elementary Education
Dr. Wanda Brown	Assistant Superintendent for Secondary Education
Dr. Lynn Barnett	Assistant Superintendent for Student Support Services/ Secretary to the Board of Education
Dr. Mary A. Laffey	Assistant Superintendent for Human Resources
Ms. Linda Quinley	Director of Business Services/ Treasurer to the Board of Education
Ms. Jeaneal Alexander	Director of Special Education
Ms. Patricia Brooks	Director of Nutrition Services

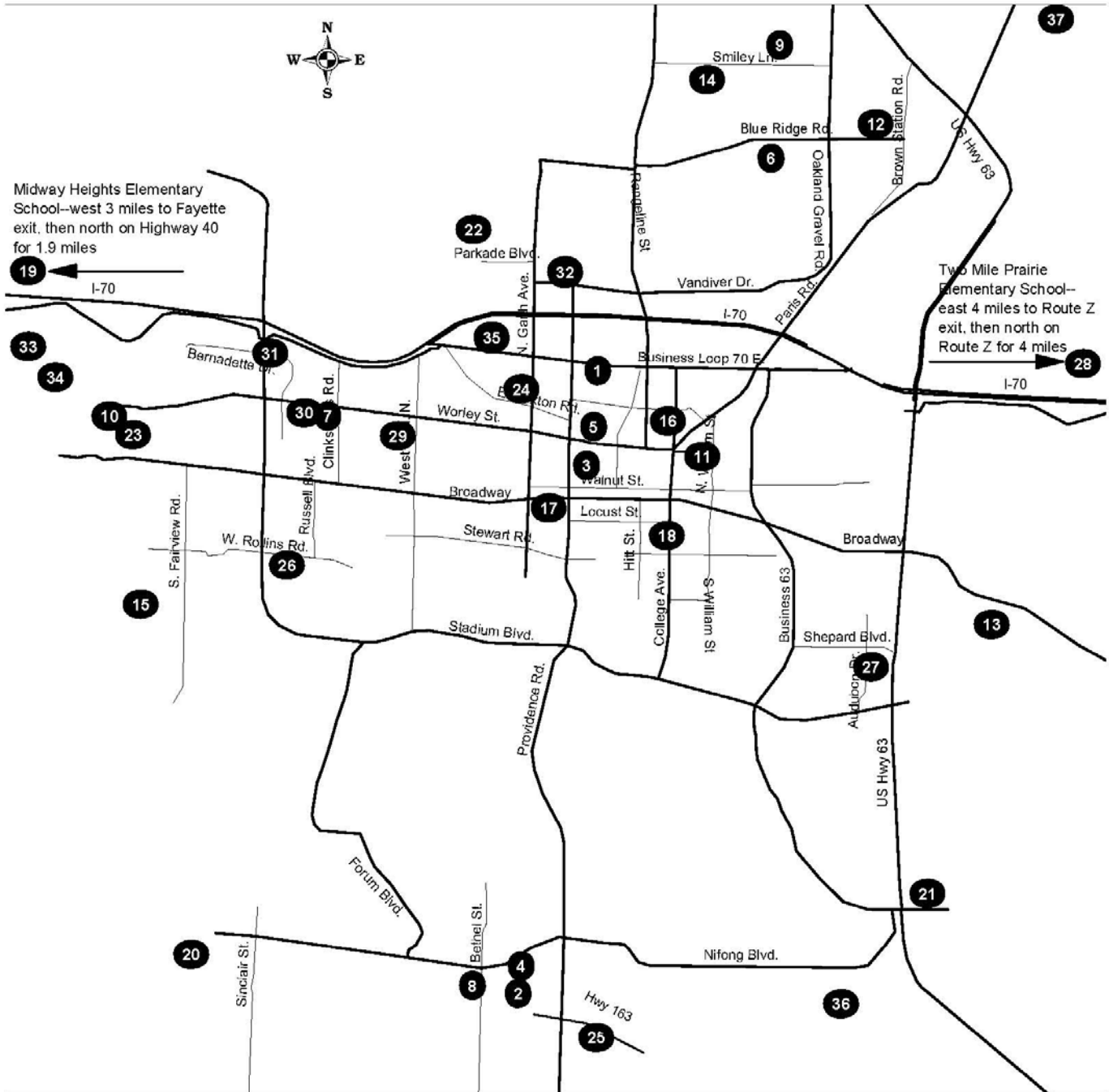
Columbia Public Schools

Organizational Chart



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, 2005

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.



Carla E. Fudge

President

Jeffrey R. Emen

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, 2005

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

A handwritten signature in black ink, appearing to read 'Melody Longfellow'.

President

A handwritten signature in black ink, appearing to be a stylized name.

Interim Executive Director

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Financial Section



GERDING, KORTE & CHITWOOD

Professional Corporation

Certified Public Accountants

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

www.gkccpas.com

INDEPENDENT AUDITORS' REPORT

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, 2006, 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, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general and teachers funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 13, 2006, on our consideration of the Columbia Public School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

October 13, 2006


Gerding, Korte and Chitwood
Certified Public Accountants

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006**

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 2006 fiscal year by \$80,961,688 (net assets). Of this amount, \$34,152,893 (unrestricted net assets) may be used to meet the District's ongoing obligations to taxpayers and creditors.
- The District's total net assets increased \$13,730,904. This increase was primarily the result of increases in capital assets exceeding depreciation expense for the year and increases in the District's restricted net assets.
- The governmental funds reported a combined ending fund balance of \$100,124,869, an increase of \$28,310,603 from the prior year. Of this amount, \$65,214,632 is available for spending at the District's discretion (unreserved, undesignated fund balance), within each respective fund.
- The combined unreserved fund balance for the General Fund and Teachers Fund is \$36,084,663, or 26.1% of the current year expenditures of these funds.
- The total long-term debt of the District increased \$21,445,443 during the year primarily due to the issuance of \$20,190,000 of refunding bonds.

Overview of the Financial Statements

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

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

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

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

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006**

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

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

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

District-wide Statements

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006**

- 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, 2005.

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006**

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

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

Financial Analysis of the District as a Whole

As noted above, net assets may serve over time as a useful indicator of the District's financial position. As of the end of the most recently completed fiscal year, assets exceeded liabilities by nearly \$81 million. Of that amount, 31% represents the District's investment in capital assets (land, buildings, equipment, etc.), 27% 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 42%, just over \$34 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 \$21.4 million during the year, mostly due to issuance of refunding bonds that will save this District over \$900,000 in future debt service payments, and the District continues to be able to meet its obligations under long-term debt while also maintaining a reasonable balance of over \$9 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, 2006**

**Table 2
Condensed Statement of Net Assets
June 30, 2006
With Comparative Totals for June 30, 2005
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and Other Assets	\$ 201,446	\$ 165,487	\$ 2,550	\$ 2,463	\$ 203,996	\$ 167,950
Capital Assets	145,731	140,713	545	613	146,276	141,326
Total Assets	<u>347,177</u>	<u>306,200</u>	<u>3,095</u>	<u>3,076</u>	<u>350,272</u>	<u>309,276</u>
Current Liabilities	98,184	92,462	338	240	98,522	92,702
Noncurrent Liabilities	170,598	149,192	190	151	170,788	149,343
Total Liabilities	<u>268,782</u>	<u>241,654</u>	<u>528</u>	<u>391</u>	<u>269,310</u>	<u>242,045</u>
Investment in Capital Assets, Net of Related Debt	24,613	18,991	545	613	25,158	19,604
Restricted	21,651	15,452	-	-	21,651	15,452
Unrestricted	<u>32,131</u>	<u>30,103</u>	<u>2,022</u>	<u>2,072</u>	<u>34,153</u>	<u>32,175</u>
Total Net Assets	<u>\$ 78,395</u>	<u>\$ 64,546</u>	<u>\$ 2,567</u>	<u>\$ 2,685</u>	<u>\$ 80,962</u>	<u>\$ 67,231</u>

As of June 30, 2006, the District is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same was also true for the prior fiscal year.

The District's total net assets increased \$13.7 million. This increase is primarily due to additions to capital assets and in restricted net assets. Unrestricted net assets also increased almost \$2 million, which was primarily due to additional revenues received during the year that were not spent.

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006**

Table 3 provides a summary of the changes in net assets for the year ended June 30, 2006.

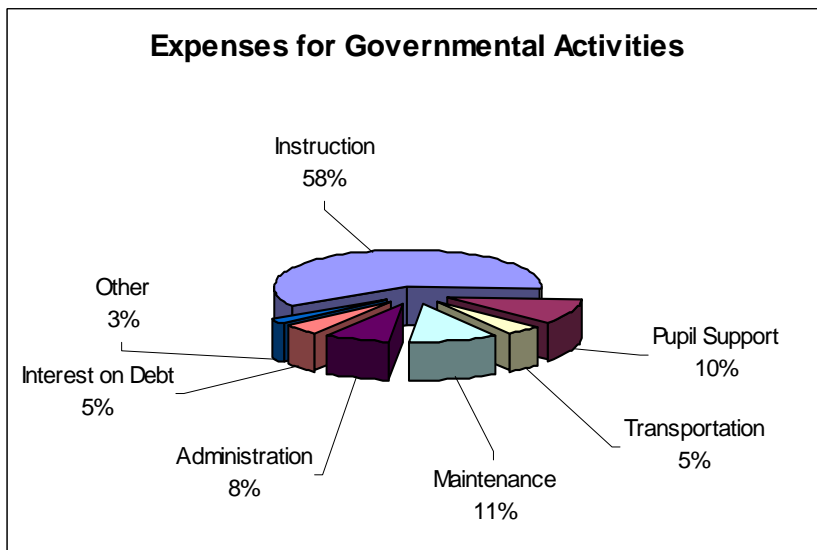
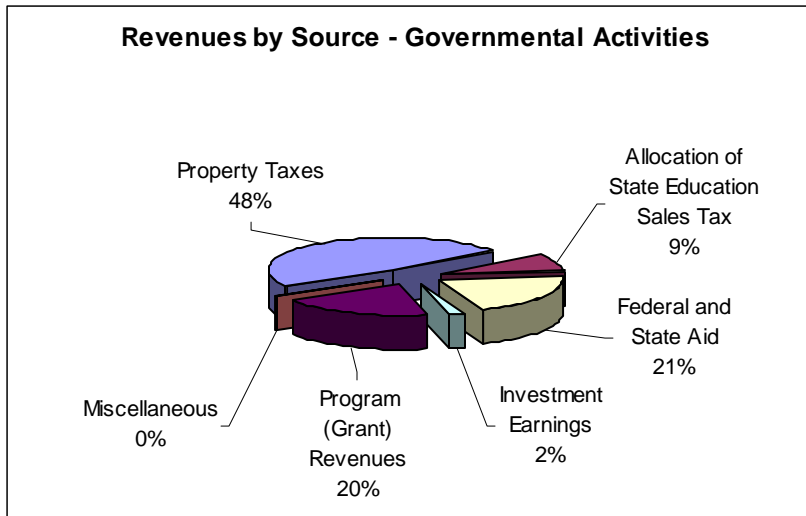
Table 3 Changes In Net Assets from Operating Results Year Ended June 30, 2006 With Comparative Totals for Year Ended June 30, 2005 (In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,045	\$ 1,072	\$ 3,662	\$ 3,703	\$ 4,707	\$ 4,775
Operating Grants and Contributions	31,488	28,622	3,645	3,520	35,133	32,142
Capital Grants and Contributions	979	614	-	-	979	614
General Revenues:						
Property Taxes	80,488	71,189	-	-	80,488	71,189
Allocation of Statewide Education Sales Tax	14,527	12,472	-	-	14,527	12,472
Federal and State Aid	34,431	31,791	-	-	34,431	31,791
Other	3,866	2,594	87	-	3,953	2,594
Total Revenues	<u>166,824</u>	<u>148,354</u>	<u>7,394</u>	<u>7,223</u>	<u>174,218</u>	<u>155,577</u>
Expenses:						
Instruction	89,593	84,636	-	-	89,593	84,636
Support Services						
Pupil/Instructional Support	17,043	17,502	-	-	17,043	17,502
Administration	12,061	11,457	-	-	12,061	11,457
Operation of plant	16,576	15,636	-	-	16,576	15,636
Pupil Transportation	6,945	6,418	-	-	6,945	6,418
Other	3,862	3,882	-	-	3,862	3,882
Interest Payments	6,895	6,839	-	-	6,895	6,839
Food Services	-	-	5,767	5,246	5,767	5,246
Adult Education	-	-	1,745	1,768	1,745	1,768
Total Expenses	<u>152,975</u>	<u>146,370</u>	<u>7,512</u>	<u>7,014</u>	<u>160,487</u>	<u>153,384</u>
Increase (decrease) in net assets	<u>\$ 13,849</u>	<u>\$ 1,984</u>	<u>\$ (118)</u>	<u>\$ 209</u>	<u>\$ 13,731</u>	<u>\$ 2,193</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006**

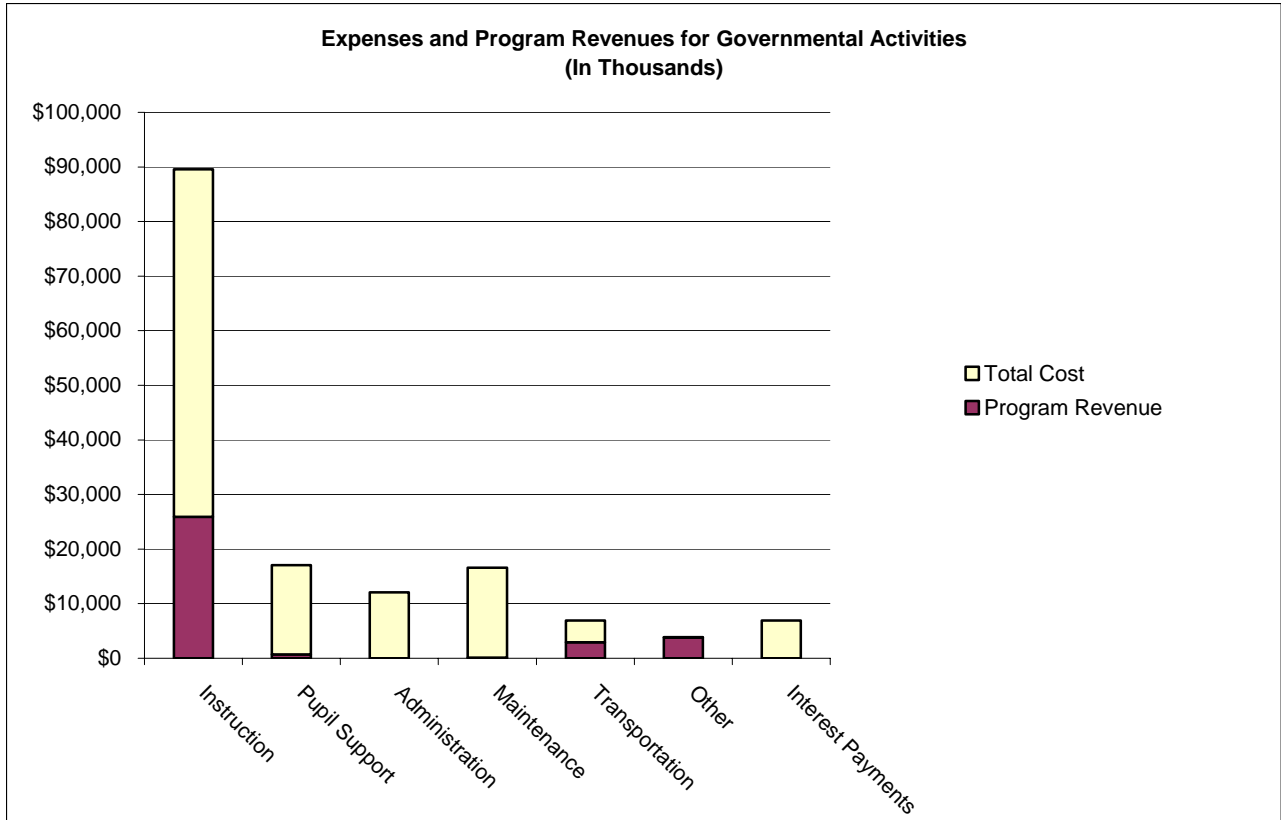
Governmental and Business-Type Activities

Expenses for Governmental Activities increased \$7 million. Of this increase, 71% (\$5 million) was for Instruction, primarily due to increases in teachers' salaries and benefits. Revenues for Governmental Activities increased \$19 million. Of the \$19 million increase in revenues, approximately \$10 million was due to additional state and federal grants and increases in state aid, and a little over \$9 million was due to increases in property taxes due to increases in assessed valuation.

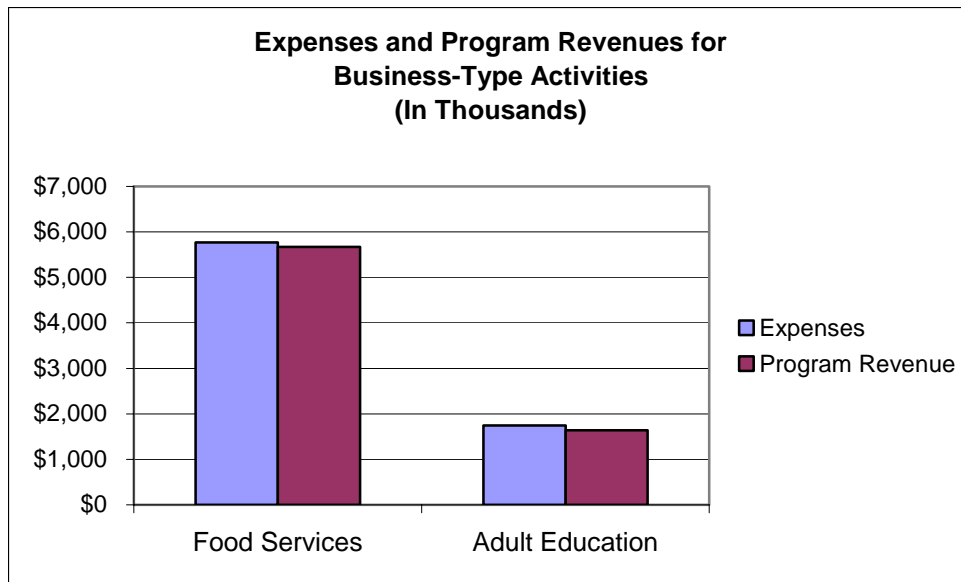
The District's Business-Type Activities continue to be entirely self-supporting and require no subsidy from the District's general fund. The Business-Type Activities are funded through amounts charged for the services they provide as well as federal and state grants. The increase in expenses for the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



**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006**



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. Expenses were slightly over program revenues for the Business-Type Activities, but this shortage was financed with Interest and Investment Earnings and a planned reduction of the balance from reserves in the Food Services Fund.



**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006**

Financial Analysis of the District's Funds

The District completed the year with a total governmental fund balance of \$100,124,869. This is an increase of \$28,310,603 from the previous year, primarily due to increases in the Teachers Fund, Debt Service Fund and Capital Projects Fund. The overall position of the District's funds is strong and the District is able to meet all of its ongoing operational expenses without having to resort to any short-term borrowing.

The District refers to the combined balance of the General Fund and Teachers Fund as its "operating funds". The balance of the operating funds increased by approximately \$4.5 million. Most of this increase (\$3.2 million) was due to additional revenues received during the year that were not spent. Expenditures for the operating funds increased \$9 million in the current year. The increase was primarily due to salary and benefit increases for teachers and support staff.

The balance of the Debt Service Fund increased \$21 million during the year. This was primarily due to \$20 million of crossover refunding bonds that were issued during the year. The proceeds of these refunding bonds are held in an escrow account and will be used to pay the outstanding principal of the bond issues that were refunded on the crossover dates in 2007 and 2008.

The balance of the Capital Projects Fund increased \$2.3 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.

The District completed the year with a balance of net assets of \$2,566,949 in its enterprise funds. These funds are nonmajor funds and are presented in the district-wide statements as Business-Type Activities. The financial position of these funds remains strong and they continue to be able to be funded entirely through charges for the services they provide and federal and state grants. Revenues were greater than expenses for both the current and prior year for the Adult Education Fund. Expenses exceeded revenues in the Food Services fund in the current year. This was a planned reduction of the fund balance of the Food Services Fund to comply with state requirements related to the maximum balance of this fund. Revenues exceeded expenditures for the Food Services Fund in the prior year.

General Fund Budgetary Highlights

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

- Decreased revenues \$1.2 million for changes in the fund allocation of the District's property tax levies and decreases in state aid.
- Increased expenditures of \$500,000 to pay for increases in the District's costs for utilities and transportation fuel.
- Increased revenues and expenditures for various grant programs to recognize final grant approvals.

Actual revenues exceeded budgeted amounts by \$1,502,420, primarily due to additional investment income earned during the year and increases in the District's allocation of the statewide education sales tax that was not anticipated. Actual expenditures were \$2,075,448 less than budgeted. \$260,000 of this amount was the result of instructional salaries and benefits being less than estimated, \$1 million of this

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006**

amount was the result of unspent budgets for services and supplies, and most of the remaining \$800,000 was due to several summer maintenance projects that were not completed by June 30 and rolled forward to the next fiscal year. Costs related to pupil transportation were \$242,876 more than budgeted, mainly as a result of increased fuel costs and higher than expected costs to transport special education students.

Capital Assets

As of June 30, 2006, the District had \$145,731,249 and \$545,485, 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 \$13,139,605 as of year-end in Governmental Activities. (More detailed information regarding capital assets can be found in the notes to the basic financial statements, Note 10).

The District completed capital improvement projects totaling \$3 million. This included \$1 million for additions and renovations at West Boulevard Elementary and \$2 million for various paving and drainage improvements and roofing projects throughout the District.

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

Table 4 provides a summary of the District's capital assets as of June 30, 2006.

Table 4 Capital Assets June 30, 2006 With Comparative Totals for June 30, 2005 (Net of Depreciation, In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 3,861	\$ 3,861	\$ 38	\$ 38	\$ 3,899	\$ 3,899
Construction in Progress	13,140	9,533	-	-	13,140	9,533
Buildings	123,114	121,617	192	195	123,306	121,812
Mobile Classrooms	1,109	1,198	-	-	1,109	1,198
Equipment and Furniture	4,507	4,504	315	380	4,822	4,884
Total	\$ 145,731	\$ 140,713	\$ 545	\$ 613	\$ 146,276	\$ 141,326

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006**

Debt Administration

As of June 30, 2006, the District had \$168,380,000 in general obligation bonds outstanding. The District issued \$9,995,000 million in general obligation bonds, dated March 15, 2006, which was the last issue of \$22.5 million authorized by the voters in April 2004. The District also issued \$20,190,000 in crossover refunding bonds dated August 31, 2005, saving the District \$924,257 in future debt service payments. (More detailed information regarding long-term debt can be found in the notes to the basic financial statements, Note 9).

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

Other Matters

At its 2005 Regular Session, the Missouri General Assembly approved, and the Governor signed, legislation that significantly changes the formula used by the state to determine the amount of state aid the District receives. Under the new formula, which is being phased in over 7 years beginning in 2007, the District currently projects it would receive very limited increases in state funding each year. The District does not anticipate that these increases will be adequate to cover the increased costs of running the District. The Board of Education has discussed the changes in state funding, and will continue to address the financing of future increases in the costs of running the District as a part of the process of developing the budget for fiscal year 2008 and beyond.

The District has joined 236 other school districts in a lawsuit against the state questioning the constitutionality of both the new and old funding formulas in that they provide for inadequate and unfairly distributed funding among Missouri school districts. A trial date has not been set on this lawsuit and the effects, if any, it may have on the amount of funding the District receives from the state in the future is not known at this time.

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, 2006**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Columbia Public School District Foundation
ASSETS				
Cash and Cash Equivalents	\$ 12,331,398	\$ 116,773	\$ 12,448,171	\$ 415,348
Investments	64,033,593	1,911,489	65,945,082	423,462
Receivables (Net of Allowance for Uncollectibles)				
Local	88,532,213	17,441	88,549,654	-
State	1,076,380	-	1,076,380	-
Federal	561,534	324,595	886,129	-
Inventories	275,348	133,517	408,865	-
Prepaid Expenses	364,618	45,939	410,557	-
Restricted Assets				
Investment with Fiscal Agent - Refunding Escrow	34,270,271	-	34,270,271	-
Capital Assets (Net of Accumulated Depreciation)				
Land	3,861,080	37,763	3,898,843	-
Construction in Progress	13,139,605	-	13,139,605	-
Buildings	123,114,385	192,477	123,306,862	-
Mobile Classrooms	1,109,488	-	1,109,488	-
Furniture and Equipment	4,506,691	315,245	4,821,936	-
Total Assets	<u>347,176,604</u>	<u>3,095,239</u>	<u>350,271,843</u>	<u>838,810</u>
LIABILITIES				
Accounts Payable	4,696,762	24,885	4,721,647	-
Accrued Salaries and Payroll Taxes	6,801,446	23,118	6,824,564	-
Accrued Interest Payable	2,342,071	-	2,342,071	-
Deferred Revenue	84,343,449	289,685	84,633,134	-
Noncurrent Liabilities				
Due within One Year	24,215,000	24,000	24,239,000	-
Due in More than One Year	112,358,137	166,602	112,524,739	-
Liabilities Payable from Restricted Assets	34,025,000	-	34,025,000	-
Total Liabilities	<u>268,781,865</u>	<u>528,290</u>	<u>269,310,155</u>	<u>-</u>
NET ASSETS				
Investment in Capital Assets, Net of Related Debt	24,612,653	545,485	25,158,138	-
Restricted for:				
Debt Service	9,235,060	-	9,235,060	-
Capital Projects	3,286,100	-	3,286,100	-
Teachers' Salaries and Benefits	7,654,823	-	7,654,823	-
Other	1,474,674	-	1,474,674	-
Unrestricted	32,131,429	2,021,464	34,152,893	838,810
Total Net Assets	<u>\$ 78,394,739</u>	<u>\$ 2,566,949</u>	<u>\$ 80,961,688</u>	<u>\$ 838,810</u>

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities				
Instruction				
Regular Instruction	\$ 62,368,219	\$ 235,980	\$ 11,147,382	\$ 551,569
Special Education	22,252,901	-	12,558,292	4,174
Vocational Instruction	3,385,039	100,500	877,222	413,958
Student Activities - Athletics	1,211,202	-	-	-
Tuition to Other Districts	375,203	-	-	-
Total Instruction	<u>89,592,564</u>	<u>336,480</u>	<u>24,582,896</u>	<u>969,701</u>
Support Services				
Attendance	187,923	-	-	-
Guidance and Counseling	5,173,219	-	-	-
Health and Ancillary Services	2,392,264	22,500	90,000	-
Improvement of Instruction	2,175,427	-	425,478	-
Media Services	7,113,770	2,579	186,780	-
Board Services	289,040	-	-	-
General Administration	1,930,574	-	8,808	-
Building Administration	8,955,676	-	-	-
Business, Central Services	885,449	-	-	-
Operation of Plant	16,576,111	137,977	-	-
Pupil Transportation	6,945,474	-	2,944,512	-
Adult Literacy	216,756	-	108,823	9,307
Community Services	3,645,829	545,565	3,140,455	-
Total Support Services	<u>56,487,512</u>	<u>708,621</u>	<u>6,904,856</u>	<u>9,307</u>
Non-Instruction/Support Services				
Interest Payments, Bonds	6,895,384	-	-	-
Total Non-Instruction/Support Services	<u>6,895,384</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>152,975,460</u>	<u>1,045,101</u>	<u>31,487,752</u>	<u>979,008</u>
Business-Type Activities				
Food Services	5,767,486	2,796,811	2,870,163	-
Adult Education	1,744,828	865,631	775,047	-
Total Business-Type Activities	<u>7,512,314</u>	<u>3,662,442</u>	<u>3,645,210</u>	<u>-</u>
Total Primary Government	<u>\$ 160,487,774</u>	<u>\$ 4,707,543</u>	<u>\$ 35,132,962</u>	<u>\$ 979,008</u>
Component Unit				
Columbia Public School District Foundation	\$ 36,473	\$ -	\$ 125,458	\$ -

General Revenues

Taxes

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Services

Property Taxes, Levied for Capital Projects

Other Taxes

Allocation of Statewide Education Sales Tax

Federal and State Aid Not Restricted to Specific Purposes

Interest and Investment Earnings

Miscellaneous

Total General Revenues

Changes in Net Assets

Net Assets, July 1

Net Assets, June 30

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

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

Primary Government			Component Unit
Governmental Activities	Business- Type Activities	Total	Columbia Public School District Foundation
\$ (50,433,288)	\$ -	\$ (50,433,288)	\$ -
(9,690,435)	-	(9,690,435)	-
(1,993,359)	-	(1,993,359)	-
(1,211,202)	-	(1,211,202)	-
(375,203)	-	(375,203)	-
<u>(63,703,487)</u>	<u>-</u>	<u>(63,703,487)</u>	<u>-</u>
(187,923)	-	(187,923)	-
(5,173,219)	-	(5,173,219)	-
(2,279,764)	-	(2,279,764)	-
(1,749,949)	-	(1,749,949)	-
(6,924,411)	-	(6,924,411)	-
(289,040)	-	(289,040)	-
(1,921,766)	-	(1,921,766)	-
(8,955,676)	-	(8,955,676)	-
(885,449)	-	(885,449)	-
(16,438,134)	-	(16,438,134)	-
(4,000,962)	-	(4,000,962)	-
(98,626)	-	(98,626)	-
40,191	-	40,191	-
<u>(48,864,728)</u>	<u>-</u>	<u>(48,864,728)</u>	<u>-</u>
(6,895,384)	-	(6,895,384)	-
<u>(6,895,384)</u>	<u>-</u>	<u>(6,895,384)</u>	<u>-</u>
<u>(119,463,599)</u>	<u>-</u>	<u>(119,463,599)</u>	<u>-</u>
-	(100,512)	(100,512)	-
-	(104,150)	(104,150)	-
-	<u>(204,662)</u>	<u>(204,662)</u>	<u>-</u>
<u>(119,463,599)</u>	<u>(204,662)</u>	<u>(119,668,261)</u>	<u>-</u>
-	-	-	88,985
65,002,796	-	65,002,796	-
13,454,222	-	13,454,222	-
167,470	-	167,470	-
1,863,554	-	1,863,554	-
14,526,830	-	14,526,830	-
34,430,983	-	34,430,983	-
3,549,322	87,025	3,636,347	-
316,963	-	316,963	-
<u>133,312,140</u>	<u>87,025</u>	<u>133,399,165</u>	<u>-</u>
13,848,541	(117,637)	13,730,904	88,985
64,546,198	2,684,586	67,230,784	749,825
<u>\$ 78,394,739</u>	<u>\$ 2,566,949</u>	<u>\$ 80,961,688</u>	<u>\$ 838,810</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006**

	<u>General</u>	<u>Teachers</u>	<u>Debt Service</u>
ASSETS			
Cash and Cash Equivalents	\$ 18,644	\$ -	\$ 2,351,161
Investments	34,617,568	5,735,473	8,685,866
Receivables (Net of Allowance for Uncollectibles)			
Local	25,617,386	48,018,932	14,696,782
State	358,103	695,947	-
Federal	100	166	-
Inventories	275,348	-	-
Prepaid Expenditures	352,528	5,440	-
Restricted Assets			
Investments with Fiscal Agent - Refunding Escrow	-	-	34,270,271
Total Assets	<u>\$ 61,239,677</u>	<u>\$ 54,455,958</u>	<u>\$ 60,004,080</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 1,384,152	\$ 167,338	\$ 9,364
Accrued Salaries and Payroll Taxes	6,436,830	336,157	-
Deferred Revenue	23,749,272	46,903,907	14,582,638
Total Liabilities	<u>31,570,254</u>	<u>47,407,402</u>	<u>14,592,002</u>
Fund Balances			
Reserved for			
Debt Service	-	-	34,270,271
Inventories	275,348	-	-
Prepaid Expenditures	352,528	5,440	-
Unreserved Reported in			
General Fund	29,041,547	-	-
Special Revenue Funds	-	7,043,116	-
Debt Service Fund	-	-	11,141,807
Capital Projects Fund	-	-	-
Total Fund Balances	<u>29,669,423</u>	<u>7,048,556</u>	<u>45,412,078</u>
Total Liabilities and Fund Balances	<u>\$ 61,239,677</u>	<u>\$ 54,455,958</u>	<u>\$ 60,004,080</u>

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

Governmental Fund Types

<u>Capital Projects</u>	<u>Nonmajor Fund Grants and Donations</u>	<u>Total Governmental Funds</u>
\$ -	\$ 1,777,459	\$ 4,147,264
17,787,301	-	66,826,208
183,181	15,932	88,532,213
-	22,330	1,076,380
-	561,268	561,534
-	-	275,348
-	6,650	364,618
-	-	34,270,271
<u>\$ 17,970,482</u>	<u>\$ 2,383,639</u>	<u>\$ 196,053,836</u>
\$ 1,268,584	\$ 843,990	\$ 3,673,428
-	28,459	6,801,446
181,760	36,516	85,454,093
<u>1,450,344</u>	<u>908,965</u>	<u>95,928,967</u>
-	-	34,270,271
-	-	275,348
-	6,650	364,618
-	-	29,041,547
-	1,468,024	8,511,140
-	-	11,141,807
16,520,138	-	16,520,138
<u>16,520,138</u>	<u>1,474,674</u>	<u>100,124,869</u>
<u>\$ 17,970,482</u>	<u>\$ 2,383,639</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.	145,731,249
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,110,644
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.	4,368,185
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(172,940,208)</u>
Net assets of governmental activities	<u>\$ 78,394,739</u>

COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	General	Teachers
REVENUES		
Local	\$ 33,335,662	\$ 48,083,267
County	802,421	907,709
State	17,989,322	32,398,358
Federal	3,710,939	5,280,470
Tuition From Other Districts	50,250	79,757
Total Revenues	55,888,594	86,749,561
EXPENDITURES		
Current		
Instruction		
Regular Instruction	12,815,005	48,927,928
Special Instruction	5,750,189	16,586,459
Vocational Instruction	781,017	2,510,976
Student Activities - Athletics	326,572	480,555
Tuition To Other Districts	-	375,203
Total Instruction	19,672,783	68,881,121
Pupil Support Services		
Attendance	192,274	-
Guidance and Counseling	1,860,694	3,276,897
Health and Ancillary Services	1,706,397	607,575
Improvement of Instruction	1,156,390	989,624
Media Services	3,189,169	2,161,848
Total Support Services	8,104,924	7,035,944
Administration		
Board Services	289,040	-
General Administration	1,000,491	905,691
Building Administration	3,193,849	5,681,100
Business, Central Services	895,815	-
Total Administration	5,379,195	6,586,791
Other		
Operation of Plant	13,559,405	-
Pupil Transportation	6,923,641	-
Adult Literacy	7,232	39,976
Community Services	1,339,748	519,163
Total Other	21,830,026	559,139
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	54,986,928	83,062,995
REVENUES OVER (UNDER) EXPENDITURES	901,666	3,686,566
OTHER FINANCING SOURCES (USES)		
General Obligation Bonds Issued	-	-
Refunding Bonds Issued	-	-
Premium on Refunding Bonds Issued	-	-
Transfers In	-	27,564
Transfers Out	(27,564)	-
NET CHANGES IN FUND BALANCES	874,102	3,714,130
FUND BALANCES, JULY 1	28,795,321	3,334,426
FUND BALANCES, JUNE 30	\$ 29,669,423	\$ 7,048,556

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

Governmental Fund Types

	Debt Service	Capital Projects	Nonmajor Fund Grants and Donations	Total Governmental Funds
\$	14,981,675	\$ 2,285,689	\$ 1,415,435	\$ 100,101,728
	266,084	2,154	-	1,978,368
	1,478,157	86,950	1,954,716	53,907,503
	-	-	1,301,294	10,292,703
	-	-	-	130,007
	<u>16,725,916</u>	<u>2,374,793</u>	<u>4,671,445</u>	<u>166,410,309</u>
	-	-	1,174,184	62,917,117
	-	-	301,289	22,637,937
	-	-	418,930	3,710,923
	-	-	371,955	1,179,082
	-	-	-	375,203
	-	-	<u>2,266,358</u>	<u>90,820,262</u>
	-	-	-	192,274
	-	-	95,113	5,232,704
	-	-	112,500	2,426,472
	-	-	28,667	2,174,681
	-	-	180,499	5,531,516
	-	-	<u>416,779</u>	<u>15,557,647</u>
	-	-	-	289,040
	-	-	-	1,906,182
	-	-	-	8,874,949
	-	-	-	895,815
	-	-	-	<u>11,965,986</u>
	-	-	-	13,559,405
	-	-	22,426	6,946,067
	-	-	187,517	234,725
	-	-	1,821,759	3,680,670
	-	-	<u>2,031,702</u>	<u>24,420,867</u>
	9,520,000	-	-	9,520,000
	6,760,902	73,289	-	6,834,191
	<u>16,280,902</u>	<u>73,289</u>	-	<u>16,354,191</u>
	-	2,793,594	-	2,793,594
	-	34,300	-	34,300
	-	905,860	-	905,860
	-	6,213,969	-	6,213,969
	-	9,947,723	-	9,947,723
	<u>16,280,902</u>	<u>10,021,012</u>	<u>4,714,839</u>	<u>169,066,676</u>
	445,014	(7,646,219)	(43,394)	(2,656,367)
	-	9,995,000	-	9,995,000
	20,190,000	-	-	20,190,000
	781,970	-	-	781,970
	-	-	-	27,564
	-	-	-	<u>(27,564)</u>
	21,416,984	2,348,781	(43,394)	28,310,603
	<u>23,995,094</u>	<u>14,171,357</u>	<u>1,518,068</u>	<u>71,814,266</u>
\$	<u><u>45,412,078</u></u>	<u><u>16,520,138</u></u>	<u><u>1,474,674</u></u>	<u><u>100,124,869</u></u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006**

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

Net changes in fund balances of total governmental funds	\$	28,310,603
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		5,018,144
Revenues in the Statement of Activities that do not provide current financial resources are not reported in the funds		418,442
The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of the difference between bonds issued during the year and payments made on outstanding bonds		(20,665,000)
Additional expenses for bond interest payable reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds		(270,499)
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		(577,414)
Expenses related to the increase of the liability for compensated absences reported in the Statement of Activities are reported as expenditures in the governmental funds		(163,671)
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		1,777,936
Change in net assets of governmental activities	\$	<u><u>13,848,541</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, 2006**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Local	\$ 32,438,010	\$ 32,114,641	\$ 33,335,662	\$ 1,221,021
County	876,711	876,711	802,421	(74,290)
State	18,739,659	17,761,661	17,989,322	227,661
Federal	3,510,816	3,600,286	3,710,939	110,653
Tuition From Other Districts	32,875	32,875	50,250	17,375
Total Revenues	<u>55,598,071</u>	<u>54,386,174</u>	<u>55,888,594</u>	<u>1,502,420</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	13,856,614	14,026,369	12,815,005	1,211,364
Special Instruction	5,521,574	5,823,040	5,750,189	72,851
Vocational Instruction	911,657	922,297	781,017	141,280
Student Activities - Athletics	400,252	297,309	326,572	(29,263)
Total Instruction	<u>20,690,097</u>	<u>21,069,015</u>	<u>19,672,783</u>	<u>1,396,232</u>
Pupil Support Services				
Attendance	180,364	180,364	192,274	(11,910)
Guidance and Counseling	1,924,764	1,929,658	1,860,694	68,964
Health and Ancillary Services	1,920,959	1,703,317	1,706,397	(3,080)
Improvement of Instruction	1,410,569	1,377,689	1,156,390	221,299
Media Services	3,037,954	3,038,254	3,189,169	(150,915)
Total Support Services	<u>8,474,610</u>	<u>8,229,282</u>	<u>8,104,924</u>	<u>124,358</u>
Administration				
Board Services	357,700	357,700	289,040	68,660
General Administration	926,905	926,905	1,000,491	(73,586)
Building Administration	3,355,994	3,312,672	3,193,849	118,823
Business, Central Services	899,723	899,723	895,815	3,908
Total Administration	<u>5,540,322</u>	<u>5,497,000</u>	<u>5,379,195</u>	<u>117,805</u>
Other				
Operation of Plant	13,891,400	14,164,908	13,559,405	605,503
Pupil Transportation	6,252,710	6,680,765	6,923,641	(242,876)
Adult Literacy	9,249	9,249	7,232	2,017
Community Services	1,412,483	1,412,157	1,339,748	72,409
Total Other	<u>21,565,842</u>	<u>22,267,079</u>	<u>21,830,026</u>	<u>437,053</u>
Total Expenditures	<u>56,270,871</u>	<u>57,062,376</u>	<u>54,986,928</u>	<u>2,075,448</u>
REVENUES OVER (UNDER) EXPENDITURES	(672,800)	(2,676,202)	901,666	3,577,868
OTHER FINANCING USES				
Transfers Out	(243,699)	(60,000)	(27,564)	32,436
NET CHANGE IN FUND BALANCE	(916,499)	(2,736,202)	874,102	3,610,304
FUND BALANCE, JULY 1	<u>28,795,321</u>	<u>28,795,321</u>	<u>28,795,321</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 27,878,822</u>	<u>\$ 26,059,119</u>	<u>\$ 29,669,423</u>	<u>\$ 3,610,304</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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Local	\$ 46,141,739	\$ 47,459,036	\$ 48,083,267	\$ 624,231
County	753,206	938,706	907,709	(30,997)
State	28,453,740	30,862,817	32,398,358	1,535,541
Federal	4,967,023	5,337,226	5,280,470	(56,756)
Tuition From Other Districts	504,451	444,451	79,757	(364,694)
Total Revenues	<u>80,820,159</u>	<u>85,042,236</u>	<u>86,749,561</u>	<u>1,707,325</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	50,072,530	49,693,930	48,927,928	766,002
Special Instruction	16,368,653	16,617,027	16,586,459	30,568
Vocational Instruction	2,559,781	2,559,781	2,510,976	48,805
Student Activities - Athletics	443,992	443,992	480,555	(36,563)
Tuition To Other Districts	400,000	400,000	375,203	24,797
Total Instruction	<u>69,844,956</u>	<u>69,714,730</u>	<u>68,881,121</u>	<u>833,609</u>
Pupil Support Services				
Guidance and Counseling	3,313,769	3,313,769	3,276,897	36,872
Health and Ancillary Services	854,899	668,586	607,575	61,011
Improvement of Instruction	1,240,098	1,240,098	989,624	250,474
Media Services	1,904,100	1,904,100	2,161,848	(257,748)
Total Support Services	<u>7,312,866</u>	<u>7,126,553</u>	<u>7,035,944</u>	<u>90,609</u>
Administration				
General Administration	886,996	886,996	905,691	(18,695)
Building Administration	5,642,355	5,580,294	5,681,100	(100,806)
Total Administration	<u>6,529,351</u>	<u>6,467,290</u>	<u>6,586,791</u>	<u>(119,501)</u>
Other				
Adult Literacy	55,148	55,148	39,976	15,172
Community Services	655,963	655,963	519,163	136,800
Total Other	<u>711,111</u>	<u>711,111</u>	<u>559,139</u>	<u>151,972</u>
Total Expenditures	<u>84,398,284</u>	<u>84,019,684</u>	<u>83,062,995</u>	<u>956,689</u>
REVENUES OVER (UNDER) EXPENDITURES	(3,578,125)	1,022,552	3,686,566	2,664,014
OTHER FINANCING SOURCES				
Transfers In	243,699	60,000	27,564	(32,436)
NET CHANGE IN FUND BALANCE	(3,334,426)	1,082,552	3,714,130	2,631,578
FUND BALANCE, JULY 1	<u>3,334,426</u>	<u>3,334,426</u>	<u>3,334,426</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ -</u>	<u>\$ 4,416,978</u>	<u>\$ 7,048,556</u>	<u>\$ 2,631,578</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, 2006**

	<u>Business-Type Activities- Nonmajor Enterprise Funds</u>	<u>Governmental Activities- Internal Service Funds</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 116,773	\$ 2,448,661
Investments	1,911,489	2,942,858
Receivables (Net of Allowance for Uncollectibles)		
Local	17,441	-
Federal	324,595	-
Inventories	133,517	-
Prepaid Expenses	45,939	-
Total Current Assets	<u>2,549,754</u>	<u>5,391,519</u>
Noncurrent Assets		
Capital Assets (Net of Accumulated Depreciation)		
Land	37,763	-
Buildings	192,477	-
Furniture and Equipment	315,245	-
Total Noncurrent Assets	<u>545,485</u>	<u>-</u>
Total Assets	<u>3,095,239</u>	<u>5,391,519</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	24,885	1,023,334
Accrued Salaries and Payroll Taxes	23,118	-
Deferred Revenue	289,685	-
Total Current Liabilities	<u>337,688</u>	<u>1,023,334</u>
Noncurrent Liabilities		
Liability for Long - Term		
Compensated Absences	190,602	-
Total Liabilities	<u>528,290</u>	<u>1,023,334</u>
NET ASSETS		
Invested in Capital Assets	545,485	-
Unrestricted	2,021,464	4,368,185
Total Net Assets	<u>\$ 2,566,949</u>	<u>\$ 4,368,185</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, 2006**

	Business-Type Activities- Nonmajor <u>Enterprise Funds</u>	Governmental Activities- Internal <u>Service Funds</u>
OPERATING REVENUES		
Food Sales	\$ 2,796,811	\$ -
Tuition	865,631	-
Insurance Premiums	-	15,792,018
Total Operating Revenues	3,662,442	15,792,018
OPERATING EXPENSES		
Food Purchased	2,160,753	-
Salaries and Wages	2,850,875	66,957
Fringe Benefits	884,405	15,921
Supplies	547,542	2,237
Purchased Services	265,486	12,652
Travel	30,513	-
Repairs	148,372	-
Donated Commodities Used	378,961	-
Financial Aid	184,575	-
Excess Loss Insurance	-	255,466
Administration Fees	-	248,035
Benefits Paid/Accrued	-	13,596,647
Depreciation	60,832	-
Total Operating Expenses	7,512,314	14,197,915
OPERATING INCOME (LOSS)	(3,849,872)	1,594,103
NONOPERATING REVENUES		
State Assistance	332,215	-
Federal Assistance	2,934,034	-
Earnings on Investments	87,025	183,833
Donated Commodities	378,961	-
Total Nonoperating Revenues	3,732,235	183,833
CHANGES IN NET ASSETS	(117,637)	1,777,936
NET ASSETS, JULY 1	2,684,586	2,590,249
NET ASSETS, JUNE 30	\$ 2,566,949	\$ 4,368,185

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, 2006**

	Business-Type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Sales/Tuition/Premiums	\$ 3,670,506	\$ 15,792,018
Cash Payments for Supplies and Services	(3,237,620)	(437,052)
Cash Payments to Employees for Services	(3,699,462)	(164,216)
Cash Payments for Claims/Benefits	-	(13,786,520)
Net Cash From Operating Activities	<u>(3,266,576)</u>	<u>1,404,230</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal/State Assistance	3,191,168	-
Net Cash From Noncapital Financing Activities	<u>3,191,168</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Retirement of Capital Assets	6,481	-
Net Cash From Capital and Related Financing Activities	<u>6,481</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	87,025	183,833
Investments Purchased	(1,911,489)	(6,494,398)
Investments Matured or Sold	1,491,416	5,531,499
Net Cash From Investing Activities	<u>(333,048)</u>	<u>(779,066)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(401,975)	625,164
CASH AND CASH EQUIVALENTS, JULY 1	<u>518,748</u>	<u>1,823,497</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 116,773</u>	<u>\$ 2,448,661</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (3,849,872)	\$ 1,594,103
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities		
Depreciation	60,832	-
Donated Commodities Used	378,961	-
Change in Assets and Liabilities		
Decrease in Receivables	(17,199)	-
Decrease in Inventories	39,229	-
Increase in Prepaid Expenses	(15,254)	-
Decrease in Accounts Payable and Accrued Liabilities	14,077	(189,873)
Increase in Deferred Revenue	83,292	-
Increase in Compensated Absences Payable	39,358	-
Net Cash From Operating Activities	<u>\$ (3,266,576)</u>	<u>\$ 1,404,230</u>
SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES		
Donated commodities received	\$ 338,677	\$ -
Donated commodities used	\$ 378,961	\$ -

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, 2006**

ASSETS

Cash	\$ 654,360
Total Assets	\$ <u>654,360</u>

LIABILITIES

Accounts Payable	\$ 17,858
Due to Student Groups	<u>636,502</u>
Total Liabilities	\$ <u>654,360</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, 2006**

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, 2005. Complete financial statements for the Foundation can be obtained from the Foundation's Treasurer, P.O. Box 1234, Columbia, MO 65205-1234.

District-wide and Fund Financial Statements

District-wide Statements:

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

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

Fund Financial Statements:

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

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

Fund Accounting

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

Governmental Funds

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

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

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

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

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

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

Proprietary Funds

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

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

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

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

Fiduciary Fund

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

Basis of Accounting, Measurement Focus, and Financial Statement Presentation

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

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

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

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

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

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Deposits and Investments

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

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

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

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

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

Receivables

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

Inventories and Prepaid Items

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

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

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

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

Restricted Assets

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

Capital Assets

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

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

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

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

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

Long-Term Obligations

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

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

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

Compensated Absences

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

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

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

Net Assets

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

Fund Equity

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

Use of Estimates

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

Budgets

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

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

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

Once the budget is adopted and approved by the Board, the budget may be amended at the function and fund level, only by approval of a majority of the members of the Board of Education. The administration may amend the budget only at the object and location (school or building) level without seeking the approval of the Board. The Board of Education approved budget amendments for the year ended June 30, 2006, at its August 25, 2005, September 12, 2005, February 13, 2006, and June 12, 2006, meetings.

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

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

Note 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance of total governmental funds and net assets of governmental activities as reported in the district-wide statement of net assets. One element of that reconciliation states that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$1,110,644 difference are as follows:

Deferred property tax related to prior year	\$ 99,390
Deferred remainder of property tax unearned	<u>1,011,254</u>
Net adjustment to increase fund balance of total governmental funds to arrive at net assets of governmental activities	<u>\$ 1,110,644</u>

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 \$172,940,208 difference are as follows:

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Compensated Absences	\$	2,038,403
Liabilities Payable from Restricted Assets		34,025,000
Accrued Interest Payable		2,342,071
General Obligation Bonds Due within One Year		24,215,000
General Obligation Bonds Due in More than One Year		<u>110,319,734</u>
Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of governmental activities	\$	<u>172,940,208</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances of total governmental funds and changes in net assets of governmental activities as reported in the district-wide statement of activities. One element of that reconciliation states that "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$5,018,144 difference are as follows:

Construction in Progress	\$	3,606,267
Buildings		3,070,347
Equipment		(653,830)
Less: Depreciation Expense		<u>(1,004,640)</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>5,018,144</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 \$418,442 difference are as follows:

Earned but unavailable property tax	\$	1,011,254
Prior years' earned but unavailable property tax		<u>(592,812)</u>
Net adjustment to decrease net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	\$	<u>418,442</u>

Another element of that reconciliation states that "The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." The details of this \$20,665,000 difference are as follows:

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General obligation bonds issued	\$	(9,995,000)
Refunding bonds issued		(20,190,000)
Bond principal payments		<u>9,520,000</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>(20,665,000)</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 \$270,499 difference are as follows.

Current bond interest payable	\$	(2,342,071)
Prior year's bond interest payable		<u>2,071,572</u>
Net adjustment to decrease net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	\$	<u>(270,499)</u>

Another element of that reconciliation states 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 \$577,414 difference are as follows:

Current year debt issuance related costs:		
Premium	\$	(786,720)
Other issuance costs		181,379
Amortization of bond issuance costs, premiums, and discounts		<u>27,927</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>(577,414)</u>

Note 3 PROPERTY TAX REVENUE RECOGNITION

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

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

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

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Note 4 DEPOSITS & INVESTMENTS

Deposits

At June 30, 2006, the carrying amount of the District's deposits for the primary government was \$5,379,191 and the bank balance was \$10,136,920. 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, 2005, the carrying amount of the component unit's deposits was \$415,348 and the bank balance was \$415,791. The component unit does not have a deposit policy for custodial credit risk. As of December 31, 2005, \$74,688 of the component unit's bank balance was uninsured and uncollateralized and was exposed to custodial credit risk.

Investments

As of June 30, 2006, the District (primary government) had the following investments:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Maturity Less Than 1 Year</u>	<u>Maturity 1-5 Years</u>
U.S. Treasury Obligations			
U.S. Treasury Bills	\$ 31,267,249	\$ 31,267,249	\$ -
State and Local Government Series	34,270,271	15,208,103	19,062,168
U.S. Agencies Obligations			
Freddie Mac Discount Notes	8,356,531	8,356,531	-
Federal Home Loan Mortgage Corporation Discount Notes	8,425,719	8,425,719	-
Federal National Mortgage Association Discount Notes	24,130,154	24,130,154	-
External Investment Pool			
Missouri Health and Education Facilities Authority Direct Deposit Program	1,468,869	1,468,869	-
Total Investments – Primary Government	<u>\$ 107,918,793</u>	<u>\$ 88,856,625</u>	<u>\$ 19,062,168</u>

As of December 31, 2005, the discretely presented component unit had the following investments:

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<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity Less Than 1 Year</u>	<u>Maturity 1-5 Years</u>
U.S. Agencies Obligations			
Federal National Mortgage Association	\$ 97,500	\$ 97,500	\$ -
Federal Home Loan Bank	97,750	-	97,750
Common Stock	<u>228,212</u>	<u>N/A</u>	<u>N/A</u>
 Total Investments - Discretely Presented Component Unit	 <u>\$ 423,462</u>	 <u>\$ 97,500</u>	 <u>\$ 97,750</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.

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

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

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2006, 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

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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:

Balance sheet:

Assets:

Cash and cash equivalents	
Governmental Funds	\$ 4,147,264
Cash and cash equivalents	
Enterprise Funds	116,773
Cash and cash equivalents	
Internal Service Funds	2,448,661
Cash – Fiduciary Funds	654,360
Investments – Governmental Funds	66,826,208
Investments – Debt Service Fund - with Fiscal Agent	34,270,271
Investments – Enterprise Funds	1,911,489
Investments – Internal Service Funds	2,942,858
Total	<u>\$ 113,317,884</u>

Note disclosure:

Cash on Hand	\$ 19,900
Carrying Amount of Deposits	5,379,191
Investments	107,918,793
Total	<u>\$ 113,317,884</u>

Note 5 PROPERTY TAXES RECEIVABLE

The amount of prior years' taxes due at June 30, 2006, was obtained from the County Collector who is responsible for the collection of all taxes. The net receivables were calculated as follows:

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	General Fund	Teachers Fund	Debt Service Fund	Capital Projects Fund	Total
Property Taxes Receivable (05-06)	\$ 23,904,473	\$ 47,003,327	\$ 14,734,353	\$ 183,648	\$ 85,825,801
Less: Allowance	(84,844)	(164,887)	(51,689)	(643)	(302,063)
Net Property Taxes Receivable	\$ 23,819,629	\$ 46,838,440	\$ 14,682,664	\$ 183,005	\$ 85,523,738
Deferred Revenue	\$ 23,655,445	\$ 46,519,359	\$ 14,582,638	\$ 181,760	\$ 84,939,201

The allowance for doubtful collections was computed by multiplying 0.70% by the total amount of personal property taxes assessed for 2004 through 2006 taxes. The 0.70% is the average uncollected percentage of personal property taxes for 2001 through 2003 taxes. All real property taxes prior to 2004 have been collected and the District assumes all real property taxes will eventually be collected.

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

Note 6 INVENTORIES

Physical inventories of goods on hand were taken as of June 30, 2006. Inventories on hand, stated at cost or average cost, at June 30, 2006, are as follows:

General Fund:	
Consumable supplies	\$ 235,662
Gasoline, fuel oil.....	39,686
Total	\$ 275,348
Food Services Fund:	
Food supplies - purchased	\$ 29,579
Donated commodities.....	103,938
Total	\$ 133,517

Note 7 RETIREMENT PLANS

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

PSRS members are required to contribute 11.5% 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, 2006, were \$18,349,800, which was equal to the required contributions, which were made up of \$9,174,900 in employee contributions and \$9,174,900 in employer contributions. For the years ended June 30, 2006,

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2006**

2005, and 2004, the District contributed 100% of the required contributions. The contributions for the last three fiscal years were as follows:

<u>Year Ended June 30,</u>	<u>Amount of Employer Contribution</u>	<u>Contribution as a Percentage of Covered Salaries</u>
2006	\$ 9,174,900	11.5%
2005	8,256,468	11.0%
2004	7,291,710	10.5%

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 5.50% of their annual covered salary and the Columbia Public School District is required to contribute a matching amount. The contribution requirements of members and the Columbia Public School District are established and may be amended by the Board of Trustees. The District's contributions to PEERS for the year ending June 30, 2006, were \$2,285,430, which was equal to the required contributions, which were made up of \$1,142,715 in employee contributions and \$1,142,715 in employer contributions. For the years ended June 30, 2006, 2005, and 2004, the District contributed 100% of the required contributions. The contributions for the last three fiscal years were as follows:

<u>Year Ended June 30,</u>	<u>Amount of Employer Contribution</u>	<u>Contribution as a Percentage of Covered Salaries</u>
2006	\$ 1,142,715	5.50%
2005	1,040,681	5.25%
2004	904,537	5.00%

The District contributed to PSRS on total salaries and benefits of \$79,781,739 and to PEERS on total salaries and benefits of \$20,776,636 for the year ended June 30, 2006. The overall payroll (salaries and benefits) for the District was \$105,121,344, which includes payroll of \$4,562,969 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 8 OPERATING LEASES

The District leases various buildings for additional office space, the Center for Gifted Education, and trailers for additional classroom space. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2006, were \$1,124,806. Future minimum lease payments for these leases are as follows:

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2006**

Year Ending June 30,	Amount
2007	\$ 1,108,923
2008	1,145,929
2009	534,559
2010	537,895
2011	541,231
2012	220,568
Total	\$ 4,089,105

Note 9 LONG-TERM DEBT

Bonds Payable

All District bonds are general obligation bonds with maturities from 2006 to 2021 and average net interest rates at issue from 2.83% to 7.23%. General obligation bonds outstanding at June 30, 2006, were \$168,380,000. Scheduled bond retirement and interest payable in the next fiscal year are \$23,700,000 and \$7,041,018, respectively.

The District issued \$9,995,000 of general obligation bonds, dated March 15, 2006. The proceeds from the bonds are to be used for an addition at the Columbia Area Career Center, renovation and remodeling at various schools, and the purchase of furniture and equipment. The March 15, 2006, bond issue was the last issue of \$22,500,000 that was authorized by the voters at the April 2004 election.

On August 31, 2005, the District issued \$20,190,000 of general obligation refunding bonds. The net proceeds of \$20,971,970 plus an equity contribution by the District of \$318,010 were placed in an irrevocable escrow account to provide resources to purchase U.S. Government State and Local Government Series securities which will be used to provide resources to crossover refund the District's 1993b, 1996a, 1999a, and 2001a general obligation bond issues on March 1, 2008, March 1, 2007, October 1, 2005, and March 1, 2008, respectively. Until the general obligation bonds are refunded, the District remains obligated for the outstanding principal and interest on the refunded bond issues. Investment income from the escrow account may be used to offset the interest due on the August 31, 2005, refunding bond issue. This crossover refunding was undertaken to reduce the District's obligation under long term debt by \$1,241,944, which resulted in an economic gain of \$924,257 (the difference between the present value of debt service payments on the August 31, 2005, refunding bond issue and the refunded bond issues after the refunding dates). Bonds issuance costs of \$103,840 were paid from the Debt Service Fund out of the bond proceeds, and will be amortized along with the bond issuance premium of \$781,970 over the life of the refunding bonds in the district-wide financial statements.

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, 2006, the District had accumulated \$45,412,078 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, 2006**

Year Ending June 30,	Bond Payment	Interest Payment	Total
2007	\$ 23,700,000	\$ 7,041,018	\$ 30,741,018
2008	31,095,000	5,854,135	36,949,135
2009	11,160,000	4,442,108	15,602,108
2010	12,175,000	3,990,040	16,165,040
2011	11,670,000	3,492,110	15,162,110
2012-2016	60,680,000	9,927,764	70,607,764
2017-2021	17,900,000	1,607,000	19,507,000
	<u>\$ 168,380,000</u>	<u>\$ 36,354,175</u>	<u>\$ 204,734,175</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, 2006, was calculated as follows:

Legal Debt Limit (Excluding State Assessed Utilities)	\$ 253,813,547
Less Indebtedness	
General Obligation Bonds Payable	\$ 168,380,000
Balance of Debt Service Fund.....	<u>(45,412,078)</u>
Total Estimated Legal Debt Margin	<u>\$ 130,845,625</u>

Changes in Long-Term Debt

Changes in long-term debt for the District for the year ended June 30, 2006, are as follows:

	Governmental Activities				Business- Type Activities
	Bonds	Less Deferred Amounts	Compensated Absences	Total	Compensated Absences
Balance, June 30, 2005	\$ 147,715,000	\$ (397,681)	\$ 1,874,733	\$ 149,192,052	\$ 151,244
Additions	30,185,000	781,970	1,102,252	32,069,222	62,574
Reductions	(9,520,000)	(204,556)	(938,581)	(10,663,137)	(23,216)
Balance, June 30, 2006	<u>\$ 168,380,000</u>	<u>\$ 179,733</u>	<u>\$ 2,038,404</u>	<u>\$ 170,598,137</u>	<u>\$ 190,602</u>
Due in one year.....	<u>\$ 23,700,000</u>	<u>\$ -</u>	<u>\$ 515,000</u>	<u>\$ 24,215,000</u>	<u>\$ 24,000</u>

The district-wide financial statements include \$34,270,271 in Restricted Assets and \$34,025,000 in Liabilities Payable from Restricted Assets. The Liabilities Payable from Restricted Assets represents the liability for general obligation bonds that has been refunded with crossover refundings. The refunded bonds will be retired on various future dates in accordance with the refunding bonds' covenants. The Restricted Assets represent the amount that has been placed into an irrevocable escrow account that will be used to retire the bonds.

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

Note 10 CHANGES IN CAPITAL ASSETS

Capital Assets activity for the year ended June 30, 2006, was as follows:

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2006**

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 3,861,080	\$ -	\$ -	\$ 3,861,080
Construction in progress	9,533,338	6,371,679	(2,765,412)	13,139,605
Capital assets that are depreciated:				
Buildings	148,786,876	3,070,347	-	151,857,223
Mobile classroom trailers	2,218,976	-	-	2,218,976
Furniture and equipment	8,375,243	906,165	(1,559,995)	7,721,413
Total capital assets, governmental activities	172,775,513	10,348,191	(4,325,407)	178,798,297
Accumulated depreciation, governmental activities:				
Buildings	(27,169,687)	(1,573,151)	-	(28,742,838)
Mobile classroom trailers	(1,020,729)	(88,759)	-	(1,109,488)
Furniture and equipment	(3,871,992)	(605,430)	1,262,700	(3,214,722)
Total accumulated depreciation, governmental activities	(32,062,408)	(2,267,340)	1,262,700	(33,067,048)
Total capital assets, governmental activities, net	\$ 140,713,105	\$ 8,080,851	\$ (3,062,707)	\$ 145,731,249
Business-Type Activities:				
Capital assets that are not depreciated:				
Land	\$ 37,763	\$ -	\$ -	\$ 37,763
Capital assets that are depreciated:				
Buildings	289,976	-	-	289,976
Furniture and equipment	1,069,260	-	(125,465)	943,795
Total capital assets, business-type activities	1,396,999	-	(125,465)	1,271,534
Accumulated depreciation, business-type activities:				
Buildings	(94,599)	(2,900)	-	(97,499)
Furniture and equipment	(689,601)	(57,933)	118,984	(628,550)
Total accumulated depreciation, business-type activities	(784,200)	(60,833)	118,984	(726,049)
Total capital assets, business-type activities, net	\$ 612,799	\$ (60,833)	\$ (6,481)	\$ 545,485

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

Note 11 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of June 30, 2006, the District had the following commitments with respect to unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Capital Projects Fund		
Career Center Addition	\$ 5,200,288	7/06/07
Renovations at Hickman High	765,530	8/31/06
Mill Creek Additions and Renovations	111,574	8/31/06
Various Paving and Drainage Improvements	2,000	8/31/06
Renovations at Various Schools	2,284,282	8/11/06
Artificial Turf Installation at Hickman and Rock Bridge	660,237	8/15/06
	\$ 9,023,911	

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2006**

Note 12 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 13 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 \$4,368,185 as of June 30, 2006. 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, 2006, the total claims liability was \$1,023,334. Changes in the claims liability amount for the past three fiscal years were:

<u>Year Ended June 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payment</u>	<u>Administrative Cost</u>	<u>Balance at Fiscal Year-End</u>
2006	\$ 1,213,207	\$ 13,925,164	\$ (13,852,113)	\$ (262,924)	\$ 1,023,334
2005	1,388,468	13,077,306	(12,941,973)	(310,594)	1,213,207
2004	895,628	12,955,495	(12,160,337)	(302,318)	1,388,468

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.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2006**

For the years ended June 30, 2006, 2005, and 2004, the settlements did not exceed the insurance coverage provided by commercial insurance.

Note 14 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 15 DEFERRED COMPENSATION PLAN

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

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

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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>with Final Budget</u>
REVENUES				
Local	\$ 13,848,567	\$ 14,178,752	\$ 14,981,675	\$ 802,923
County	254,056	254,056	266,084	12,028
State	1,434,350	1,434,350	1,478,157	43,807
Total Revenues	<u>15,536,973</u>	<u>15,867,158</u>	<u>16,725,916</u>	<u>858,758</u>
EXPENDITURES				
Debt Service				
Principal	8,470,000	9,520,000	9,520,000	-
Interest and Fees	6,252,154	6,911,925	6,760,902	151,023
Total Expenditures	<u>14,722,154</u>	<u>16,431,925</u>	<u>16,280,902</u>	<u>151,023</u>
REVENUES OVER (UNDER) EXPENDITURES	814,819	(564,767)	445,014	1,009,781
OTHER FINANCING SOURCES				
Refunding Bonds Issued	-	20,190,000	20,190,000	-
Premium on Refunding Bonds Issued	<u>-</u>	<u>-</u>	<u>781,970</u>	<u>781,970</u>
NET CHANGE IN FUND BALANCE	814,819	19,625,233	21,416,984	1,791,751
FUND BALANCE, JULY 1	<u>23,995,094</u>	<u>23,995,094</u>	<u>23,995,094</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 24,809,913</u>	<u>\$ 43,620,327</u>	<u>\$ 45,412,078</u>	<u>\$ 1,791,751</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, 2006**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Local	\$ 581,977	\$ 2,088,641	\$ 2,285,689	\$ 197,048
County	6,087	6,087	2,154	(3,933)
State	84,374	84,374	86,950	2,576
Total Revenues	672,438	2,179,102	2,374,793	195,691
EXPENDITURES				
Debt Service				
Interest and Fees	95,076	95,076	73,289	21,787
Capital Outlay and Construction				
Furniture and Equipment	3,624,057	3,624,057	2,793,594	830,463
Vehicles	44,497	44,497	34,300	10,197
Land and Site Improvements	1,175,149	1,175,149	905,860	269,289
Building Additions and Renovations	8,061,221	8,061,221	6,213,969	1,847,252
Total Capital Outlay and Construction	12,904,924	12,904,924	9,947,723	2,957,201
Total Expenditures	13,000,000	13,000,000	10,021,012	2,978,988
REVENUES UNDER EXPENDITURES	(12,327,562)	(10,820,898)	(7,646,219)	3,174,679
OTHER FINANCING SOURCES				
General Obligation Bonds Issued	10,000,000	10,000,000	9,995,000	(5,000)
NET CHANGE IN FUND BALANCE	(2,327,562)	(820,898)	2,348,781	3,169,679
FUND BALANCE, JULY 1	14,171,357	14,171,357	14,171,357	-
FUND BALANCE, JUNE 30	\$ 11,843,795	\$ 13,350,459	\$ 16,520,138	\$ 3,169,679

**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, 2006**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Local	\$ 1,531,629	\$ 2,416,255	\$ 1,415,435	\$ (1,000,820)
State	1,661,092	1,880,973	1,954,716	73,743
Federal	1,103,158	2,302,687	1,301,294	(1,001,393)
Total Revenues	<u>4,295,879</u>	<u>6,599,915</u>	<u>4,671,445</u>	<u>(1,928,470)</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	759,883	1,799,044	1,174,184	624,860
Special Instruction	75,000	328,876	301,289	27,587
Vocational Instruction	650,000	650,000	418,930	231,070
Student Activities - Athletics	-	800,000	371,955	428,045
Total Instruction	<u>1,484,883</u>	<u>3,577,920</u>	<u>2,266,358</u>	<u>1,311,562</u>
Pupil Support Services				
Guidance and Counseling	110,000	112,798	95,113	17,685
Health and Ancillary Services	112,500	112,500	112,500	-
Improvement of Instruction	83,000	65,951	28,667	37,284
Media Services	71,500	193,414	180,499	12,915
Total Support Services	<u>377,000</u>	<u>484,663</u>	<u>416,779</u>	<u>67,884</u>
Other				
Pupil Transportation	-	-	22,426	(22,426)
Adult Literacy	139,212	208,599	187,517	21,082
Community Services	2,294,784	2,328,733	1,821,759	506,974
Total Other	<u>2,433,996</u>	<u>2,537,332</u>	<u>2,031,702</u>	<u>505,630</u>
Total Expenditures	<u>4,295,879</u>	<u>6,599,915</u>	<u>4,714,839</u>	<u>1,885,076</u>
NET CHANGE IN FUND BALANCE	-	-	(43,394)	(43,394)
FUND BALANCE, JULY 1	<u>1,518,068</u>	<u>1,518,068</u>	<u>1,518,068</u>	-
FUND BALANCE, JUNE 30	<u>\$ 1,518,068</u>	<u>\$ 1,518,068</u>	<u>\$ 1,474,674</u>	<u>\$ (43,394)</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, 2006**

	<u>Enterprise Funds</u>		<u>Total Nonmajor Enterprise Funds</u>
	<u>Food Services</u>	<u>Adult Education</u>	
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 115,773	\$ 1,000	\$ 116,773
Investments	1,473,725	437,764	1,911,489
Receivables (Net of Allowance for Uncollectibles)			
Local	-	17,441	17,441
Federal	283,520	41,075	324,595
Inventories	133,517	-	133,517
Prepaid Expenditures	45,525	414	45,939
Total Current Assets	<u>2,052,060</u>	<u>497,694</u>	<u>2,549,754</u>
Noncurrent Assets			
Capital Assets (Net of Accumulated Depreciation)			
Land	-	37,763	37,763
Buildings	-	192,477	192,477
Furniture and Equipment	295,625	19,620	315,245
Total Noncurrent Assets	<u>295,625</u>	<u>249,860</u>	<u>545,485</u>
Total Assets	<u>2,347,685</u>	<u>747,554</u>	<u>3,095,239</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	8,356	16,529	24,885
Accrued Salaries and Payroll Taxes	6,992	16,126	23,118
Deferred Revenue	250,901	38,784	289,685
Total Current Liabilities	<u>266,249</u>	<u>71,439</u>	<u>337,688</u>
Noncurrent Liabilities			
Liability for Long-Term			
Compensated Absences	157,438	33,164	190,602
Total Liabilities	<u>423,687</u>	<u>104,603</u>	<u>528,290</u>
NET ASSETS			
Invested in Capital Assets	295,625	249,860	545,485
Unrestricted	1,628,373	393,091	2,021,464
Total Net Assets	<u>\$ 1,923,998</u>	<u>\$ 642,951</u>	<u>\$ 2,566,949</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Enterprise Funds</u>		<u>Total Nonmajor Enterprise Funds</u>
	<u>Food Services</u>	<u>Adult Education</u>	
OPERATING REVENUES			
Food Sales	\$ 2,796,811	\$ -	\$ 2,796,811
Tuition	-	865,631	865,631
Total Operating Revenues	<u>2,796,811</u>	<u>865,631</u>	<u>3,662,442</u>
OPERATING EXPENSES			
Food Purchased	2,160,753	-	2,160,753
Salaries and Wages	1,910,152	940,723	2,850,875
Fringe Benefits	660,475	223,930	884,405
Supplies	360,967	186,575	547,542
Purchased Services	95,277	170,209	265,486
Travel	10,192	20,321	30,513
Repairs	135,795	12,577	148,372
Donated Commodities Used	378,961	-	378,961
Financial Aid	-	184,575	184,575
Depreciation	54,914	5,918	60,832
Total Operating Expenses	<u>5,767,486</u>	<u>1,744,828</u>	<u>7,512,314</u>
OPERATING LOSS	<u>(2,970,675)</u>	<u>(879,197)</u>	<u>(3,849,872)</u>
NONOPERATING REVENUES			
State Assistance	46,341	285,874	332,215
Federal Assistance	2,444,861	489,173	2,934,034
Earnings on Investments	67,576	19,449	87,025
Donated Commodities	378,961	-	378,961
Total Nonoperating Revenues	<u>2,937,739</u>	<u>794,496</u>	<u>3,732,235</u>
CHANGES IN NET ASSETS	(32,936)	(84,701)	(117,637)
NET ASSETS, JULY 1	<u>1,956,934</u>	<u>727,652</u>	<u>2,684,586</u>
NET ASSETS, JUNE 30	<u>\$ 1,923,998</u>	<u>\$ 642,951</u>	<u>\$ 2,566,949</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Enterprise Funds</u>		Total Nonmajor Enterprise Funds
	<u>Food Services</u>	<u>Adult Education</u>	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Sales/Tuition	\$ 2,796,811	\$ 873,695	\$ 3,670,506
Cash Payments for Supplies and Services	(2,672,556)	(565,064)	(3,237,620)
Cash Payments to Employees for Services	(2,545,776)	(1,153,686)	(3,699,462)
Net Cash From Operating Activities	<u>(2,421,521)</u>	<u>(845,055)</u>	<u>(3,266,576)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal/State Assistance	2,444,796	746,372	3,191,168
Net Cash From Noncapital Financing Activities	<u>2,444,796</u>	<u>746,372</u>	<u>3,191,168</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Retirement of Capital Assets	6,481	-	6,481
Net Cash From Capital and Related Financing Activities	<u>6,481</u>	<u>-</u>	<u>6,481</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	67,576	19,449	87,025
Investments Purchased	(1,473,725)	(437,764)	(1,911,489)
Investments Matured or Sold	1,491,416	-	1,491,416
Net Cash From Investing Activities	<u>85,267</u>	<u>(418,315)</u>	<u>(333,048)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	115,023	(516,998)	(401,975)
CASH AND CASH EQUIVALENTS, JULY 1	<u>750</u>	<u>517,998</u>	<u>518,748</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 115,773</u>	<u>\$ 1,000</u>	<u>\$ 116,773</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES			
Operating Loss	\$ (2,970,675)	\$ (879,197)	\$ (3,849,872)
Adjustments to Reconcile Operating Loss to Net Cash From Operating Activities			
Depreciation	54,914	5,918	60,832
Donated Commodities Used	378,961	-	378,961
Change in Assets and Liabilities			
Increase in Receivables	-	(17,199)	(17,199)
Decrease in Inventories	39,229	-	39,229
Increase in Prepaid Expenses	(14,840)	(414)	(15,254)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(2,740)	16,817	14,077
Increase in Deferred Revenue	58,029	25,263	83,292
Increase in Compensated Absences Payable	35,601	3,757	39,358
Net Cash From Operating Activities	<u>\$ (2,421,521)</u>	<u>\$ (845,055)</u>	<u>\$ (3,266,576)</u>
SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES			
Donated Commodities Received	\$ 338,677	\$ -	\$ 338,677
Donated Commodities Used	\$ 378,961	\$ -	\$ 378,961

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, 2006**

	<u>Workers'</u> <u>Compensation</u>	<u>Medical</u> <u>Insurance</u>	<u>Dental</u> <u>Insurance</u>	<u>Total</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 10,829	\$ 2,102,223	\$ 335,609	\$ 2,448,661
Investments	<u>1,218,904</u>	<u>1,723,954</u>	<u>-</u>	<u>2,942,858</u>
Total Assets	<u>1,229,733</u>	<u>3,826,177</u>	<u>335,609</u>	<u>5,391,519</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	<u>-</u>	<u>1,023,334</u>	<u>-</u>	<u>1,023,334</u>
NET ASSETS				
Unrestricted	<u>1,229,733</u>	<u>2,802,843</u>	<u>335,609</u>	<u>4,368,185</u>
Total Net Assets	<u>\$ 1,229,733</u>	<u>\$ 2,802,843</u>	<u>\$ 335,609</u>	<u>\$ 4,368,185</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Workers' Compensation</u>	<u>Medical Insurance</u>	<u>Dental Insurance</u>	<u>Total</u>
OPERATING REVENUES				
Insurance Premiums	\$ <u>1,263,613</u>	\$ <u>13,450,905</u>	\$ <u>1,077,500</u>	\$ <u>15,792,018</u>
OPERATING EXPENSES				
Salaries and Wages	22,176	42,317	2,464	66,957
Fringe Benefits	5,205	10,138	578	15,921
Supplies	-	2,237	-	2,237
Purchased Services	417	12,018	217	12,652
Excess Loss Insurance	72,084	183,382	-	255,466
Administration Fees	97,312	66,560	84,163	248,035
Benefits Paid/Accrued	<u>519,154</u>	<u>12,137,604</u>	<u>939,889</u>	<u>13,596,647</u>
Total Operating Expenses	<u>716,348</u>	<u>12,454,256</u>	<u>1,027,311</u>	<u>14,197,915</u>
OPERATING INCOME	547,265	996,649	50,189	1,594,103
NONOPERATING REVENUES				
Earnings on Investments	<u>60,961</u>	<u>112,218</u>	<u>10,654</u>	<u>183,833</u>
CHANGES IN NET ASSETS	608,226	1,108,867	60,843	1,777,936
NET ASSETS, JULY 1	<u>621,507</u>	<u>1,693,976</u>	<u>274,766</u>	<u>2,590,249</u>
NET ASSETS, JUNE 30	<u>\$ <u>1,229,733</u></u>	<u>\$ <u>2,802,843</u></u>	<u>\$ <u>335,609</u></u>	<u>\$ <u>4,368,185</u></u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Workers' Compensation</u>	<u>Medical Insurance</u>	<u>Dental Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Premiums	\$ 1,263,613	\$ 13,450,905	\$ 1,077,500	\$ 15,792,018
Cash Payments for Supplies and Services	(169,813)	(264,197)	(3,042)	(437,052)
Cash Payments to Employees for Services	(27,381)	(52,455)	(84,380)	(164,216)
Cash Payments for Claims/Benefits	(534,826)	(12,304,295)	(947,399)	(13,786,520)
Net Cash From Operating Activities	<u>531,593</u>	<u>829,958</u>	<u>42,679</u>	<u>1,404,230</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	60,961	112,218	10,654	183,833
Investments Purchased	(2,789,126)	(3,705,272)	-	(6,494,398)
Investments Matured or Sold	2,063,012	3,468,487	-	5,531,499
Net Cash From Investing Activities	<u>(665,153)</u>	<u>(124,567)</u>	<u>10,654</u>	<u>(779,066)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(133,560)	705,391	53,333	- 625,164
CASH AND CASH EQUIVALENTS, JULY 1				
	<u>144,389</u>	<u>1,396,832</u>	<u>282,276</u>	<u>1,823,497</u>
CASH AND CASH EQUIVALENTS, JUNE 30				
	<u>\$ 10,829</u>	<u>\$ 2,102,223</u>	<u>\$ 335,609</u>	<u>\$ 2,448,661</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES				
Operating Income	\$ 547,265	\$ 996,649	\$ 50,189	\$ 1,594,103
Change in Assets and Liabilities				
Decrease in Accounts Payable	(15,672)	(166,691)	(7,510)	(189,873)
Net Cash From Operating Activities	<u>\$ 531,593</u>	<u>\$ 829,958</u>	<u>\$ 42,679</u>	<u>\$ 1,404,230</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, 2006**

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2006</u>
ASSETS				
Cash and Cash Equivalents	\$ 587,533	\$ 1,485,446	\$ 1,418,619	\$ 654,360
Accounts Receivable	2,955	-	2,955	-
Total Assets	<u>\$ 590,488</u>	<u>\$ 1,485,446</u>	<u>\$ 1,421,574</u>	<u>\$ 654,360</u>
LIABILITIES				
Accounts Payable	\$ 23,973	\$ 1,388,531	\$ 1,394,646	\$ 17,858
Due to Student Groups	566,515	1,482,491	1,412,504	636,502
Total Liabilities	<u>\$ 590,488</u>	<u>\$ 2,871,022</u>	<u>\$ 2,807,150</u>	<u>\$ 654,360</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF CHANGES IN DUE TO STUDENT GROUPS
STUDENT ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Balance July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2006</u>
Hickman High	\$ 251,423	\$ 475,337	\$ 473,349	\$ 253,411
Rock Bridge High	106,045	415,949	384,518	137,476
Douglass High	2,621	5,523	5,344	2,800
Jefferson Junior High	26,353	54,494	55,135	25,712
Oakland Junior High	25,722	102,770	88,619	39,873
West Junior High	38,260	102,092	92,306	48,046
Gentry Middle	26,312	84,841	82,733	28,420
Lange Middle	18,899	32,083	33,952	17,030
Smithton Middle	24,936	38,630	35,135	28,431
Derby Ridge	-	8,106	8,106	-
Columbia Area Career Center	<u>45,944</u>	<u>162,666</u>	<u>153,307</u>	<u>55,303</u>
TOTAL	\$ <u><u>566,515</u></u>	\$ <u><u>1,482,491</u></u>	\$ <u><u>1,412,504</u></u>	\$ <u><u>636,502</u></u>

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Statistical Section

STATISTICAL SECTION

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

Financial Trends	Pages
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time	76-79
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes	80-83
Debt Capacity	
These schedules contain information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future	84-86
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place	87-88
Operating Information	
These schedules contain service data to help the reader assess how information in the District's financial reports relates to the services the District provides and the activities it performs	89-96

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 FIVE FISCAL YEARS
(accrual basis of accounting)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</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
Restricted	24,691,076	19,561,703	18,802,860	15,452,347	21,650,657
Unrestricted	13,369,795	21,262,742	23,997,435	30,102,944	32,131,429
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>
Business-Type Activities					
Investment in Capital Assets	\$ 594,149	\$ 676,855	\$ 666,820	\$ 612,799	\$ 545,485
Unrestricted	1,119,446	1,360,761	1,808,505	2,071,787	2,021,464
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>
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
Restricted	24,691,076	19,561,703	18,802,860	15,452,347	21,650,657
Unrestricted	14,489,241	22,623,503	25,805,940	32,174,731	34,152,893
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>

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 FIVE FISCAL YEARS
(accrual basis of accounting)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses					
Governmental Activities					
Instruction					
Regular Instruction	\$ 51,648,524	\$ 52,507,413	\$ 51,943,685	\$ 60,010,663	\$ 62,368,219
Special Education	17,902,735	18,155,878	18,902,996	20,082,002	22,252,901
Vocational Instruction	3,399,091	3,505,684	3,662,831	3,455,086	3,385,039
Student Activities	775,348	779,063	750,410	733,748	1,211,202
Tuition to Other Districts	325,486	349,088	396,470	354,159	375,203
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>
Support Services					
Attendance	153,602	147,998	146,083	163,181	187,923
Guidance and Counseling	4,907,155	4,797,385	4,830,688	4,948,835	5,173,219
Health and Ancillary Services	2,544,079	2,630,980	2,633,925	2,747,952	2,392,264
Improvement of Instruction	2,286,164	2,219,231	1,986,066	2,109,746	2,175,427
Media Services	6,918,783	5,588,187	5,771,286	7,532,218	7,113,770
Board Services	352,086	316,632	242,897	319,449	289,040
General Administration	1,531,762	1,733,066	1,595,475	1,687,864	1,930,574
Building Administration	7,063,174	7,562,808	7,828,216	8,649,127	8,955,676
Business, Central Services	1,492,325	1,071,247	763,309	800,688	885,449
Operation of Plant	13,477,311	14,420,078	14,747,806	15,636,034	16,576,111
Pupil Transportation	4,920,751	5,353,259	5,864,266	6,418,242	6,945,474
Adult Literacy	2,175,298	385,942	426,265	205,451	216,756
Community Services	1,317,415	3,413,094	3,445,418	3,676,452	3,645,829
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>
Non-Instruction/Support Services					
Interest Payment, Bonds	6,195,765	6,541,783	7,125,149	6,839,392	6,895,384
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>
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>
Business-Type Activities					
Food Services	4,566,258	4,665,802	4,782,168	5,246,357	5,767,486
Adult Education	2,034,483	2,019,107	1,852,542	1,767,660	1,744,828
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>
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>
Program Revenues					
Governmental Activities					
Charges for Services	\$ 1,488,738	\$ 1,367,765	\$ 1,280,592	\$ 1,071,876	\$ 1,045,101
Operating Grants and Contributions	25,683,051	26,148,620	27,552,721	28,622,367	31,487,752
Capital Grants and Contributions	988,283	804,728	639,303	614,341	979,008
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>
Business Type Activities					
Charges for Services					
Food Services	2,628,678	2,667,828	2,753,623	2,841,177	2,796,811
Adult Education	1,123,413	1,192,950	907,133	862,321	865,631
Operating Grants and Contributions	3,033,119	3,148,152	3,411,663	3,519,780	3,645,210
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>
Total Primary Government Program Revenue	<u>34,945,282</u>	<u>35,330,043</u>	<u>36,545,035</u>	<u>37,531,862</u>	<u>40,819,513</u>
Net Expenses	<u>\$ (101,042,313)</u>	<u>\$ (102,833,682)</u>	<u>\$ (103,152,916)</u>	<u>\$ (115,852,444)</u>	<u>\$ (119,668,261)</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Taxes					
Property Tax	\$ 60,302,141	\$ 63,123,678	\$ 68,391,365	\$ 69,559,312	\$ 78,624,488
Other Taxes	1,409,982	1,459,605	1,611,888	1,629,305	1,863,554
Allocation of Statewide Education Sales Tax	13,475,207	11,641,327	11,950,276	12,471,601	14,526,830
Federal and State Aid not Restricted for Specific Purposes	27,317,398	29,464,863	26,407,425	31,790,801	34,430,983
Interest and Investment Earnings	1,728,418	1,111,562	1,414,390	2,175,247	3,549,322
Miscellaneous	719,863	572,386	509,289	419,119	316,963
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>
Business Type Activities					
Interest and Investment Earnings	-	-	-	-	87,025
Total Primary Government	<u>\$ 104,953,009</u>	<u>\$ 107,373,421</u>	<u>\$ 110,284,633</u>	<u>\$ 118,045,385</u>	<u>\$ 133,399,165</u>
Change in Net Assets					
Governmental Activities	\$ 3,726,227	\$ 4,215,718	\$ 6,694,008	\$ 1,983,680	13,848,541
Business-Type Activities	184,469	324,021	437,709	209,261	(117,637)
Total Primary Government	<u>\$ 3,910,696</u>	<u>\$ 4,539,739</u>	<u>\$ 7,131,717</u>	<u>\$ 2,192,941</u>	<u>\$ 13,730,904</u>

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 FIVE FISCAL YEARS
 (modified accrual basis of accounting)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund					
Reserved	\$ 522,966	\$ 427,514	\$ 491,984	\$ 564,902	\$ 627,876
Unreserved	15,271,637	18,552,271	25,220,503	28,230,419	29,041,547
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>
All other Governmental Funds					
Reserved	\$ 3,758,436	\$ 14,190,058	\$ 24,490,249	\$ 14,314,793	\$ 34,282,361
Unreserved, reported in:					
Special Revenue Funds	13,249,345	10,917,530	9,235,705	4,843,981	8,511,140
Debt Service Fund	8,009,105	8,831,185	9,515,917	9,688,814	11,141,807
Capital Projects Fund	14,782,945	19,507,012	16,380,223	14,171,357	16,520,138
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>

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

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

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

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

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
1997 - 2006**

Year Ended June 30,	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>Columbia School District</u>										
Incidental Fund	1.17	1.05	1.05	1.27	1.3600	1.3544	1.3844	1.5744	1.5744	1.3163
Teachers Fund	2.59	2.34	2.34	2.70	2.5581	2.5581	2.5581	2.5581	2.5581	2.5581
Debt Service	.80	.73	.73	.73	.8219	0.8219	.8019	0.8019	0.8019	0.8019
Capital Projects	0	0	0	.00	.0500	0.02	0.01	0.01	0.01	0.01
Total Columbia School District	<u>4.56</u>	<u>4.12</u>	<u>4.12</u>	<u>4.70</u>	<u>4.7900</u>	<u>4.7544</u>	<u>4.7544</u>	<u>4.9444</u>	<u>4.9444</u>	<u>4.6863</u>
Overlapping Rates										
<u>City Residents:</u>										
City of Columbia	\$.48	\$.41	\$.41	\$.41	\$.4100	\$.4100	\$.4100	\$.4100	\$.4100	.4100
State of Missouri	.03	.03	.03	.03	.0300	.0300	.0300	.0300	.0300	.0300
County of Boone	.12	.12	.12	.13	.1300	.1300	.1300	.1300	.1300	.1200
Road and Bridge	.05	.05	.05	.05	.0500	.0500	.0500	.0500	.0500	.0475
Library	.30	.28	.29	.65	.6500	.6441	.6391	.6341	.6341	.5720
Group Home	.12	.11	.12	.12	.1200	.1189	.1194	.1194	.1195	.1114
Subtotal City Residents	<u>5.66</u>	<u>5.12</u>	<u>5.14</u>	<u>6.09</u>	<u>6.1800</u>	<u>6.1374</u>	<u>6.1329</u>	<u>6.3179</u>	<u>6.3180</u>	<u>5.9772</u>
<u>County Residents:</u>										
Fire District	.66	.60	.60	.60	.6000	.6000	.6000	.6000	.6000	.5929
Fire Dispatch Fund	.03	.03	.03	.03	.0300	.0295	.0295	.0295	.0295	.0283
Fire Bond	.19	.25	.22	.22	.2200	.2200	.2200	.2084	.1936	.1936
Less:										
City of Columbia (above)	(.48)	(.41)	(.41)	(.41)	(.4100)	(.4100)	(.4100)	(.4100)	(.4100)	(.4100)
Differential Library Tax	<u>(.05)</u>	<u>(.05)</u>	<u>(.05)</u>	<u>(.41)</u>	<u>(.3300)</u>	<u>(.3241)</u>	<u>(.3191)</u>	<u>(.3141)</u>	<u>(.3141)</u>	<u>(.2970)</u>
Total County Residents	<u>\$ 6.01</u>	<u>\$ 5.54</u>	<u>\$ 5.53</u>	<u>\$ 6.12</u>	<u>\$ 6.2900</u>	<u>\$ 6.2528</u>	<u>\$ 6.2533</u>	<u>\$ 6.4317</u>	<u>\$ 6.4170</u>	<u>6.0850</u>

Tax rates are reported on a calendar year basis. The 2005 calendar year tax levy was the rate levied to produce tax revenues for fiscal year 2006. 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>2006</u>			<u>1997</u>		
	<u>Assessed Valuation*</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Assessed Valuation*</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Ameren Services Company	23,584,309	1	1.64%	-		-
3M Company	22,982,530	2	1.60%	23,076,975	1	2.21%
Ameren - Union Electric	21,381,091	3	1.48%	-		-
State Farm Mutual Automobile Insurance Company	9,453,054	4	0.66%	13,395,373	2	1.28%
Columbia Mall LLC	8,268,325	5	0.57%	6,838,126	4	0.66%
Shelter Mutual Insurance Company	6,452,634	6	0.45%	5,515,992	5	0.53%
Columbia Foods	6,286,511	7	0.44%	-		-
Boone Electric Coop.	5,992,159	8	0.42%	3,646,601	9	0.35%
Spicer Axle Inc.	5,921,217	9	0.41%	-		-
Gates Corporation (The)	5,172,480	10	0.36%	-		-
Regional Alternative Health Services Inc.	-		-	6,974,959	3	0.67%
Ford Motor Company	-		-	4,495,169	6	0.43%
Quaker Oats	-		-	4,301,182	7	0.41%
Boone County National Bank	-		-	3,777,439	8	0.36%
RHL Columbia Development Co. & Broadway Crossing	-		-	3,623,539	10	0.35%
	<u>\$ 115,494,310</u>		<u>8.03%</u>	<u>75,645,355</u>		<u>7.25%</u>

*Major taxpayers are reported for the District's 2006 fiscal year.

Source: Information Services
Boone County Government Center

**COLUMBIA PUBLIC SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST 5 FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	61,059,475	58,210,710	95.33%	2,762,124	60,972,834	99.86%
2003	63,567,987	60,944,362	95.87%	2,518,626	63,462,988	99.83%
2004	68,816,829	66,226,894	96.24%	2,394,440	68,621,334	99.72%
2005	71,238,293	67,535,865	94.80%	2,388,156	69,924,021	98.16%
2006	79,296,428	75,871,441	95.68%	N/A	75,871,441	95.68%

Source: Boone County Clerk Accounting Data

**COLUMBIA PUBLIC SCHOOL DISTRICT
RATIO OF OUTSTANDING DEBT
LAST FIVE 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

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

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

Personal income data for 2006 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, 2006**

<u>Governmental Unit</u>	<u>Assesed Valuation</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Columbia	1,371,217,522	\$ -	100%	\$ -
County of Boone	1,968,612,568	630,000	86%	541,507
Boone County Fire Protection District	461,995,345	3,540,000	69%	2,458,660
Columbia Library District	652,874,766	16,715,930	100%	<u>16,715,930</u>
Subtotal, Overlapping Debt				19,716,097
District Direct Debt				<u>168,380,000</u>
Total Direct and Overlapping Debt				\$ 188,096,097

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 FIVE 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%

* Legal Debt Limit is 15% of assessed valuation.

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

Source: Boone County Clerk
Financial Statements

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

Calendar Year	Population*	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
1997	104,625	2,416,210	23,094	1.6%
1998	107,350	2,594,650	24,170	1.6%
1999	110,075	2,739,437	24,887	1.2%
2000	112,803	2,972,585	26,352	2.2%
2001	113,800	3,062,813	26,914	3.0%
2002	115,000	3,138,695	27,293	3.4%
2003	116,800	3,293,410	28,197	3.5%
2004	118,600	3,560,253	30,019	3.8%
2005	120,400	3,769,604	31,309	3.5%
2006	122,206	N/A	N/A	3.6%

N/A Not Available

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

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>2006</u>			<u>1997</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
University of Missouri-Columbia	7,642	1	8.69%	14,928	1	16.98%
University Hospital & Clinics	3,551	2	4.04%	4,720	2	5.37%
Columbia Public Schools	2,030	3	2.31%	2,300	3	2.62%
Boone Hospital Center	1,334	4	1.52%	1,439	4	1.64%
City of Columbia	1,187	5	1.35%	985	6	1.12%
State Farm Insurance Companies	1,079	6	1.23%	666	10	0.76%
Shelter Insurance Group	1,019	7	1.16%	964	7	1.10%
Federal Government (excluding Veterans Affairs)	1,002	8	1.14%	1,166	5	1.33%
MBS Textbook Exchange	935	9	1.06%	-		-
U.S. Department of Veterans Affairs	924	10	1.05%	-		-
Columbia Regional Hospital	-		-	900	8	1.02%
3M	-		-	712	9	0.81%
	89,022		23.54%	87,940		32.73%

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

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

	Full-Time Equivalent Employees as of June 30,				
	2002	2003	2004	2005	2006
Instruction					
Regular Instruction	1,009.74	1,013.74	984.10	978.15	1,015.44
Special Education	486.04	480.90	493.45	491.07	530.80
Vocational Instruction	43.51	41.21	41.80	40.47	44.65
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>
Support Services					
Guidance and Counseling	148.49	147.48	150.11	148.57	144.54
Improvement of Instruction	97.80	97.78	100.50	97.21	102.61
General Administration	27	26	20	19	21
Building Administration	137.25	142.89	144.48	144.87	143.3
Business, Central Services	13.00	13.00	13.00	11.00	12.00
Operation of Plant	178.92	175.84	185.83	182.91	186.09
Pupil Transportation	1.00	0.75	0.75	0.75	0.75
Adult Education	0.76	0.76	0.76	0.76	0.76
Community Services	29.69	30.38	29.34	28.39	28.85
Total Support Services	<u>633.91</u>	<u>634.88</u>	<u>644.77</u>	<u>633.46</u>	<u>639.90</u>
Total Employees	2,173.20	2,170.73	2,164.12	2,143.15	2,230.79

Source: School District Records

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

<u>School Year</u>	<u>Current Operating Expenditures</u>	<u>Average Daily Attendance</u>	<u>Expenditures Per Average Daily Attendance</u>
2002	113,806,097	15,011	7,581
2003	117,122,484	15,008	7,804
2004	115,385,953	14,941	7,723
2005	128,537,095	15,641	8,218
2006	137,491,155	15,934	8,629

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 FIVE FISCAL YEARS**

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>Average Salary</u>	<u>Statewide Average</u>
2002	\$ 25,650	\$ 53,454	\$ 38,638	\$ 36,488
2003	25,800	54,793	39,217	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	43,743	40,397

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 2005-06, 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 five (5) years.

	COLUMBIA					ALL MISSOURI DISTRICTS				
	2001-02	2002-03	2003-04	2004-05	2005-06	2001-02	2002-03	2003-04	2004-05	2005-06
Students per Teacher	13	13	13	13	13	14	13	14	14	13
Students per Classroom Teacher	19	19	19	19	19	18	18	19	19	18
Average Teacher Salary (Total)	\$40,772	\$41,387	\$41,864	\$45,213	\$46,091	\$38,103	\$39,280	\$39,786	\$40,685	\$42,077
Students per Administrator	238	231	240	238	236	206	204	206	204	203
Average Administrator Salary	\$70,551	\$72,784	\$73,925	\$79,083	\$81,299	\$67,335	\$69,724	\$71,279	\$72,824	\$75,236
Students Eligible for Free/Reduced Lunch	28.20%	29.60%	30.80%	31.10%	31.70%	37.90%	39.20%	40.50%	41.80%	41.80%

Source: Missouri Department of Elementary and Secondary Education

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
June 30, 2006**

<u>School</u>	<u>2006</u>
Elementary	
Benton (1926)	
Building Square Feet	29,527
Trailer Square Feet	4,032
Capacity (with trailers)	360
Capacity (without trailers)	260
Enrollment	255
Blue Ridge (1965)	
Building Square Feet	54,925
Trailer Square Feet	8,064
Capacity (with trailers)	700
Capacity (without trailers)	500
Enrollment	538
Cedar Ridge (1978)	
Building Square Feet	18,095
Trailer Square Feet	7,056
Capacity (with trailers)	275
Capacity (without trailers)	100
Enrollment	188
Derby Ridge (1991)	
Building Square Feet	79,310
Trailer Square Feet	12,096
Capacity (with trailers)	875
Capacity (without trailers)	600
Enrollment	711
Fairview (1964)	
Building Square Feet	55,410
Trailer Square Feet	1,008
Capacity (with trailers)	575
Capacity (without trailers)	550
Enrollment	549
Field (1916)	
Building Square Feet	26,295
Trailer Square Feet	6,048
Capacity (with trailers)	425
Capacity (without trailers)	250
Enrollment	250
Grant (1910)	
Building Square Feet	26,926
Trailer Square Feet	5,040
Capacity (with trailers)	375
Capacity (without trailers)	250
Enrollment	336
Lee (1934)	
Building Square Feet	29,265
Trailer Square Feet	5,040
Capacity (with trailers)	375
Capacity (without trailers)	250
Enrollment	293

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
June 30, 2006
(continued)**

<u>School</u>	<u>2006</u>
Elementary (cont.)	
Midway Heights (1956)	
Building Square Feet	34,885
Capacity	375
Enrollment	274
Mill Creek (1988)	
Building Square Feet	89,067
Trailer Square Feet	6,048
Capacity (with trailers)	850
Capacity (without trailers)	700
Enrollment	743
New Haven (1954)	
Building Square Feet	49,170
Trailer Square Feet	1,008
Capacity (with trailers)	350
Capacity (without trailers)	325
Enrollment	300
Parkade (1958)	
Building Square Feet	53,800
Trailer Square Feet	4,032
Capacity (with trailers)	575
Capacity (without trailers)	450
Enrollment	470
Paxton Keeley (2001)	
Building Square Feet	98,060
Capacity	650
Enrollment	656
Ridgeway (1922)	
Building Square Feet	32,353
Capacity	280
Enrollment	237
Rock Bridge Elementary (1957)	
Building Square Feet	47,535
Trailer Square Feet	3,168
Capacity (with trailers)	620
Capacity (without trailers)	520
Enrollment	425
Russell Boulevard (1957)	
Building Square Feet	52,435
Trailer Square Feet	5,040
Capacity (with trailers)	625
Capacity (without trailers)	500
Enrollment	530
Shepard Boulevard (1968)	
Building Square Feet	42,185
Trailer Square Feet	9,072
Capacity (with trailers)	525
Capacity (without trailers)	300
Enrollment	468

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
June 30, 2006
(continued)**

<u>School</u>	<u>2006</u>
Elementary (cont.)	
Two Mile Prairie (1972)	
Building Square Feet	22,235
Trailer Square Feet	5,040
Capacity (with trailers)	325
Capacity (without trailers)	200
Enrollment	258
West Boulevard (1949)	
Building Square Feet	41,725
Trailer Square Feet	6,048
Capacity (with trailers)	450
Capacity (without trailers)	300
Enrollment	279
Middle	
Gentry Middle School (1985)	
Building Square Feet	118,335
Trailer Square Feet	13,536
Capacity (with trailers)	1,100
Capacity (without trailers)	775
Enrollment	761
Lange Middle School (1997)	
Building Square Feet	118,335
Trailer Square Feet	12,096
Capacity (with trailers)	1,075
Capacity (without trailers)	775
Enrollment	713
Smithton Middle School (1996)	
Building Square Feet	123,627
Trailer Square Feet	17,360
Capacity (with trailers)	1,175
Capacity (without trailers)	775
Enrollment	959
Junior High	
Jefferson Junior High (1910)	
Building Square Feet	131,346
Capacity	900
Enrollment	900
Oakland Junior High (1971)	
Building Square Feet	106,785
Trailer Square Feet	11,088
Capacity (with trailers)	875
Capacity (without trailers)	600
Enrollment	754

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
June 30, 2006
(continued)**

<u>School</u>	<u>2006</u>
Junior High (cont.)	
West Junior High (1961)	
Building Square Feet	130,225
Trailer Square Feet	7,056
Capacity (with trailers)	1,200
Capacity (without trailers)	1,025
Enrollment	952
High	
Douglass High School (1916)	
Building Square Feet	49,540
Capacity	250
Enrollment	169
Hickman High School (1925)	
Building Square Feet	276,444
Trailer Square Feet	7,056
Capacity (with trailers)	2,300
Capacity (without trailers)	2,125
Enrollment	2,048
Rock Bridge High School (1970)	
Building Square Feet	298,275
Capacity	1,800
Enrollment	1,726
Other	
Administration (1981)	
Square Feet	12,606
Capacity	N/A
Enrollment	N/A
Bus Barn/Carpenter Shop (1966)	
Square Feet	13,768
Capacity	N/A
Enrollment	N/A
Career Center (1978)	
Square Feet	49,250
Capacity	N/A
Enrollment	N/A
Ground Shop (1985)	
Square Feet	5,320
Capacity	N/A
Enrollment	N/A
Services Building (1981)	
Square Feet	18,500
Capacity	N/A
Enrollment	N/A

Source: School District Records

Information for years prior to 2006 is not available.

State Compliance Section



GERDING, KORTE & CHITWOOD

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Certified Public Accountants

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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, 2006, and have issued our report thereon dated October 13, 2006. 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 100 through 111 are presented for purposes of additional analysis and are not a required part of the financial statements. The information on those schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

October 13, 2006

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



GERDING, KORTE & CHITWOOD

Professional Corporation
Certified Public Accountants

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

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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, 2006. 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 transportation finding described in the schedule of findings - state requirements, Columbia Public School District, Columbia, Missouri, complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2006.

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

October 13, 2006

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, 2006**

	Incidental Fund			
	General	Food Services	Student Activities	Adult Education
REVENUES				
Local	\$ 33,335,662	\$ 2,864,388	\$ 1,480,738	\$ 917,023
County	802,421	-	-	-
State	17,989,322	46,341	-	285,874
Federal	3,710,939	2,444,861	-	489,173
Tuition Other Districts	50,250	-	-	-
Total Revenues	<u>55,888,594</u>	<u>5,355,590</u>	<u>1,480,738</u>	<u>1,692,070</u>
EXPENDITURES				
Regular Instruction	12,815,005	-	-	-
Special Instruction	5,750,189	-	-	-
Vocational Instruction	781,017	-	-	42,551
Student Activities	326,572	-	1,368,096	-
Tuition Other Districts	-	-	-	-
Total Instruction	<u>19,672,783</u>	<u>-</u>	<u>1,368,096</u>	<u>42,551</u>
Attendance	192,274	-	-	-
Guidance and Counseling	1,860,694	-	-	-
Health and Ancillary Services	1,706,397	-	-	-
Improvement of Instruction	1,156,390	-	-	-
Media Services	3,189,169	-	-	-
Board Services	289,040	-	-	-
General Administration	1,000,491	-	-	-
Building Administration	3,193,849	-	-	-
Business, Central Services	895,815	-	-	-
Operation of Plant	13,559,405	-	-	-
Pupil Transportation	6,923,641	307	42,655	-
Food Services	-	5,243,078	-	-
Total Pupil Support Services	<u>33,967,165</u>	<u>5,243,385</u>	<u>42,655</u>	<u>-</u>
Adult Education	7,232	-	-	1,554,227
Community Services	1,339,748	-	-	174,075
Debt Services	-	-	-	-
Capital Outlay and Construction	-	-	-	-
Total Other	<u>1,346,980</u>	<u>-</u>	<u>-</u>	<u>1,728,302</u>
Total Expenditures	<u>54,986,928</u>	<u>5,243,385</u>	<u>1,410,751</u>	<u>1,770,853</u>
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	901,666	112,205	69,987	(78,783)
OTHER FINANCING SOURCES (USES)				
General Obligation Bonds Issued	-	-	-	-
Refunding Bonds Issued	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(27,564)	(83,745)	-	-
NET CHANGES IN FUND BALANCES	874,102	28,460	69,987	(78,783)
FUND BALANCE, JULY 1	<u>28,795,321</u>	<u>1,599,913</u>	<u>566,515</u>	<u>471,874</u>
FUND BALANCE, JUNE 30	<u>\$ 29,669,423</u>	<u>\$ 1,628,373</u>	<u>\$ 636,502</u>	<u>\$ 393,091</u>

<u>Grants and Donations</u>	<u>Total</u>	<u>Special Revenue Teachers Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
\$ 975,850	\$ 39,573,661	\$ 48,083,267	\$ 15,763,645	\$ 2,725,275	\$ 106,145,848
-	802,421	907,709	266,084	2,154	1,978,368
1,895,838	20,217,375	32,398,358	1,478,157	145,828	54,239,718
1,301,294	7,946,267	5,280,470	-	-	13,226,737
-	50,250	79,757	-	-	130,007
<u>4,172,982</u>	<u>68,589,974</u>	<u>86,749,561</u>	<u>17,507,886</u>	<u>2,873,257</u>	<u>175,720,678</u>
1,165,111	13,980,116	48,927,928	-	9,073	62,917,117
301,289	6,051,478	16,586,459	-	-	22,637,937
360,052	1,183,620	2,510,976	-	-	3,694,596
-	1,694,668	480,555	-	371,955	2,547,178
-	-	375,203	-	-	375,203
<u>1,826,452</u>	<u>22,909,882</u>	<u>68,881,121</u>	<u>-</u>	<u>381,028</u>	<u>92,172,031</u>
-	192,274	-	-	-	192,274
95,113	1,955,807	3,276,897	-	-	5,232,704
112,500	1,818,897	607,575	-	-	2,426,472
28,667	1,185,057	989,624	-	-	2,174,681
121,941	3,311,110	2,161,848	-	58,558	5,531,516
-	289,040	-	-	-	289,040
-	1,000,491	905,691	-	-	1,906,182
-	3,193,849	5,681,100	-	-	8,874,949
-	895,815	-	-	-	895,815
-	13,559,405	-	-	-	13,559,405
22,426	6,989,029	-	-	58,878	7,047,907
-	5,243,078	-	-	83,745	5,326,823
<u>380,647</u>	<u>39,633,852</u>	<u>13,622,735</u>	<u>-</u>	<u>201,181</u>	<u>53,457,768</u>
187,517	1,748,976	39,976	-	-	1,788,952
1,821,760	3,335,583	519,163	-	-	3,854,746
-	-	-	16,280,902	-	16,280,902
-	-	-	-	10,021,012	10,021,012
<u>2,009,277</u>	<u>5,084,559</u>	<u>559,139</u>	<u>16,280,902</u>	<u>10,021,012</u>	<u>31,945,612</u>
<u>4,216,376</u>	<u>67,628,293</u>	<u>83,062,995</u>	<u>16,280,902</u>	<u>10,603,221</u>	<u>177,575,411</u>
(43,394)	961,681	3,686,566	1,226,984	(7,729,964)	(1,854,733)
-	-	-	-	9,995,000	9,995,000
-	-	-	20,190,000	-	20,190,000
-	-	27,564	-	83,745	111,309
-	(111,309)	-	-	-	(111,309)
(43,394)	850,372	3,714,130	21,416,984	2,348,781	28,330,267
1,518,068	32,951,691	3,334,426	23,995,094	14,171,357	74,452,568
<u>\$ 1,474,674</u>	<u>\$ 33,802,063</u>	<u>\$ 7,048,556</u>	<u>\$ 45,412,078</u>	<u>\$ 16,520,138</u>	<u>\$ 102,782,835</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF REVENUES CLASSIFIED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Incidental Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
LOCAL SOURCES:					
Current Tax	\$ 21,311,123	\$ 41,415,567	\$ 12,982,682	\$ 162,069	\$ 75,871,441
Delinquent Tax	687,121	1,250,397	392,055	3,786	2,333,359
Sales Tax	9,731,088	4,795,743	-	-	14,526,831
In Lieu of Tax	-	-	25,424	25,424	50,848
Intangible Tax	-	-	34,247	161,179	195,426
Surtax	-	-	276,749	1,340,531	1,617,280
Tuition, K-12	29,775	-	-	-	29,775
Summer School Tuition K-12	28,929	71,742	-	-	100,671
Tuition, Post Secondary	860,098	-	-	-	860,098
Earnings on Investments	1,188,526	549,818	2,052,488	574,327	4,365,159
Other Interest Earned	57,732	-	-	-	57,732
Food Service Sales	2,796,811	-	-	-	2,796,811
Student Activities	1,583,131	-	-	-	1,583,131
Community Services	5,832	-	-	-	5,832
Rentals	137,977	-	-	-	137,977
Offset Printing	114,165	-	-	-	114,165
Donations/Fundraising	431,908	-	-	371,955	803,863
Food Service Catering	62,984	-	-	-	62,984
Project Construct	278,006	-	-	-	278,006
Adult Ed Tuition	36,723	-	-	-	36,723
Erate refunds	26,591	-	-	58,558	85,149
Youthbuild Grant	38,305	-	-	-	38,305
Foundation Grant	55,466	-	-	-	55,466
Other Local Sources	111,370	-	-	27,446	138,816
Total Local Sources	<u>39,573,661</u>	<u>48,083,267</u>	<u>15,763,645</u>	<u>2,725,275</u>	<u>106,145,848</u>
COUNTY SOURCES:					
Fines & Forfeitures	-	705,720	-	-	705,720
State Assessed Utilities	752,945	105,836	235,942	1,779	1,096,502
County Stock Insurance Fund	49,476	96,153	30,142	375	176,146
Total County Sources	<u>802,421</u>	<u>907,709</u>	<u>266,084</u>	<u>2,154</u>	<u>1,978,368</u>
STATE SOURCES:					
Basic Formula	10,432,172	20,273,904	1,240,475	72,969	32,019,520
Transportation	1,000,369	1,944,143	-	-	2,944,512
Exceptional Pupil Aid	1,117,669	2,172,109	-	-	3,289,778
Early Childhood	572,579	1,112,765	-	-	1,685,344
Remedial Reading	79,129	153,780	-	-	232,909
Gifted Center	216,075	420,262	-	-	636,337
Career Ladder	358,103	695,947	-	-	1,054,050
Free and Reduced/At Risk	1,998,863	3,884,594	237,682	13,981	6,135,120
Parents as Teachers	291,478	566,467	-	-	857,945
Foreign Insurance, Free Textbook	1,502,160	-	-	-	1,502,160
Vocational, Technical	401,512	428,764	-	-	830,276
Fair Share (Cigarette Tax)	-	433,096	-	-	433,096
School Health Grant	90,000	-	-	-	90,000
Excess Cost	6,165	11,419	-	-	17,584
Adult Basic Education	133,584	-	-	-	133,584
Food Service	46,341	-	-	-	46,341
High Need Fund	153,723	298,750	-	-	452,473
Handicapped Census	2,765	-	-	-	2,765

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF REVENUES CLASSIFIED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2006
(continued)**

	<u>Incidental Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
STATE SOURCES (cont.):					
A+ Schools Grant	\$ 40,787	\$ -	\$ -	\$ -	\$ 40,787
Safe Schools Grant	58,456	-	-	-	58,456
Vocational Enhancement	355,080	-	-	58,878	413,958
Missouri Preschool	45,000	-	-	-	45,000
PAT Grant	46,145	-	-	-	46,145
Readers for the blind	1,213	2,358	-	-	3,571
Project Construct	1,256,687	-	-	-	1,256,687
Other State Sources	11,320	-	-	-	11,320
Total State Sources	<u>20,217,375</u>	<u>32,398,358</u>	<u>1,478,157</u>	<u>145,828</u>	<u>54,239,718</u>
FEDERAL SOURCES:					
Pell Grants	174,075	-	-	-	174,075
Voc Ed Act - Title I, Basic Grant	148,794	113,918	-	-	262,712
Title I - ESEA	1,063,242	1,751,623	-	-	2,814,865
Title V	28,864	-	-	-	28,864
Ind With Disabilities Ed Act	1,544,579	2,875,957	-	-	4,420,536
Early Childhood	212,805	112,041	-	-	324,846
Adult Basic Education	328,971	-	-	-	328,971
School Lunch Program	1,953,651	-	-	-	1,953,651
School Breakfast Program	489,574	-	-	-	489,574
After School Snack Program	1,636	-	-	-	1,636
Childcare Development	58,039	-	-	-	58,039
Nat'l & Community Services Trust	8,808	-	-	-	8,808
Title IV, Drug Free Schools	90,759	-	-	-	90,759
Title II, Part A	708,750	298,961	-	-	1,007,711
Title II, Part D	43,414	-	-	-	43,414
Title III - ESEA	204,340	-	-	-	204,340
Hurricane Relief	65,848	127,970	-	-	193,818
Medicaid	566,108	-	-	-	566,108
Workforce Investment Act	10,102	-	-	-	10,102
Mentoring Grant	164,105	-	-	-	164,105
Erate	58,217	-	-	-	58,217
Other Federal Sources	21,586	-	-	-	21,586
Total Federal Sources	<u>7,946,267</u>	<u>5,280,470</u>	<u>-</u>	<u>-</u>	<u>13,226,737</u>
OTHER SOURCES:					
Sale of Bonds	-	-	-	9,995,000	9,995,000
Refunding of Bonds	-	-	20,190,000	-	20,190,000
Total Other Sources	<u>-</u>	<u>-</u>	<u>20,190,000</u>	<u>9,995,000</u>	<u>30,185,000</u>
TUITION OTHER DISTRICTS:					
Tuition Other Districts	-	29,507	-	-	29,507
Area Vocational School Fees	50,250	50,250	-	-	100,500
Total Tuition Other Districts	<u>50,250</u>	<u>79,757</u>	<u>-</u>	<u>-</u>	<u>130,007</u>
Total Revenues	<u>\$ 68,589,974</u>	<u>\$ 86,749,561</u>	<u>\$ 37,697,886</u>	<u>\$ 12,868,257</u>	<u>\$ 205,905,678</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES BY OBJECT
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Incidental Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
SALARIES:					
Certificated Salaries	\$ 1,786,424	\$ 76,430,949	\$ -	\$ -	\$ 78,217,373
Non-Certificated Salaries	17,881,022	-	-	-	17,881,022
Total Salaries	<u>19,667,446</u>	<u>76,430,949</u>	<u>-</u>	<u>-</u>	<u>96,098,395</u>
FRINGE BENEFITS:					
Teacher Retirement	9,187,350	-	-	-	9,187,350
Non-Teacher Retirement	1,128,893	-	-	-	1,128,893
Social Security	2,449,362	-	-	-	2,449,362
Medical and Dental Benefits	2,807,957	6,256,843	-	-	9,064,800
Workers' Compensation	1,319,095	-	-	-	1,319,095
Total Fringe Benefits	<u>16,892,657</u>	<u>6,256,843</u>	<u>-</u>	<u>-</u>	<u>23,149,500</u>
PURCHASED SERVICES:					
Instructional Services	-	375,203	-	-	375,203
Professional Services	5,075,836	-	-	-	5,075,836
Property Services	3,385,910	-	-	-	3,385,910
Contracted Transportation	5,995,284	-	-	-	5,995,284
Other Transportation, Non-Route	353,902	-	-	-	353,902
Travel	919,912	-	-	-	919,912
Insurance	503,820	-	-	-	503,820
Communications and Printing	776,078	-	-	-	776,078
Dues and Fees	272,088	-	-	-	272,088
Service Charges	41,316	-	-	-	41,316
Financial Aid Adult Ed.	184,575	-	-	-	184,575
Total Purchased Services	<u>17,508,721</u>	<u>375,203</u>	<u>-</u>	<u>-</u>	<u>17,883,924</u>
SUPPLIES:					
General Supplies	5,771,130	-	-	-	5,771,130
Free Textbooks	1,474,596	-	-	-	1,474,596
Library Books	555	-	-	-	555
Food Supplies	2,160,753	-	-	-	2,160,753
Gasoline	684,918	-	-	-	684,918
Utilities	2,883,523	-	-	-	2,883,523
Total Supplies	<u>12,975,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,975,475</u>
CAPITAL OUTLAY:					
Buildings and Additions	-	-	-	1,460,079	1,460,079
Improvements to Buildings	-	-	-	5,733,039	5,733,039
Equipment and Vehicles	583,994	-	-	3,410,103	3,994,097
Total Capital Outlay	<u>583,994</u>	<u>-</u>	<u>-</u>	<u>10,603,221</u>	<u>11,187,215</u>
DEBT SERVICE:					
Principal	-	-	9,520,000	-	9,520,000
Interest	-	-	6,643,137	-	6,643,137
Professional Fees	-	-	117,765	-	117,765
Total Debt Service	<u>-</u>	<u>-</u>	<u>16,280,902</u>	<u>-</u>	<u>16,280,902</u>
Total Expenditures	<u>\$ 67,628,293</u>	<u>\$ 83,062,995</u>	<u>\$ 16,280,902</u>	<u>\$ 10,603,221</u>	<u>\$ 177,575,411</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
 ASSESSED VALUATION AND TAX LEVY
 JUNE 30, 2006**

The assessed valuation of the tangible taxable property for the calendar years 2005 and 2004 for purposes of local taxation was as follows:

	<u>Current Year</u>		<u>Prior Year</u>
Real Estate:			
Residential	\$ 966,176,292	\$	803,183,814
Agriculture	12,932,958		11,460,878
Commercial	402,644,286		348,211,365
Personal Property.....	<u>310,336,896</u>		<u>277,931,480</u>
 TOTAL	 \$ <u>1,692,090,432</u>	 \$	 <u>1,440,787,537</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2005 for purposes of local taxation was as follows:

	<u>Adjusted</u>		<u>Unadjusted</u>
Operating Fund.....	\$ 1.3163	\$	1.6431
Teachers Fund	2.5581		2.5581
Debt Service Fund.....	0.8019		0.8019
Capital Projects Fund	<u>0.0100</u>		<u>0.0100</u>
 TOTAL	 \$ <u>4.6863</u>	 \$	 <u>5.0131</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2006**

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:

Kindergarten – Full-day	1,066.75 hours	Grades 10-12 (Rock Bridge)	1,129.27 hours
Grades 1-5	1,066.75 hours	Grades 6-12 (Douglass)	1,108.91 hours
Grades 6-7	1,111.75 hours	Grades 6-12 (Juvenile Justice)	1,080.50 hours
Grades 8-12	1,080.75 hours		

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

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

2. Students

The number of eligible pupils (EP) for this school year was 16,637.16 (Section 163.011(4), RSMo), calculated as follows:

REGULAR TERM AVERAGE DAILY ATTENDANCE (ADA)

Regular Year	Full-time/ Part-time	Remedial	Total
Kindergarten – Full-day	1,268.06	-	1,268.06
Grades 1-5	5,761.80	.56	5,762.36
Grades 6-12	<u>8,201.14</u>	<u>-</u>	<u>8,201.14</u>
Subtotal Regular Year	<u>15,231.00</u>	<u>.56</u>	15,231.56

SUMMER SCHOOL AVERAGE DAILY ATTENDANCE 702.80

TOTAL AVERAGE DAILY ATTENDANCE 15,934.36

DETERMINATION OF RESIDENT ELIGIBLE PUPILS FOR STATE AID

Total Average Daily Attendance (ADA) (above)	15,934.36
Summer School Average Daily Attendance (Limited to 5% of regular year)	<u>702.80</u>

RESIDENT ELIBIGLE PUPILS FOR STATE AID (EP) 16,637.16

SEPTEMBER RESIDENT MEMBERSHIP 16,135.46

(This is a calculated number adjusted for less than full-day kindergarten as of the last Wednesday of September 2005.)

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2006**

2. Students (Continued)

FREE AND REDUCED PRICE ELIGIBLE PUPILS (Section 163.011(6), RSMo)

(This is a full-time equivalency (FTE) number as of the last Wednesday of January 2006.)

Free	4,341.98
Reduced	<u>782.39</u>
Total	<u><u>5,124.37</u></u>

3. Transportation (Section 163.161, RSMo)

A. The allowable cost for pupil transportation substantially conforms to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. X Yes No

If no, has corrective action been recommended? Yes No

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

If no, has corrective action been recommended? X Yes No

Based on the ridership records, the average number of students (K-12, vocational, and handicapped) transported on a regular basis (ADT) eligible for state transportation aid was 8,247 and the average number of students transported on a regular basis (ADT) ineligible to be counted for state transportation aid was 0.

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

If no, has corrective action been recommended? Yes No

Based on the actual odometer records, the total mileage for the year was 2,177,076. Of this total, the eligible non-handicapped and handicapped miles were 1,856,452 and the ineligible non-route and disapproved miles (combined) were 320,624.

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

4. Adult Education and Literacy

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

If yes, check the appropriate programs.

Regular AEL <u> X </u>	Special Literacy <u> X </u>	Supplemental Literacy <u> X </u>
MESL <u> </u>	EL/Civics <u> X </u>	Other (name) _____

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2006**

4. Adult Education and Literacy (Continued)

- B. The number of contact hours eligible for core funding reimbursement in AEL for this year was 72,467.
- No AEL teacher generated more than fifteen contact hours per teacher paid hour. ___X___ Yes ___ No
 - No AEL teacher generated more than eight contact hours for special needs participants. ___X___ Yes ___ No
- C. Teachers who are paid with AEL funds:
- are AEL certified. ___X___ Yes ___ No
 - if employed as a substitute, have obtained 60 college credit hours from an accredited institution. ___X___ Yes ___ No
- D. The District has adequate procedures to maintain student record of enrollment, test scores, and attendance hours. ___X___ Yes ___ No

5. Career Ladder (Section 168.500, RSMo)

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

6. Finance

- A. Bond as required by Section 162.401, RSMo, has been purchased for the District's treasurer in the total amount of \$400,000.
- B. The District's deposits were secured during the year as required by Sections 110.010 and 100.020, RSMo. ___X___ Yes ___ No
- Details of the security agreement are located on page 48 of the report in Note 4 to the financial statements.
- C. The District maintained a separate bank account for its Debt Service Fund in accordance with Section 165.011, RSMo. ___X___ Yes ___ No ___ N/A
- D. The District's Free & Reduced/At-Risk (Line 14) expenditures are in accordance with DESE and/or statutory requirements. ___X___ Yes ___ No

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2006**

6. Finance (Continued)

- E. The District's expenditures for At-Risk activities were \$7,433,881.
- F. The District has a school improvement plan and a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment.
- | | | | | |
|-------------------------------|--------------|-----|---------------|----|
| School Improvement Plan | <u> X </u> | Yes | <u> </u> | No |
| Professional Development Plan | <u> X </u> | Yes | <u> </u> | No |
- G. The District's June, Basic Formula Calculation Sheet, Line H, Basic Formula Apportionment amount was \$31,928,251.
- The District's 75% of 1% of the Basic Formula Apportionment amount was \$239,462.
- The amount spent for approved professional development committee plan activities was \$833,282.
- H. Did the District use state-funded grant monies to supplant existing salaries? Yes X No
- If yes, what grant monies were used to supplant existing salaries? _____
- I. Did the District use federal monies to supplant state expenditures? Yes X No
- If yes, please explain. _____
- J. Lease purchase obligations entered into after November 1, 1993, and prior to January 1, 1997, for which the principal and interest payments are being made from the GTB/Line 1 transfer amount are in accordance with Section 165.011.5 (5), RSMo. Yes No X N/A
- K. Did the District make a GTB/Line 1 transfer? Yes X No
- If a GTB/Line 1 transfer was made in excess of adjusted expenditures, did the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken? Yes No
- L. The District issued general obligation refunding bonds in the current year. X Yes No
- If yes, identify the type of refunding: X Current Advance-Defeased X Advance-Crossover
- M. The District has appropriately included all current and prior year crossover refunding bonds in its financial statements. X Yes No N/A
- N. The District took action prior to October 31 to cause the 2005-06 audit to be performed. X Yes No
- O. For the preceding year (not the current audit period) in which the District took action to cause an audit to be performed by October 31, the District published a summary of the 2004-05 report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo. X Yes No N/A
- P. Based on the District's federal expenditures, an audit was required to be performed in accordance with OMB Circular A-133 (Revised). X Yes No

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2006**

7. Missouri School Improvement Program (MSIP)

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF TRANSPORTATION COSTS
YEAR ENDED JUNE 30, 2006**

	<u>Regular</u>		<u>Handicapped Contracted</u>
	<u>District Owned</u>	<u>Contracted</u>	
Salary and Benefits	\$ 36,404	\$ -	\$ 18,202
Purchased Services	78	4,462,835	1,886,350
Supplies	-	465,267	119,894
Capital Outlay	<u>58,878</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 95,360</u>	<u>\$ 4,928,102</u>	<u>\$ 2,024,446</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS - STATE REQUIREMENTS
YEAR ENDED JUNE 30, 2006**

Budget

None

Attendance

None

Transportation

Criteria: The District is required to maintain transportation data necessary to accurately disclose the regular riders for the calculation of the average daily transportation of eligible pupils.

Finding: The documentation of regular riders for the October 2005 count period was not sufficient to determine the accuracy of the pupil count.

Single Audit Section



GERDING, KORTE & CHITWOOD

Professional Corporation
Certified Public Accountants

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

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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, 2006, and have issued our report thereon dated October 13, 2006. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

PARTNERS

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

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

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

October 13, 2006

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006**

<u>Federal Grantor/ Pass-Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Major Federal Assist. Program</u>	<u>Program or Award Amount</u>	<u>Expenditures</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>					
Direct Programs:					
Pell Grant	84.063	N/A		(1) \$	174,075
Federal Family Education Loans	84.032	N/A		(1)	61,524
Mentoring Program Grants	84.184B	N/A		176,457	164,105
Total					<u>399,704</u>
Passed Through State Department of Education:					
Title I, Regular and Summer School	84.010A	010-093	X	\$ 2,887,524	2,814,865
Title II.A	84.367A	010-093	X	490,616	490,616
Title II.D	84.318X	010-093		43,414	43,414
Education of Handicapped:					
IDEA	84.027A	010-093-EN	X	4,105,844	4,105,844
Early Childhood ECSE	84.027A & 84.173A	010-093-EC	X	456,511	456,511
Vocational Education	84.048A	010-093		304,901	262,712
Adult Education & Literacy	84.002A	010-093	X	470,724	469,555
Title III	84.365A	010-093		204,340	204,340
Drug-Free Schools & Communities (Title IV.A)	84.186A	010-093		90,761	90,761
Title V, Innovative Education	84.340A	010-093		28,865	28,865
Leveraging Educational Assistance Partnership	84.069A	010-093		10,500	10,500
Hurricane Relief (Emergency Impact Aid)	84.938C	010-093		193,818	193,818
Mathematics and Science Partnerships	84.366B	010-093	X	967,098	517,095
Project Construct:					
Entitlement	84.027A	010-093		33,100	33,072
Total					<u>9,721,968</u>
Passed Through Missouri Assistive Technology Advisory Council:					
Special Education	84.027A	N/A		(1)	2,237
Total					<u>2,237</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				\$	<u>10,123,909</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006
(continued)**

<u>Federal Grantor/ Pass-Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Major Federal Assist. Program</u>	<u>Program or Award Amount</u>	<u>Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
Passed Through State Department of Education:					
National School Lunch	10.555	010-093	X	(1)	\$ 1,918,531
National School Breakfast	10.553	010-093	X	(1)	479,922
Food Distribution	10.550	010-093	X	\$ 378,961	<u>378,961</u>
Total					<u><u>2,777,414</u></u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE					<u><u>\$ 2,777,414</u></u>
<u>U.S. DEPARTMENT OF LABOR</u>					
Passed Through State Department of Education:					
WIA	17.225	39-0005-3-01, 32-0005-3-01		(1)	\$ 10,102
Incentive Grants	17.267	010-093		\$ 3,000	<u>3,000</u>
Total					<u><u>13,102</u></u>
TOTAL U.S. DEPARTMENT OF LABOR					<u><u>\$ 13,102</u></u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
Passed Through State Department of Education:					
Child Care and Development	93.575	010-093		\$ 58,039	<u>58,039</u>
Total					<u><u>58,039</u></u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					<u><u>\$ 58,039</u></u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006
(continued)**

<u>Federal Grantor/ Pass-Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Major Federal Assist. Program</u>	<u>Program or Award Amount</u>	<u>Expenditures</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>					
Passed Through State Department of Education:					
Learn & Serve America	94.004	010-093		\$ 8,808	\$ <u>8,808</u>
Total					<u>8,808</u>
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					\$ <u>8,808</u>
<u>U.S. GENERAL SERVICES ADMINISTRATION</u>					
Passed Through The State Agency for Surplus Property:					
Surplus Property	39.003	010-093		(1) \$	<u>8,045</u>
Total					<u>8,045</u>
TOTAL U.S. GENERAL SERVICES ADMINISTRATION					\$ <u>8,045</u>
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>					
Passed Through Missouri State Library					
State Library Program	45.310	4LCP401TP		\$ 613	\$ <u>613</u>
Total					<u>613</u>
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES					\$ <u>613</u>
TOTAL FEDERAL ASSISTANCE					\$ <u>12,989,930</u>

(1) No specific award amount

COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2006

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 assistance programs which have not been assigned a CFDA number.

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

Basis of Presentation

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

The schedule presents both Type A and B federal assistance programs administered by the District. OMB Circular A-133 establishes the formula for determining the level of expenditures or disbursements to be used in defining Type A and B federal financial assistance programs. For the District, Type A programs are those which exceed \$389,698 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 \$34,529 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 \$378,961, valued at the cost assigned to those commodities by the U.S. Department of Agriculture.



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**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 Columbia Public School District as of and for the year ended June 30, 2006, and have issued our report thereon dated October 13, 2006. 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.

PARTNERS

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Columbia Public School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be 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 that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to the management of Columbia Public School District in a separate letter dated October 13, 2006.

This report is intended solely for the information and use of the audit committee, management, others within the District, the Board of Education, federal awarding agencies, 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.

October 13, 2006


Gerding, Korte and Chitwood
Certified Public Accountants



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PARTNERS

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

Board of Education
Columbia Public School District
Columbia, Missouri

Compliance

We have audited the compliance of Columbia Public School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. Columbia Public School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Columbia Public School District's management. Our responsibility is to express an opinion on Columbia Public School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Columbia Public School District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on 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, 2006.

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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the District, the Board of Education, federal awarding agencies, 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.

October 13, 2006


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, 2006**

Section I: Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
 - Reportable condition(s) identified that are not considered to be material weaknesses? _____ Yes X None
- reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
 - Reportable condition(s) identified that are not considered to be material weaknesses? _____ Yes X 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 X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010A	Title I - Program for Educationally Disadvantaged Students
84.027A	Education of the Handicapped
84.173A	Education of the Handicapped
10.553	School Breakfast
10.555	School Lunch
10.550	Food Distribution
84.367A	Title II.A
84.002A	Adult Education & Literacy
84.366B	Mathematics and Science Partnerships

Dollar threshold used to distinguish between type A and type B programs: \$389,698

Auditee qualified as low-risk auditee? _____ Yes X No

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AND SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2006**

Section II: Findings

None

Section III: Questioned Costs

None

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