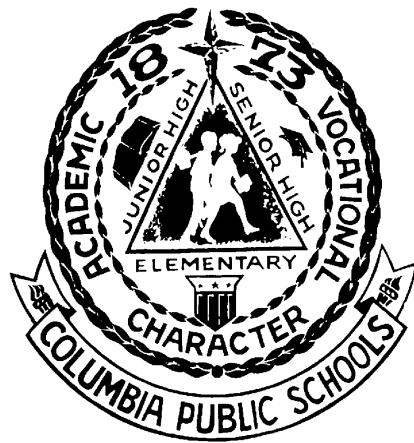


Comprehensive Annual Financial Report

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*Columbia Public School District
Columbia, Missouri*

For Fiscal Year Ended June 30, 2003

Introductory Section

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2003**

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

BOARD OF EDUCATION

Mr. Russell C. Still, President

Mr. J. C. Headley, Vice President

Mr. David P. Ballenger, Member

Dr. Kerry Crist, Member

Ms. Karla DeSpain, Member

Mr. Elton Fay, Member

Mr. Donald R. Ludwig, Member

Mr. Christopher L. Mallory, Secretary

Mr. Kevan Snell, Treasurer

SUPERINTENDENT OF SCHOOLS

Dr. Phyllis A. Chase, Superintendent

Dr. Jacque Cowherd, Deputy Superintendent

REPORT ISSUED BY DEPARTMENT OF BUSINESS SERVICES

Mr. Kevan Snell, Director of Business Services
Mr. Greg Silvey, Assistant Director of Business Services
Mr. David Martin, CPA
Mr. Brian Benter, CPA

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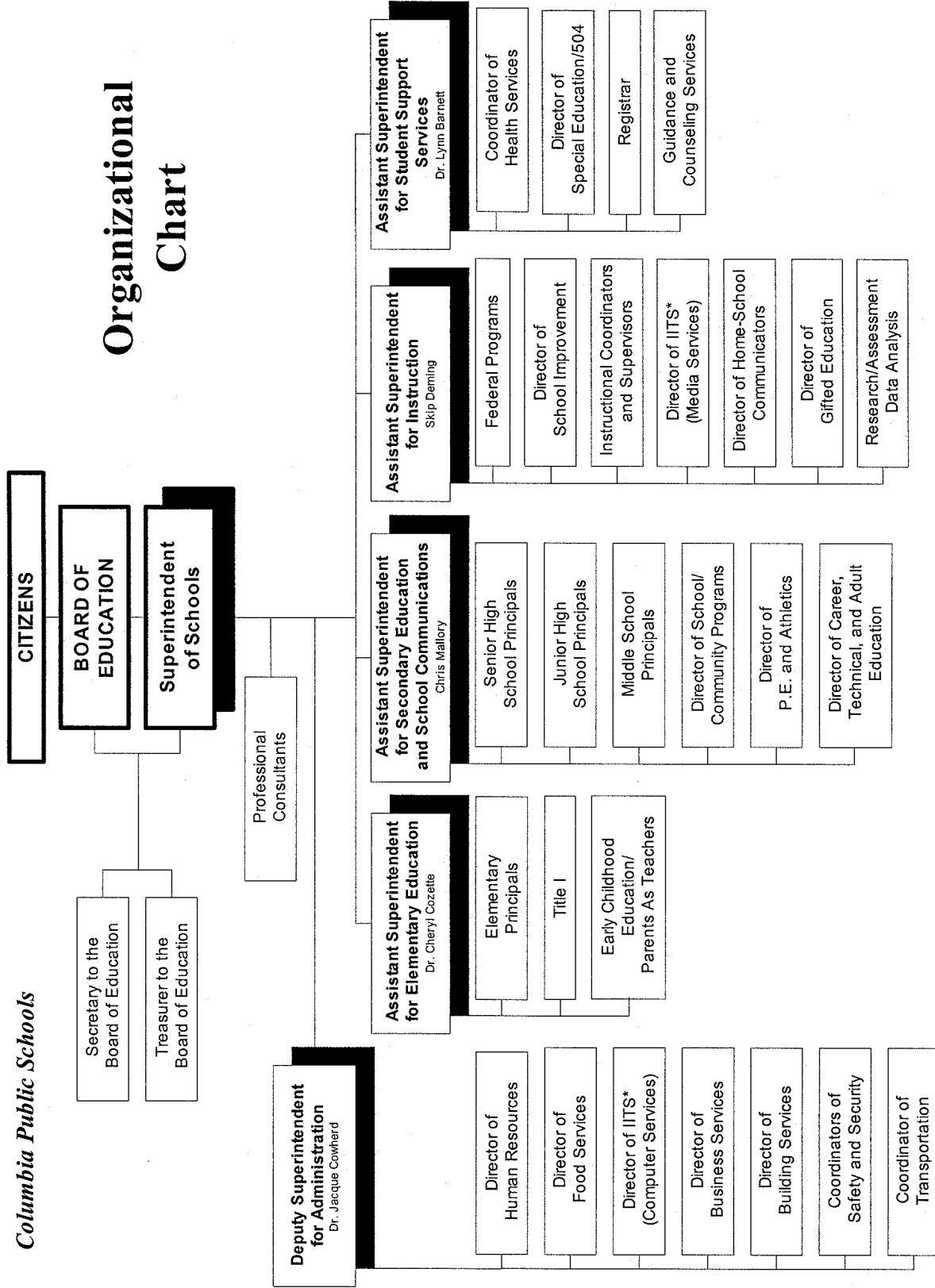
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Organizational Chart



*One position



Dr. Phyllis A. Chase
Superintendent of Schools

916 Bernadette Drive (573) 886-2129

Columbia, Missouri 65203

October 1, 2003

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

The Comprehensive Annual Financial Report of the Columbia Public School District, Columbia, Missouri, for the fiscal year ended June 30, 2003, is presented on the following pages. The Columbia Public School District (the District) is governed by an elected seven member Board of Directors (the Board). The Board is the basic level of government, which has financial accountability and control over all activities related to K-12 public school education in the District. The Board is not included in any other governmental "reporting entity", as defined by Governmental Accounting Standards Board (GASB) pronouncements, since Board members are elected by the public and have decision making authority and primary accountability for fiscal matters. In addition, there are no component units which are included in the District's reporting entity. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

The report is presented in five sections: introductory, financial, statistical, state compliance, and single audit. The introductory section includes a listing of elected Board of Education members and District administrators, an organizational chart, and this transmittal letter. The financial section includes the auditors' report, the management's discussion and analysis, the basic financial statements and supplementary information. The statistical section includes selected financial and demographic information. The state compliance section includes financial statements presented in the manner required by the state and selected statistics. The single audit section includes information regarding the District's compliance with OMB Circular A-133 related to federal financial assistance received by the District. Standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements.

The report has been prepared by the District's Business Office following the requirements and guidelines contained in the GASB Codification of Governmental Accounting and Financial Reporting Standards. All of the District's activities and funds are presented in this report and have been audited by the District's Certified Public Accountants, Gerding, Korte & Chitwood, P.C. The auditors' opinion is unqualified again this year.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors, in the financial section.

The area served by the Columbia Public School District encompasses 303 square miles and includes a population which is estimated to exceed 116,000. 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 approximately 16,100 students. Enrollment growth reflects the growth of the community. For the period 1993 through 2003 overall enrollment of the District increased by 17%. Projections for the next five years indicate that student enrollment will stabilize at current levels.

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 which are considered college preparatory to those which prepare students to enter particular vocations upon graduating from high school. The District also provides an extensive adult education program with approximately 9,900 part-time and full-time adult students enrolled annually in more than 1,080 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 which 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 12,000 students are eligible to be transported to and from school on a daily basis. One hundred thirty-five (135) school buses are used in the transportation program. Most buses serve multiple routes.

Accounting System and Budgetary Control

The District's accounting system for governmental funds reflects the modified accrual basis of accounting. The proprietary funds are maintained on an accrual basis of accounting. At the end of the year, the governmental funds are converted from the modified accrual basis to the accrual basis for presentation in district-wide financial statements. The District's budget and accounting records are maintained on the same basis of accounting. In developing the accounting system, consideration is given to the adequacy of internal accounting controls. We believe the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. However, the cost of internal controls should not outweigh the benefits and, therefore, the District's internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. Again, as management we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Overall budgetary control is maintained at the fund level in accordance with Missouri statutes. Over expenditure of a fund's budget requires full disclosure and approval via board resolution. Budgetary variances at the function and object level are reported to the District's administration monthly.

The budget process is a twelve-month cycle. Beginning in July of each year (through December), administrators evaluate existing programs and solicit budget requests from site and departmental budget managers for the following year. In January and February, administrators compile and prioritize district needs based on budget requests received. During March and April, the administration presents initial revenue and expenditure projections to the Board of Education as preliminary budget information for the following fiscal year. In May, the preliminary information is formally presented to the Board of Education as a *proposed budget*. A public hearing is then held on the budget by the Board of Education. In June, the administration presents a final budget recommendation to the Board. A second public hearing is held by the Board of Education on the budget. The Board then votes on the adoption of the budget for the following fiscal year.

Budget amendments can, and will, be made periodically as additional information becomes available regarding revenue sources, such as revised estimates of the District's assessed valuation, the determination of the District's annual tax rate, grant submittals or approvals, or new information regarding expenditures is received.

Economic Condition

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 16,100 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, electronics 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 (2.5% in June 2003).

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: Facilities Planning, Energy and Environmental Issues, Technology, and the Enrollment Planning Commission.

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 23 consecutive authorizations, totaling \$187.6 million, dating back to 1960. The District currently has \$8.8 million of a \$23.8 million authorization available for issuance, approved by the voters in April 2002. The first issue of this authorization, \$15 million, was issued in fiscal year 2003. The remaining \$8.8 million will be issued in fiscal year 2004.

Pension Trust Fund

The District's retirement programs are multi-employer plans created by, and operating under, Missouri statutes. The District contributes to these state retirement systems created by Chapter 169 of the Revised Missouri Statutes to provide retirement allowances for substantially all of its employees. Teachers are covered by the Public School Retirement System of Missouri and non-teachers are covered by the Non-Teacher School Employee Retirement System of Missouri. Both systems are advance funded plans, which are required by statute to remain in actuarial balance.

The current contribution rates are 10.5% and 5.0% respectively. Non-teachers also participate in the Social Security retirement plan. Contribution rates provide for funding the systems' liability for past service cost. The District has no direct responsibility for any unfunded liability in these State operated retirement programs.

Risk Management

The District self-funded the medical benefits program in September of 1982. Administration of the program is handled by a third party administrator. 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. Administration of this program is handled by a third party administrator. Stop-loss protection is maintained by policies purchased to cover aggregate claims exceeding 155% of premiums and specific claims in excess of \$250,000.

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.

Cash Management

Cash temporarily idle during the year was invested in U. S. Government Securities and a daily investment account.

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 10 basis points above the current weekly discount auction rate of 13 week 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 U.S. Government Securities with similar maturities.

Missouri statutes limit investments of school districts to the following:

- * Open time deposits for ninety days.
- * Certificates of deposit.
- * Bonds of the state of Missouri, of 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 bankers' acceptances.

Missouri statutes also require that the interest accruing from the investment of surplus funds be credited to the fund from which the money was invested.

Independent Audit

The Revised Statutes of the State of Missouri and the District's adopted policy require an audit of the books of accounts, financial records and transactions of all funds of the District. The audit is performed by independent certified public accountants who are selected by the District's Board of Education. This requirement has been complied with and the auditors' opinion has been included in this report.

Financial Reporting Awards

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. 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 U.S. generally accepted accounting principles and applicable legal requirements.

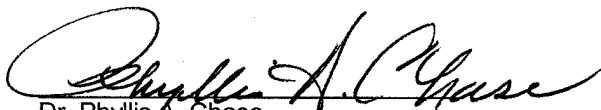
The awards are valid for a period of one year only. We believe our current report continues to conform to GFOA and ASBO requirements, and we will submit it for determination of its eligibility for renewed awards.

Closing Statement

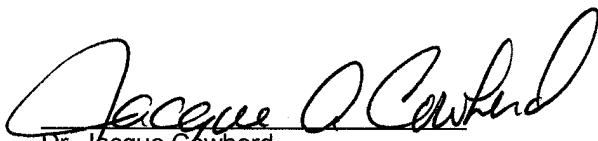
It is our intention that this Comprehensive Annual Financial Report will provide the District's management, outside investors, and interested local citizens with the most meaningful financial presentation possible. In this report, we are hopeful that all readers of the report will obtain a clear and concise picture of the District's financial condition as of June 30, 2003.

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. Jacque Cowherd,
Deputy Superintendent for Administration



Kevan Snell,
Director of Business Services

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, 2002

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


President


Executive Director

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, 2002

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.



President

Executive Director

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2003**

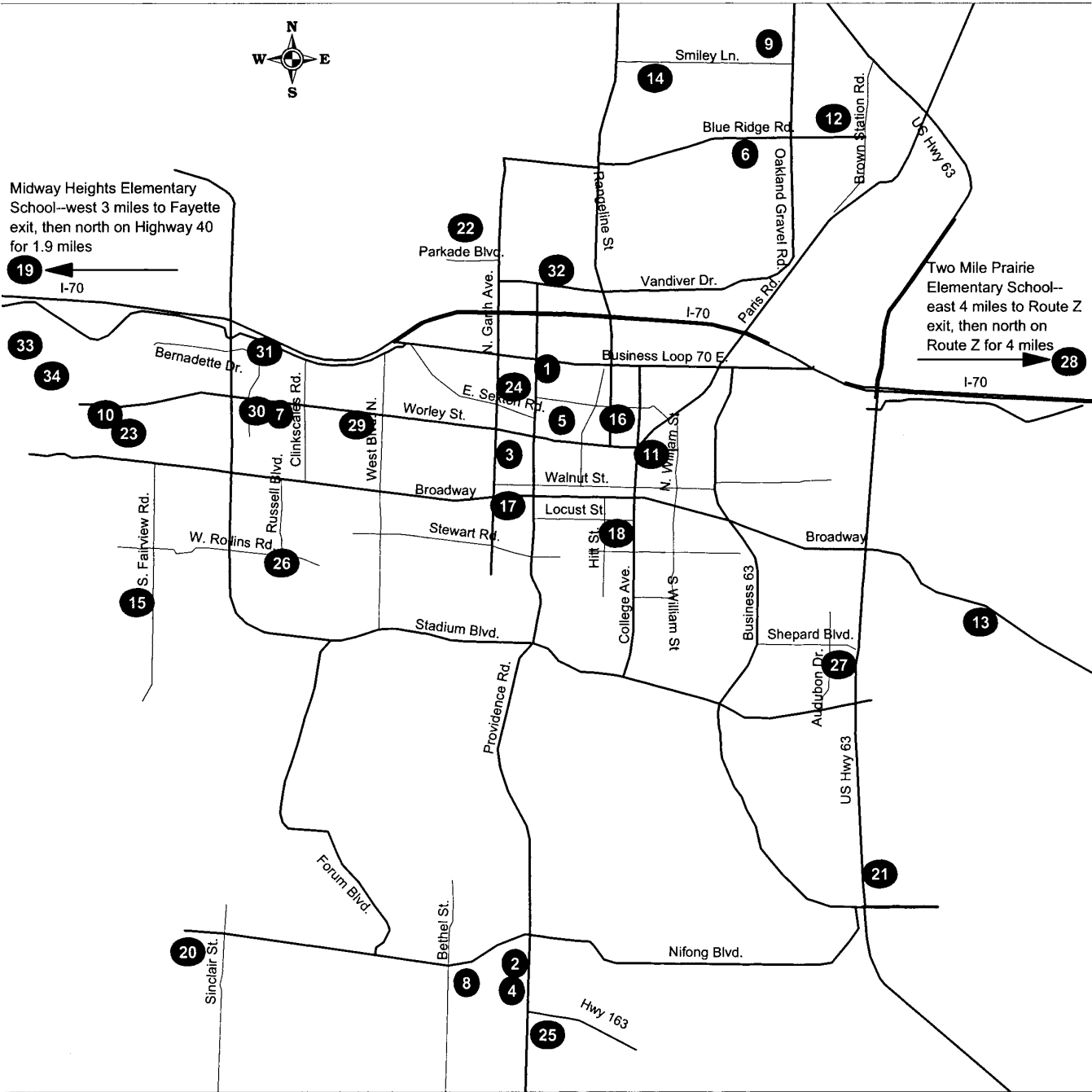
**COLUMBIA PUBLIC SCHOOL DISTRICT
1818 West Worley
Columbia, Missouri 65203**

DISTRICT ADMINISTRATION

Dr. Phyllis A. Chase	Superintendent of Schools
Dr. Jacque Cowherd	Deputy Superintendent for Administration
Skip Deming	Assistant Superintendent for Instruction
Dr. Cheryl Cozette	Assistant Superintendent for Elementary Education
Christopher L. Mallory	Assistant Superintendent for Secondary Education and School Communications/ Secretary to the Board of Education
Dr. Lynn Barnett	Assistant Superintendent for Student Support Services
Kevan Snell	Director of Business Services/ Treasurer to the Board of Education
Dr. Mary A. Laffey	Director of Human Resources
Jeaneal Alexander	Director of Special Education
Patricia Brooks	Director of Food Services

Columbia Public School District

School District Map



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

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Financial Section



GERDING, KORTE & CHITWOOD

Professional Corporation ♦ Certified Public Accountants
20 South Fifth Street ♦ Columbia, Missouri 65201
573-449-1599 ♦ FAX 573-443-8603

INDEPENDENT AUDITORS' REPORT

Board of Education
Columbia Public School District
Columbia, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2003, 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, each major fund, and the aggregate remaining fund information of the Columbia Public School District, Columbia, Missouri, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general and teachers funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 16 to the financial statements, the District has changed the accounting principle regarding the presentation of its nonmajor Adult Education Fund. In previous years, this fund was presented as a governmental fund. This year the fund has been reclassified as a proprietary fund.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 22, 2003, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering 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 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.

September 22, 2003


Certified Public Accountants

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2003**

The discussion and analysis of the Columbia Public School District's financial performance provides an overall review of financial activities 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 financial statements, and other supplemental 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 2003 fiscal year by \$57,906,126 (net assets). Of this amount, \$22,623,503 (unrestricted net assets) may be used to meet the District's ongoing obligations.
- Net assets of the District's Business-Type Activities, the school food services program and the adult education program, are \$2,037,616, with \$1,360,761 in unrestricted net assets.
- As of June 30, 2003, the governmental funds reported a combined ending fund balance of \$72,425,570, an increase of \$16,618,087 from the prior year. This increase was primarily the result of increases in the Capital Projects Fund of \$4,724,067 and in the Debt Service Fund of \$11,256,696. The increase in the Capital Projects Fund was related to the sale of \$15 million in general obligation bonds, the first issue of the \$23.8 million April 2002 bond authorization. The increase in the Debt Service Fund was related to the sale of refunding bonds in December 2002.
- The combined unreserved fund balance for the General Fund and Teachers Fund is \$28,098,952, or 23.9% of the FY03 expenditures of these funds.
- The net assets of the Internal Service Funds (established to account for the District's self-funded benefit programs) increased by \$1,178,043 as the result of a favorable year in claims experience. Also a contributing factor was the increase in "premiums" for the medical and dental programs for the 2002-03 fiscal year as a result of an evaluation of the rates by the District's employee benefits consultant.

Overview of the Financial Statements

This 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 financial statements, and
- combining and individual fund statements and schedules.

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

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2003**

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

The combining and individual fund statements and schedules further explain and support the financial statements with combining schedules for nonmajor funds and comparisons of the District's budget to actual amounts for the year.

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	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

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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net assets and how they have changed. Net assets, the difference between the District's assets and liabilities, are one way to measure the District's overall financial position.

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

In the district-wide financial statements, the District's activities are divided 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.

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 Food Services and Adult Education Funds, activities for which the District charges fees and for which revenues are expected to cover all expenses, are reported as proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

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- 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

Table 2 Condensed Statement of Net Assets June 30, 2003 With Comparative Totals for June 30, 2002 (In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Current and Other Assets	\$ 157,359	\$ 133,341	\$ 1,643	\$ 1,397	\$ 159,002	\$ 134,738
Capital Assets	121,918	115,428	677	594	122,595	116,022
Total Assets	<u>279,277</u>	<u>248,769</u>	<u>2,320</u>	<u>1,991</u>	<u>281,597</u>	<u>250,760</u>
Current Liabilities	83,293	76,772	156	151	83,449	76,923
Noncurrent Liabilities	140,115	120,344	126	126	140,241	120,470
Total Liabilities	<u>223,408</u>	<u>197,116</u>	<u>282</u>	<u>277</u>	<u>223,690</u>	<u>197,393</u>
Investment in Capital Assets, Net of Related Debt	15,044	13,592	677	594	15,721	14,186
Restricted for:						
Debt Service	6,997	6,009	-	-	6,997	6,009
Capital Projects	1,248	1,203	-	-	1,248	1,203
Teachers Salaries and Benefits	9,946	11,813	-	-	9,946	11,813
Other	1,371	1,861	-	-	1,371	1,861
Unrestricted	<u>21,263</u>	<u>17,175</u>	<u>1,361</u>	<u>1,120</u>	<u>22,624</u>	<u>18,295</u>
Total Net Assets	<u>\$ 55,869</u>	<u>\$ 51,653</u>	<u>\$ 2,038</u>	<u>\$ 1,714</u>	<u>\$ 57,907</u>	<u>\$ 53,367</u>

As shown in Table 2, the District's total net assets were \$57.9 million, as of June 30, 2003. Of this amount, \$22.6 million is unrestricted. The net assets of the District's business-type activities were \$2.0 million as of June 30, 2003, with \$1.4 million in unrestricted net assets.

Total net assets increased by \$4.5 million for the year ended June 30, 2003 (Table 2) representing an increase of 8.5%. Governmental activities were responsible for this improvement in the District's financial

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position with an increase in net assets of \$4.2 million, or 8.2% growth for the year. Business-type activities increased in net assets \$324,000, or 18.9% during fiscal year 2003.

Table 3 provides a summary of the changes in net assets for the year ended June 30, 2003.

Table 3 Changes In Net Assets from Operating Results Year Ended June 30, 2003 With Comparative Totals for Year Ended June 30, 2002 (In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,368	\$ 1,436	\$ 3,861	\$ 3,805	\$ 5,229	\$ 5,241
Operating Grants and Contributions	26,148	25,765	3,148	2,951	29,296	28,716
Capital Grants and Contributions	805	959	-	29	805	988
General Revenues:						
Property Taxes	63,124	60,302	-	-	63,124	60,302
Federal and State Aid	29,465	27,317	-	-	29,465	27,317
Other	14,785	17,334	-	-	14,785	17,334
Total Revenues	135,695	133,113	7,009	6,785	142,704	139,898
Expenses:						
Instruction	75,297	74,051	-	-	75,297	74,051
Support Services						
Pupil/Instructional Support	15,384	16,810	-	-	15,384	16,810
Administration	10,684	10,439	-	-	10,684	10,439
Operation of plant	14,420	13,477	-	-	14,420	13,477
Pupil Transportation	5,353	4,921	-	-	5,353	4,921
Other	3,799	3,495	-	-	3,799	3,495
Interest Payments	6,542	6,196	-	-	6,542	6,196
Food Services	-	-	4,666	4,566	4,666	4,566
Adult Education	-	-	2,019	2,032	2,019	2,032
Total Expenses	131,479	129,389	6,685	6,598	138,164	135,987
Increase (decrease) in net assets	\$ 4,216	\$ 3,724	\$ 324	\$ 187	\$ 4,540	\$ 3,911

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental and Business-Type Activities

As shown in Table 3, general revenues provide 79.1% of the funding for governmental activities but 0% of the funding for business-type activities. The Columbia Public School District relies on property taxes for funding its governmental activities with 56.2% of general revenues coming from local property taxes.

The improvement in the District's overall financial position can be directly attributed to several factors:

- Current property tax collections exceeded the budgeted amount for fiscal year 2003 by a total of approximately \$705,200. The collection ratio for current property taxes exceeded the three year collection average by 1.03% (95.87% for 2003 versus 94.84% average for the preceding three years) and the final assessed valuation was better than the estimate used for the amended budget (\$1,337,034,886 versus \$1,329,506,025).
- The District budgets each year for special maintenance projects and contingencies. This past year, funds were not entirely used in this area, creating a positive variance of \$184,616.
- The District received additional Medicaid reimbursement of \$142,505 through increased recordkeeping efforts and by using a consultant to file the necessary reimbursement forms.
- Several departments did not spend the amount budgeted and/or contracted services were not needed, to the extent budgeted, creating a positive budget variance of \$661,462.
- In March 2003, the District sold the first installment, \$15 million, of the \$23.8 million general obligation bond authorization approved by the voters in April 2002. The bonds will be used for various building additions and renovation projects and to purchase furniture and equipment.
- In December 2002, the District issued \$14,320,000 in refunding bonds for the purpose of refunding two outstanding general obligation bonds: a June 1, 1996 issue and a June 1, 2000 issue. This included a current refunding of \$4,110,000 of the June 1, 1996 issue on March 1, 2003 and \$10,000,000 to crossover refund the June 1, 2000 issue on March 1, 2005. This refunding resulted in a net present value savings of \$640,375.
- The District's business-type activities contributed to the overall financial improvement of the District, with the Food Service Fund increasing its Net Assets for the year by \$215,282 and the Adult Education Fund increasing its Net Assets by \$108,739.

Table 4 presents the cost of each of the major district governmental and business-type activities: instruction, pupil support services, administration, other support services, debt service, depreciation, food services program, adult education program and other expenses. The table also shows each activity's net cost (total cost less revenues generated by the activities). The net cost shows the financial obligation that was incurred by the District's taxpayers for each of these functions.

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Table 4 Net Cost of Governmental and Business-Type Activities For Year Ended June 30, 2003 With Comparative Totals for Year Ended June 30, 2002 (In Thousands)				
	Total Cost of Services		Net Cost of Services	
	2003	2002	2003	2002
Governmental Activities				
Instruction	\$ 75,297	\$ 74,051	\$ 52,536	\$ 52,098
Pupil/Instructional Support	15,384	16,810	14,513	15,870
Administration	10,684	10,439	10,684	9,967
Operation of plant	14,420	13,477	14,285	13,323
Pupil Transportation	5,353	4,921	2,823	2,155
Other	3,799	3,495	1,775	1,620
Interest Payments	6,542	6,196	6,542	6,196
Total Governmental Activities	131,479	129,389	103,158	101,229
Business-Type Activities				
Food Services Program	4,666	4,566	(215)	(80)
Adult Education	2,019	2,032	(109)	(107)
Total	\$ 138,164	\$ 135,987	\$ 102,834	\$ 101,042

Table 4 provides the following highlights:

- The total cost of all governmental activities for fiscal year 2003 was \$131.5 million.
- Instruction represents 57.3% of the total cost of all governmental activities of the District.
- Pupil/Instructional Support Services (this area includes Guidance, Media Services – Library, Health/Psychology/Speech services and attendance services) represents 11.7% of the total cost of all governmental activities of the District.
- Administration (includes Board of Education, District, Building and Business Services) represents 8.1% of the total cost of all governmental activities.
- The net cost of all governmental activities was \$103.2 million, because \$28.3 million of the total cost was financed by revenues generated by the governmental activities.
- For business-type activities, the food services and adult education programs, revenues exceeded expenses by approximately \$324,000.
- Charges for services in the food services program represent \$2.7 million, or 57.2% of the total expenses of the program.
- Operating grants and contributions for the food services program, which includes federal and state aid, including payment for free and reduced meals and commodities totaled \$2.2 million, or 47.4% of the total expenses of the program.

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- Charges for services in the adult education program represent \$1.2 million, or 59.1% of the total expenses of the program.
- Operating grants and contributions for the adult education program, which includes federal and state aid, totaled \$934,896, or 46.3% of the total expenses of the program.

Financial Analysis of the District's Funds

The strong financial performance of the District as a whole is reflected in its governmental funds. The District completed the year with a total governmental fund balance of \$72,425,570. This is an increase of \$16,618,087 from the previous year. This increase was primarily related to activities in the Capital Projects and Debt Services Funds.

The fund balance increased in the Capital Projects Fund by \$4,724,067. The final budget reflected a projected increase in the balance of the Capital Projects Fund by \$4,163,541. This positive variance, of \$560,526, was due to the status of certain projects at year-end and equipment purchases for 2002-03. In 2002-03, the District sold \$15 million of the \$23.8 million bonds authorized by the voters in April 2002 and will sell the remaining authorization (\$8.8 million) in 2003-04.

The fund balance increased in the Debt Services by \$11,256,696, with a positive variance of \$47,823 from the final budget. The increase in the fund balance was primarily the result of the District refunding two general obligation issues in December 2002 and establishing an irrevocable escrow account for the refunding. The District issued \$14,320,000 in refunding bonds for a current refunding on March 1, 2003 of \$4,110,000 and a crossover refunding of \$10,000,000 on March 1, 2005. This refunding resulted in a net present value savings of \$640,375.

The District budgeted a surplus in the General Fund of \$1,966,088, but ended the year with a surplus of \$2,586,025, or a positive variance of \$619,937. This variance (positive) from the final budget was the result of expenditures being significantly under budget and partially offset by revenues being under budget as well. Explanations for significant variances from budget, both revenues and expenditures, include:

- The major shortfall in revenues for 2003 involved State reductions that occurred at the end of the year for the Basic State Aid Formula program. The District experienced a shortfall of \$632,220 in State aid in the General Fund for 2003.
- The District received \$160,237 less from intermediate sources (county) than budgeted. This included \$95,210 less in state assessed property revenues and \$65,027 less in county stock insurance revenues.
- The District experienced a favorable variance in the area of maintenance including utilities, special projects, rental and insurance expenditures with a positive budget variance for 2003 of \$537,326.
- Departments not spending the amount budgeted and creating a positive variance in the amount of \$661,462, which by policy, appropriations lapse at year-end.
- Salaries and benefits contributed to a smaller degree to the overall variance in the General Fund with a positive variance from budget of \$180,902.

The District had budgeted a deficit in the Teachers Fund of \$1,690,582 but ended the year with a deficit of \$1,845,162, or a negative variance of \$154,580. This variance from the final budget was the result of

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2003**

revenues being significantly under budget but partially offset by expenditures being under budget as well. The shortfall in the revenues involved the State reductions in the Basic State Aid Formula program that occurred at the end of the year that resulted in a reduction in revenues of \$1,168,478 for the District in the Teachers Fund. Other state revenues were short from budget estimates by \$223,756. The District received \$171,078 less from intermediate sources (county) than budgeted, including \$49,160 from state assessed property and \$121,918 from county stock insurance due to the use of tax credits. This shortfall in revenues in the Teachers Fund was almost totally offset by a reduction in expenditures, or a positive variance in the expenditures budget. This variance was in salaries and benefits in the Teachers Fund and the result of turnover in staff from 2001-02 to 2002-03 (replacement staff hired at a lower salary base).

General Fund Budgetary Highlights

The District adopts a "final" 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 fiscal year 2003, the budget for the General Fund was amended on three occasions for the following reasons:

- Increased revenues \$508,307 in Basic State Aid due an increase in the estimated eligible pupils.
- Decreased revenues \$173,594 for current property tax revenues due to preliminary assessed valuation less than budgeted amount.
- Increased revenues \$150,000 due to new information being received regarding processing of Medicaid reimbursements.
- Increased expenditures \$195,000 for the Teaching Fellows program due to an expansion of the program.
- Increased expenditures \$98,425 for property insurance due to increased rates and property values.
- Increased expenditures \$123,010 for vocational matching funds for use with the enhancement grants.
- Increased expenditures \$148,765 for maintenance services to complete prior year projects.

The above items were the more significant items amended in the General Fund budget for fiscal year 2003. The original budget, as approved in June 2002, projected a surplus of \$1,735,491. The final budget, as amended, projected a surplus of \$1,966,088. However, as explained previously, the General Fund ended the year with a surplus of \$2,586,025.

Capital Assets

As of June 30, 2003, the District had \$121,918,116, net of depreciation, in governmental activities invested in land, buildings and equipment and \$676,855, net of depreciation, in business-type activities invested in furniture and equipment. This also includes construction in progress of \$5,530,271 as of year-end. (More detailed information regarding capital assets can be found in the notes to the financial statements, Note 10).

The District completed capital improvements projects totaling \$14.4 million. This included \$11 million for the new Paxton Keeley Elementary School approved by the voters as part of the 2000 bond authorization.

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In addition, the District started new capital improvements totaling \$5.5 million, which included \$4.4 million for additions at Hickman High School. Other improvements included renovations to various schools 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 5 provides a summary of the District's capital assets as of June 30, 2003.

Table 5 Capital Assets June 30, 2003 With Comparative Totals for June 30, 2002 (Net of Depreciation, In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Land	\$ 3,861	\$ 3,836	\$ 38	\$ 38	\$ 3,899	\$ 3,874
Construction in Progress	5,530	12,944	-	-	5,530	12,944
Buildings	108,578	94,804	201	204	108,779	95,008
Mobile Classrooms	1,376	1,465	-	-	1,376	1,465
Equipment and Furniture	2,573	2,380	438	352	3,011	2,732
Total	\$ 121,918	\$ 115,429	\$ 677	\$ 594	\$ 122,595	\$ 116,023

Debt Administration

As of June 30, 2003, the District had \$138,940,000 in general obligation bonds outstanding. The District issued \$15 million in general obligation bonds, dated March 1, 2003, which was the first issue of a \$23 million authorization approved by the voters in April 2002. (More detailed information regarding long-term debt can be found in the notes to the financial statements, Note 9).

The outstanding general obligation bonds of the District have a Moody's rating of Aa2.

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 office of the Director of Business Services, Columbia Public School District, 916 Bernadette Drive, Columbia, MO, 65203.

BASIC FINANCIAL STATEMENTS

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**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2003**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 10,529,137	\$ 1,130,062	\$ 11,659,199
Investments	58,281,439	-	58,281,439
Receivables (Net of Allowance for Uncollectibles)			
Local	72,060,332	-	72,060,332
County	250,376	-	250,376
State	1,219,801	2,932	1,222,733
Federal	341,500	349,745	691,245
Other	58,732	-	58,732
Inventories	292,679	158,439	451,118
Prepaid Expenses	134,835	1,920	136,755
Restricted Assets			
Investment with Fiscal Agent - Refunding Escrow	14,190,058	-	14,190,058
Capital Assets (Net of Accumulated Depreciation)			
Land	3,861,080	37,763	3,898,843
Construction in Progress	5,530,271	-	5,530,271
Buildings	108,577,948	201,177	108,779,125
Mobile Classrooms	1,375,765	-	1,375,765
Furniture and Equipment	2,573,052	437,915	3,010,967
Total Assets	<u>279,277,005</u>	<u>2,319,953</u>	<u>281,596,958</u>
LIABILITIES			
Accounts Payable	3,940,144	14,235	3,954,379
Accrued Salaries and Payroll Taxes	7,305,356	12,043	7,317,399
Accrued Interest Payable	2,344,756	-	2,344,756
Deferred Revenue	69,702,944	129,421	69,832,365
Noncurrent Liabilities			
Due within One Year	6,670,000	45,000	6,715,000
Due in More than One Year	119,640,295	81,638	119,721,933
Liabilities Payable from Restricted Assets	13,805,000	-	13,805,000
Total Liabilities	<u>223,408,495</u>	<u>282,337</u>	<u>223,690,832</u>
NET ASSETS			
Investment in Capital Assets, Net of Related Debt	15,044,065	676,855	15,720,920
Restricted for:			
Debt Service	6,996,796	-	6,996,796
Capital Projects	1,247,623	-	1,247,623
Teachers Salaries and Benefits	9,946,435	-	9,946,435
Other	1,370,849	-	1,370,849
Unrestricted	21,262,742	1,360,761	22,623,503
Total Net Assets	<u>\$ 55,868,510</u>	<u>\$ 2,037,616</u>	<u>\$ 57,906,126</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, 2003**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>
Governmental Activities		
Instruction		
Regular Instruction	\$ 52,507,413	\$ 157,080
Special Education	18,155,878	-
Vocational Instruction	3,505,684	37,875
Student Activities - Athletics	779,063	113,757
Tuition to Other Districts	349,088	49,094
Total Instruction	<u>75,297,126</u>	<u>357,806</u>
Support Services		
Attendance	147,998	-
Guidance and Counseling	4,797,385	-
Health and Ancillary Services	2,630,980	15,000
Improvement of Instruction	2,219,231	-
Media Services	5,588,187	2,103
Board Services	316,632	-
General Administration	1,733,066	-
Building Administration	7,562,808	-
Business, Central Services	1,071,247	-
Operation of Plant	14,420,078	135,007
Pupil Transportation	5,353,259	-
Adult Literacy	385,942	233,924
Community Services	3,413,094	623,925
Total Support Services	<u>49,639,907</u>	<u>1,009,959</u>
Non-Instruction/Support Services		
Interest Payments, Bonds	6,541,783	-
Total Non-Instruction/Support Services	<u>6,541,783</u>	<u>-</u>
Total Governmental Activities	<u>131,478,816</u>	<u>1,367,765</u>
Business-Type Activities		
Food Services	4,665,802	2,667,828
Adult Education	2,019,107	1,192,950
Total Business-Type Activities	<u>6,684,909</u>	<u>3,860,778</u>
Totals	<u>\$ 138,163,725</u>	<u>\$ 5,228,543</u>

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

Program Revenues		Net (Expenses) Revenues and Changes in Net Assets		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
\$ 9,802,693	\$ -	\$ (42,547,640)	\$ -	\$ (42,547,640)
11,076,970	27,758	(7,051,150)	-	(7,051,150)
817,818	678,571	(1,971,420)	-	(1,971,420)
-	-	(665,306)	-	(665,306)
-	-	(299,994)	-	(299,994)
<u>21,697,481</u>	<u>706,329</u>	<u>(52,535,510)</u>		<u>(52,535,510)</u>
13,000	-	(134,998)	-	(134,998)
-	-	(4,797,385)	-	(4,797,385)
85,500	-	(2,530,480)	-	(2,530,480)
599,623	-	(1,619,608)	-	(1,619,608)
56,915	98,399	(5,430,770)	-	(5,430,770)
-	-	(316,632)	-	(316,632)
-	-	(1,733,066)	-	(1,733,066)
-	-	(7,562,808)	-	(7,562,808)
-	-	(1,071,247)	-	(1,071,247)
-	-	(14,285,071)	-	(14,285,071)
2,530,132	-	(2,823,127)	-	(2,823,127)
88,925	-	(63,093)	-	(63,093)
1,077,044	-	(1,712,125)	-	(1,712,125)
<u>4,451,139</u>	<u>98,399</u>	<u>(44,080,410)</u>		<u>(44,080,410)</u>
-	-	(6,541,783)	-	(6,541,783)
-	-	(6,541,783)	-	(6,541,783)
<u>26,148,620</u>	<u>804,728</u>	<u>(103,157,703)</u>		<u>(103,157,703)</u>
2,213,256	-	-	215,282	215,282
934,896	-	-	108,739	108,739
<u>3,148,152</u>	<u>-</u>	<u>-</u>	<u>324,021</u>	<u>324,021</u>
\$ <u>29,296,772</u>	\$ <u>804,728</u>	<u>(103,157,703)</u>	<u>324,021</u>	<u>(102,833,682)</u>
General Revenues				
Taxes				
Property Taxes, Levied for General Purposes		52,344,047	-	52,344,047
Property Taxes, Levied for Debt Services		10,647,071	-	10,647,071
Property Taxes, Levied for Capital Projects		132,560	-	132,560
Other Taxes		13,100,932	-	13,100,932
Federal and State Aid Not Restricted to Specific Purposes				
General		29,464,863	-	29,464,863
Interest and Investment Earnings		1,111,562	-	1,111,562
Miscellaneous		572,386	-	572,386
Total, General Revenues		<u>107,373,421</u>	<u>-</u>	<u>107,373,421</u>
Changes in Net Assets		4,215,718	324,021	4,539,739
Net Assets, July 1, as Restated (Note 16)		51,652,792	1,713,595	53,366,387
Net Assets, June 30		<u>\$ 55,868,510</u>	<u>\$ 2,037,616</u>	<u>\$ 57,906,126</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2003**

	<u>General</u>	<u>Teachers</u>	<u>Debt Service</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,585,131	\$ -	\$ 4,740,812
Investments	20,537,131	9,529,599	3,990,393
Receivables (Net of Allowance for Uncollectibles)			
Local	23,611,302	36,921,841	11,367,544
County	-	250,376	-
State	410,692	758,870	-
Federal	295,737	17,004	-
Other	7,274	-	-
Inventories	292,679	-	-
Prepaid Expenditures	134,835	-	-
Restricted Assets			
Investments with Fiscal Agent - Refunding Escrow	-	-	14,190,058
Total Assets	<u>47,874,781</u>	<u>47,477,690</u>	<u>34,288,807</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	359,244	189,400	5,825
Accrued Salaries and Payroll Taxes	6,101,636	1,195,476	-
Deferred Revenue	22,434,116	36,546,133	11,261,739
Total Liabilities	<u>28,894,996</u>	<u>37,931,009</u>	<u>11,267,564</u>
Fund Balances			
Reserved for			
Debt Service	-	-	14,190,058
Inventories	292,679	-	-
Prepaid Expenditures	134,835	-	-
Unreserved Reported in			
General Fund	18,552,271	-	-
Special Revenue Funds	-	9,546,681	-
Debt Service Fund	-	-	8,831,185
Capital Projects Fund	-	-	-
Total Fund Balances	<u>18,979,785</u>	<u>9,546,681</u>	<u>23,021,243</u>
Total Liabilities and Fund Balances	<u>\$ 47,874,781</u>	<u>\$ 47,477,690</u>	<u>\$ 34,288,807</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>
\$ -	\$ 1,364,602	\$ 8,690,545
21,950,230	-	56,007,353
159,645	-	72,060,332
-	-	250,376
-	50,239	1,219,801
-	28,759	341,500
-	26,601	33,875
-	-	292,679
-	-	134,835
-	-	14,190,058
<u>22,109,875</u>	<u>1,470,201</u>	<u>153,221,354</u>
2,462,595	27,452	3,044,516
-	8,244	7,305,356
<u>140,268</u>	<u>63,656</u>	<u>70,445,912</u>
<u>2,602,863</u>	<u>99,352</u>	<u>80,795,784</u>
-	-	14,190,058
-	-	292,679
-	-	134,835
-	-	18,552,271
-	1,370,849	10,917,530
-	-	8,831,185
<u>19,507,012</u>	<u>-</u>	<u>19,507,012</u>
<u>19,507,012</u>	<u>1,370,849</u>	<u>72,425,570</u>
\$ <u>22,109,875</u>	\$ <u>1,470,201</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	121,918,116
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds	742,968
Internal service funds are used by management to charge the costs of providing employee benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets	3,241,907
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>(142,460,051)</u>
Net assets of governmental activities	\$ <u>55,868,510</u>

COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2003

	General	Teachers
REVENUES		
Local	\$ 27,598,341	\$ 38,913,394
County	697,336	896,184
State	16,222,887	27,555,391
Federal	2,871,350	3,663,169
Tuition Other Districts	37,875	49,094
Total Revenues	47,427,789	71,077,232
EXPENDITURES		
Current		
Instruction		
Regular Instruction	8,450,557	43,592,172
Special Instruction	4,654,155	13,474,981
Vocational Instruction	736,850	2,175,533
Student Activities - Athletics	430,311	340,243
Tuition Other Districts	-	349,088
Total Instruction	14,271,873	59,932,017
Pupil Support Services		
Attendance	150,454	-
Guidance and Counseling	1,947,701	2,812,962
Health and Ancillary Services	1,676,549	877,616
Improvement of Instruction	1,064,660	1,158,886
Media Services	2,030,426	1,678,801
Total Support Services	6,869,790	6,528,265
Administration		
Board Services	316,632	-
General Administration	716,358	886,066
Building Administration	2,849,560	4,786,728
Business, Central Services	802,091	-
Total Administration	4,684,641	5,672,794
Other		
Operation of Plant	12,422,145	129,887
Pupil Transportation	5,353,642	-
Adult Literacy	7,364	46,836
Community Services	1,056,837	788,067
Total Other	18,839,988	964,790
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	44,666,292	73,097,866
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	2,761,497	(2,020,634)
OTHER FINANCING SOURCES (USES)		
General Obligation Bonds Issued	-	-
Refunding Bonds Issued	-	-
Transfers In	-	175,472
Transfers Out	(175,472)	-
NET CHANGE IN FUND BALANCES	2,586,025	(1,845,162)
FUND BALANCES, JULY 1	16,393,760	11,391,843
FUND BALANCES, JUNE 30	\$ 18,979,785	\$ 9,546,681

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
\$	11,322,281	\$ 395,497	\$ 988,591	\$ 79,218,104
	223,616	5,293	-	1,822,429
	1,358,643	79,727	2,234,924	47,451,572
	-	-	723,794	7,258,313
	-	-	-	86,969
	<u>12,904,540</u>	<u>480,517</u>	<u>3,947,309</u>	<u>135,837,387</u>
	-	-	835,190	52,877,919
	-	-	259,459	18,388,595
	-	-	658,977	3,571,360
	-	-	-	770,554
	-	-	-	349,088
	-	-	<u>1,753,626</u>	<u>75,957,516</u>
	-	-	-	150,454
	-	-	80,444	4,841,107
	-	-	99,726	2,653,891
	-	-	2,300	2,225,846
	-	-	178,567	3,887,794
	-	-	<u>361,037</u>	<u>13,759,092</u>
	-	-	-	316,632
	-	-	-	1,602,424
	-	-	-	7,636,288
	-	-	-	802,091
	-	-	-	<u>10,357,435</u>
	-	-	4,184	12,556,216
	-	-	-	5,353,642
	-	-	346,684	400,884
	-	-	1,585,317	3,430,221
	-	-	<u>1,936,185</u>	<u>21,740,963</u>
	9,605,000	-	-	9,605,000
	6,362,844	-	-	6,362,844
	<u>15,967,844</u>	-	-	<u>15,967,844</u>
	-	2,787,145	-	2,787,145
	-	165,215	-	165,215
	-	71,818	-	71,818
	-	<u>7,732,272</u>	-	<u>7,732,272</u>
	-	10,756,450	-	10,756,450
	<u>15,967,844</u>	<u>10,756,450</u>	<u>4,050,848</u>	<u>148,539,300</u>
	(3,063,304)	(10,275,933)	(103,539)	(12,701,913)
	-	15,000,000	-	15,000,000
	14,320,000	-	-	14,320,000
	-	-	-	175,472
	-	-	-	<u>(175,472)</u>
	11,256,696	4,724,067	(103,539)	16,618,087
	<u>11,764,547</u>	<u>14,782,945</u>	<u>1,474,388</u>	<u>55,807,483</u>
\$	<u>23,021,243</u>	\$ <u>19,507,012</u>	\$ <u>1,370,849</u>	\$ <u>72,425,570</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2003**

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

Net change in fund balances of total governmental funds	\$	16,618,087
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		6,489,464
Revenues in the Statement of Activities that do not provide current financial resources are not reported in the funds		(40,273)
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		(19,715,000)
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		(259,152)
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		135,679
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		(191,130)
Internal service funds are used by the District to charge the costs of employee benefits to individual funds. The net revenue of internal service funds is reported with governmental activities		1,178,043
Change in net assets of governmental activities	\$	<u><u>4,215,718</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, 2003**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local	\$ 27,269,127	\$ 27,590,285	\$ 27,598,341	\$ 8,056
County	857,573	857,573	697,336	(160,237)
State	16,178,437	16,869,942	16,222,887	(647,055)
Federal	2,708,774	3,037,393	2,871,350	(166,043)
Tuition Other Districts	51,625	51,625	37,875	(13,750)
Total Revenues	<u>47,065,536</u>	<u>48,406,818</u>	<u>47,427,789</u>	<u>(979,029)</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	8,529,184	8,879,562	8,450,557	429,005
Special Instruction	4,734,561	4,880,423	4,654,155	226,268
Vocational Instruction	631,919	754,929	736,850	18,079
Student Activities - Athletics	512,724	512,724	430,311	82,413
Total Instruction	<u>14,408,388</u>	<u>15,027,638</u>	<u>14,271,873</u>	<u>755,765</u>
Pupil Support Services				
Attendance	165,035	165,035	150,454	14,581
Guidance and Counseling	2,060,422	2,161,874	1,947,701	214,173
Health and Ancillary Services	1,700,393	1,729,348	1,676,549	52,799
Improvement of Instruction	1,090,626	1,275,801	1,064,660	211,141
Media Services	1,944,352	1,979,352	2,030,426	(51,074)
Total Support Services	<u>6,960,828</u>	<u>7,311,410</u>	<u>6,869,790</u>	<u>441,620</u>
Administration				
Board Services	320,000	320,000	316,632	3,368
General Administration	775,571	775,571	716,358	59,213
Building Administration	2,781,706	2,787,706	2,849,560	(61,854)
Business, Central Services	1,011,589	883,960	802,091	81,869
Total Administration	<u>4,888,866</u>	<u>4,767,237</u>	<u>4,684,641</u>	<u>82,596</u>
Other				
Operation of Plant	12,881,491	# 13,143,973	12,422,145	721,828
Pupil Transportation	5,182,548	5,182,548	5,353,642	(171,094)
Adult Literacy	8,565	8,565	7,364	1,201
Community Services	999,359	999,359	1,056,837	(57,478)
Total Other	<u>19,071,963</u>	<u>19,334,445</u>	<u>18,839,988</u>	<u>494,457</u>
Total Expenditures	<u>45,330,045</u>	<u>46,440,730</u>	<u>44,666,292</u>	<u>1,774,438</u>
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	1,735,491	1,966,088	2,761,497	795,409
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(175,472)	(175,472)
NET CHANGE IN FUND BALANCE	1,735,491	1,966,088	2,586,025	619,937
FUND BALANCE, JULY 1	16,393,760	16,393,760	16,393,760	-
FUND BALANCE, JUNE 30	<u>\$ 18,129,251</u>	<u>\$ 18,359,848</u>	<u>\$ 18,979,785</u>	<u>\$ 619,937</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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local	\$ 38,873,403	\$ 38,766,205	\$ 38,913,394	\$ 147,189
County	755,292	1,067,262	896,184	(171,078)
State	28,159,483	28,847,664	27,555,391	(1,292,273)
Federal	3,877,393	4,078,595	3,663,169	(415,426)
Tuition Other Districts	82,625	82,625	49,094	(33,531)
Total Revenues	<u>71,748,196</u>	<u>72,842,351</u>	<u>71,077,232</u>	<u>(1,765,119)</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	44,472,264	44,507,264	43,592,172	915,092
Special Instruction	13,989,328	14,115,360	13,474,981	640,379
Vocational Instruction	2,241,063	2,241,063	2,175,533	65,530
Student Activities - Athletics	348,441	348,441	340,243	8,198
Tuition Other Districts	250,000	250,000	349,088	(99,088)
Total Instruction	<u>61,301,096</u>	<u>61,462,128</u>	<u>59,932,017</u>	<u>1,530,111</u>
Pupil Support Services				
Guidance and Counseling	2,833,779	2,739,827	2,812,962	(73,135)
Health and Ancillary Services	930,200	930,200	877,616	52,584
Improvement of Instruction	1,207,465	1,251,027	1,158,886	92,141
Media Services	1,723,916	1,723,916	1,678,801	45,115
Total Support Services	<u>6,695,360</u>	<u>6,644,970</u>	<u>6,528,265</u>	<u>116,705</u>
Administration				
General Administration	906,952	906,952	886,066	20,886
Building Administration	4,667,059	4,667,059	4,786,728	(119,669)
Total Administration	<u>5,574,011</u>	<u>5,574,011</u>	<u>5,672,794</u>	<u>(98,783)</u>
Other				
Operation of Plant	-	-	129,887	(129,887)
Adult Literacy	47,592	47,592	46,836	756
Community Services	804,232	804,232	788,067	16,165
Total Other	<u>851,824</u>	<u>851,824</u>	<u>964,790</u>	<u>(112,966)</u>
Total Expenditures	<u>74,422,291</u>	<u>74,532,933</u>	<u>73,097,866</u>	<u>1,435,067</u>
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	(2,674,095)	(1,690,582)	(2,020,634)	(330,052)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	175,472	175,472
NET CHANGE IN FUND BALANCE	(2,674,095)	(1,690,582)	(1,845,162)	(154,580)
FUND BALANCE, JULY 1	<u>11,391,843</u>	<u>11,391,843</u>	<u>11,391,843</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 8,717,748</u>	<u>\$ 9,701,261</u>	<u>\$ 9,546,681</u>	<u>\$ (154,580)</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, 2003**

	<u>Business-Type Activities- Nonmajor Enterprise Funds</u>	<u>Governmental Activities- Internal Service Funds</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,130,062	\$ 1,838,592
Investments	-	2,274,086
Receivables (Net of Allowance for Uncollectibles) -		
State	2,932	-
Federal	349,745	-
Other	-	24,857
Inventories	158,439	-
Prepaid Expenses	1,920	-
Total Current Assets	<u>1,643,098</u>	<u>4,137,535</u>
Noncurrent Assets		
Capital Assets (Net of Accumulated Depreciation)		
Land	37,763	-
Buildings	201,177	-
Furniture and Equipment	437,915	-
Total Noncurrent Assets	<u>676,855</u>	<u>-</u>
Total Assets	<u>2,319,953</u>	<u>4,137,535</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	14,235	895,628
Accrued Salaries and Payroll Taxes	12,043	-
Deferred Revenue	129,421	-
Total Current Liabilities	<u>155,699</u>	<u>895,628</u>
Noncurrent Liabilities		
Liability for Long - Term		
Compensated Absences	126,638	-
Total Liabilities	<u>282,337</u>	<u>895,628</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	676,855	-
Unrestricted	1,360,761	3,241,907
Total Net Assets	<u>\$ 2,037,616</u>	<u>\$ 3,241,907</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, 2003**

	Business-Type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Funds
OPERATING REVENUES		
Food Sales	\$ 2,667,828	\$ -
Tuition	1,192,950	-
Insurance Premiums	-	11,553,343
Total Operating Revenues	3,860,778	11,553,343
OPERATING EXPENSES		
Food Purchased	1,884,907	-
Salaries and Wages	2,849,111	69,491
Fringe Benefits	770,564	15,790
Supplies	290,436	1,129
Purchased Services	237,130	7,165
Travel	29,908	-
Repairs	116,887	-
Donated Commodities Used	174,201	-
Financial Aid	253,048	-
Excess Loss Insurance	-	325,736
Administration Fees	-	478,885
Benefits Paid/Accrued	-	9,515,024
Depreciation	78,717	-
Total Operating Expenses	6,684,909	10,413,220
OPERATING INCOME (LOSS)	(2,824,131)	1,140,123
NONOPERATING REVENUES (EXPENSES)		
State Assistance	391,055	-
Federal Assistance	2,532,682	-
Earnings on Investments	-	37,920
Donated Commodities	174,201	-
Other	50,214	-
Total Nonoperating Revenues (Expenses)	3,148,152	37,920
CHANGES IN NET ASSETS	324,021	1,178,043
NET ASSETS, JULY 1, AS RESTATED (NOTE 16)	1,713,595	2,063,864
NET ASSETS, JUNE 30	\$ 2,037,616	\$ 3,241,907

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, 2003**

	Business-Type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Sales/Tuition/Premiums	\$ 3,883,115	\$ 11,553,343
Cash Payments for Supplies and Services	(2,809,954)	(812,915)
Cash Payments to Employees for Services	(3,642,895)	(85,281)
Cash Payments for Claims/Benefits	-	(9,520,473)
Net Cash from Operating Activities	<u>(2,569,734)</u>	<u>1,134,674</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal/State Assistance	2,871,605	-
Other	50,214	-
Advances (To) Claims Administrator	-	(24,857)
Net Cash From Noncapital Financing Activities	<u>2,921,819</u>	<u>(24,857)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(161,423)	-
Net Cash From Capital and Related Financing Activities	<u>(161,423)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	-	37,920
Investments Purchased	-	(4,665,114)
Investments Matured or Sold	332,578	4,232,778
Net Cash From Investing Activities	<u>332,578</u>	<u>(394,416)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	523,240	715,401
CASH AND CASH EQUIVALENTS, JULY 1	<u>606,822</u>	<u>1,123,191</u>
CASH AND CASH EQUIVALENTS, JUNE 30	\$ <u><u>1,130,062</u></u>	\$ <u><u>1,838,592</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (2,824,131)	\$ 1,140,123
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used in Operating Activities		
Depreciation	78,717	-
Donated Commodities Used	174,201	-
Change in Assets and Liabilities		
(Increase) Decrease in Receivables	22,337	-
(Increase) Decrease in Inventories	(29,647)	-
(Increase) Decrease in Prepaid Expenses	3,492	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(22,555)	(5,449)
Increase (Decrease) in Deferred Revenue	27,462	-
Increase (Decrease) in Compensated Absences Payable	390	-
Net Cash From Operating Activities	<u>\$ (2,569,734)</u>	<u>\$ 1,134,674</u>
SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES		
Donated commodities received	\$ 201,662	\$ -
Donated commodities used	\$ 174,201	\$ -

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, 2003**

ASSETS

Cash and Cash Equivalents	\$ 579,478
Total Assets	\$ <u>579,478</u>

LIABILITIES

Accounts Payable	\$ 43,170
Due to Student Groups	<u>536,308</u>
Total Liabilities	\$ <u>579,478</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, 2003**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Columbia Public School District (the District) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP), 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

The District is governed by an elected seven-member board. 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 accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (a) the District is able to significantly influence the programs or services performed or provided by the organization; or (b) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. The District has no component units.

District-wide and Fund Financial Statements

District-wide Statements:

The Statement of Net Assets and the Statement of Activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. 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.

The Statement of Activities presents a comparison between direct expenses and program revenues for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003**

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. There are three categories of funds, 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 had no major enterprise funds. The *Food Services Fund*, which accounts for the financial transactions related to the food service operation of the District, and the *Adult Education Fund*, which accounts for the financial transactions related to certain educational programs for adults, are the District's only enterprise funds and are presented as nonmajor funds.

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the District on a cost-reimbursement basis. These funds were established to account for the District's self-funded employee benefits programs, which are medical, dental, and workers compensation. The premiums received by the internal service funds are transferred from other funds as an expense related to personal service. Claims paid, direct insurance payments, and administrative costs are expenses of these funds.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003**

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

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

The effect of interfund activity has been eliminated from the district-wide financial statements.

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally designated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish between operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003**

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, then unrestricted resources as they are needed.

Deposits and Investments

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. 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 internal service funds. Interest is deposited directly into these accounts. Investments are stated at amortized cost, which approximates fair value. State statutes authorize the District to invest in U.S. Government Securities.

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.

Receivables

Receivables are reported by source. Local receivables include property taxes, sales taxes, and other receivables generated by the District's operations. County receivables primarily include fines and forfeitures. State receivables include receivables related to funding the District receives from the state. Federal receivables include amounts due to the District from federal grants.

Inventories and Prepaid Items

Inventories are stated at average cost. Inventories of supplies in the General Fund are accounted for using the consumption method. Under this method, the materials are reported as a financial resource when acquired and recognized as expenditures when used. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements.

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

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, 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

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003**

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%

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the district-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that are paid in a timely manner and in full from current financial resources are reported as obligations of the funds in the fund financial statements. However, claims, judgments, and compensated absences that will be paid with governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds payable are reported as a liability on the fund financial statements when due.

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 full-time 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.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003**

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

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

- (a) At the regular June Board meeting of the preceding fiscal year, the Administration submits a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and anticipated revenues.
- (b) The Board meets in special session 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, 2003, at its September 9, 2002, May 12, 2003, and June 9, 2003, meetings.

In accordance with Revised Statutes of Missouri (RSMo) 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.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003**

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 explains 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 \$742,968 difference are as follows:

Deferred property tax related to prior year	\$	137,989
Deferred remainder of property tax unearned		604,979
		604,979
Net adjustment to increase fund balance of total governmental funds to arrive at net assets of governmental activities	\$	742,968

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 \$142,460,051 difference are as follows:

Compensated Absences	\$	1,310,974
Liabilities Payable from Restricted Assets		13,805,000
Accrued Interest Payable		2,344,756
General Obligation Bonds Due within One Year		6,110,000
General Obligation Bonds Due in More than One Year		118,889,321
		118,889,321
Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of governmental activities	\$	142,460,051

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 explains 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 \$6,489,464 difference are as follows:

Land	\$	25,133
Construction in Progress		7,031,459
Buildings		574,730
Equipment		641,867
Equipment, retired		(26,634)
Less: Depreciation Expense		(1,757,091)
		(1,757,091)
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	\$	6,489,464

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003**

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 \$40,273 difference are as follows:

Earned but unavailable property tax	\$	604,979
Prior years' property tax		<u>(645,252)</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><u>(40,273)</u></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 \$19,715,000 difference are as follows:

General obligation bonds issued	\$	(15,000,000)
Refunding bonds issued		(14,320,000)
Bond payments		<u>9,605,000</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><u>(19,715,000)</u></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 \$259,152 difference are as follows.

Current bond interest	\$	(2,344,756)
Prior year's bond interest		<u>2,085,604</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><u>(259,152)</u></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 \$135,679 difference are as follows:

Current year debt issuance related costs	\$	147,515
Prior year's bond interest		<u>(11,836)</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><u>135,679</u></u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003**

Note 3 PROPERTY TAX REVENUE RECOGNITION

In the district-wide and fund financial statements, property tax revenues are recognized in accordance with GASB Statement No. 33. 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.

Note 4 CASH & INVESTMENTS

State statutes permit the District to invest its monies as follows:

1. Obligations of the United States government or any agency or instrumentality, including repurchase agreements.
2. Bonds of the state of Missouri, of the United States, or of any wholly owned corporation of the United States, and other short-term obligations of the United States.
3. Under limited circumstances, commercial paper and bankers' acceptances.
4. Deposit Accounts with insured financial institutions, provided those accounts are entirely insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with government securities that have a fair value exceeding the deposit amount.

Deposits

The District pools the monies of its various funds, except for the Debt Service Fund and the Internal Service Funds, for investment purposes. State laws require that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District.

The bank balances of the District's deposits with financial institutions are entirely insured by the FDIC, or collateralized with U.S. Government Securities whose fair values exceed the amount of the bank balances of the deposit and that are held by an independent third party agent of the District in the District's name. At June 30, 2003, the aggregate carrying amount of the District's deposit balance was \$2,851,460 and the related bank balances totaled \$6,881,341.

Investments

For the year ended June 30, 2003, the District invested only in U.S. Government Securities held by the District's agent at the Federal Reserve Bank of St. Louis in the District's name. All interest revenues related to investment activities are allocated to the General Fund, Teachers Fund, and the Capital Projects Fund according to the average monthly cash balance of the fund. The District records interest revenue related to investment activities of the Debt Service Fund and Internal Service Funds in each respective fund since the securities are owned by those funds. All investments are short-term and are stated at amortized cost, which approximates fair value.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003**

The following table presents the District's investments into one of the following categories of custodial credit risk.

Category 1: Insured or registered securities held by the District or by the District's agent in the District's name.

Category 2: Uninsured and unregistered, with securities held by the counter party's trust department or agent in the District's name.

Category 3: Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the District's name.

	Category			Total
	1	2	3	
U.S. Government Securities	\$ 79,459,955	\$ -	\$ -	\$ 79,459,955
Total	\$ 79,459,955	\$ -	\$ -	79,459,955
Investments not subject to categorization - Missouri Health and Education Facilities Authority Direct Deposit Program Trust				2,379,143
Total Investments				\$ 81,839,098

Amounts reported under the Missouri Health and Education Facilities Authority Direct Deposit Program Trust include amounts withheld from the District's state aid and deposited into a trust account at a bank selected by the Authority. The Trustee uses the amounts deposited in the account to pay certain debt service obligations of the District. The Direct Deposit Program is established and regulated by state law.

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	\$ 8,690,545
Cash and cash equivalents	
Proprietary Funds	1,130,062
Cash and cash equivalents	
Internal Service Funds	1,838,592
Cash and cash equivalents	
Fiduciary Funds	579,478
Investments – Governmental Funds	56,007,353
Investments - Debt Service Fund - with Fiscal Agent	14,190,058
Investments - Internal Service Funds	2,274,086
Total	\$ 84,710,174

Note disclosure:

Cash on Hand	\$ 19,616
Carrying Amount of Deposits	2,851,460
Investments	81,839,098
Total	\$ 84,710,174

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003**

Note 5 PROPERTY TAXES RECEIVABLE

The amount of prior years' taxes due at June 30, 2003, was obtained from the County Collector who is responsible for the collection of all taxes. The net receivables were calculated as follows:

	<u>General Fund</u>	<u>Teachers Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Property Taxes Receivable (02-03).....	\$ 22,341,614	\$ 36,397,745	\$ 11,409,599	\$ 142,109	\$ 70,291,067
Less: Allowance.....	(89,461)	(165,302)	(51,816)	(645)	(307,224)
Net Property Taxes Receivable.....	<u>\$ 22,252,153</u>	<u>\$ 36,232,443</u>	<u>\$ 11,357,783</u>	<u>\$ 141,464</u>	<u>\$ 69,983,843</u>
 Deferred Revenue	 <u>\$ 22,086,335</u>	 <u>\$ 35,926,050</u>	 <u>\$ 11,261,739</u>	 <u>\$ 140,268</u>	 <u>\$ 69,414,392</u>

The allowance for doubtful collections was computed by multiplying 0.78% times the total amount of personal property taxes assessed for 2001 through 2003 taxes. The 0.78% is the average uncollected percentage of personal property taxes for 1996 through 2000 taxes. All real property taxes prior to 2001 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, 2003. Inventories on hand, stated at cost or average cost, at June 30, 2003, are as follows:

General Fund:	
Consumable supplies	\$ 282,371
Gasoline, fuel oil.....	<u>10,308</u>
Total	<u>\$ 292,679</u>
Food Service Fund:	
Food supplies - purchased	\$ 29,018
Donated commodities	<u>129,421</u>
Total	<u>\$ 158,439</u>

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 169.010-.141 of the Revised Statutes of Missouri (2000). 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.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003**

PSRS members are required to contribute 10.5% 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, 2003, were \$14,611,946, which was equal to the required contributions, which were made up of \$7,305,973 in employee contributions and \$7,305,973 in employer contributions. For the years ended June 30, 2003, 2002, and 2001, the district contributed 100% of the required contributions. The contributions for the last three fiscal years were as follows:

Year Ended June 30,	Amount of Employer Contribution	Contribution as a Percentage of Covered Salaries
2003	\$ 7,305,973	10.5%
2002	7,024,435	10.5%
2001	6,511,392	10.5%

The Columbia Public School District also contributes to the Non-Teacher School Employee Retirement System of Missouri (NTRS), a cost-sharing multiple-employer defined benefit pension plan. NTRS 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 169.600-.715 of the Revised Statutes of Missouri (2000). The statutes assign responsibility for the administration of the system to the Board of Trustees of the Public School Retirement System. NTRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Non-Teacher School Employee Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

NTRS members are required to contribute 5.0% of their annual covered salary and the Columbia Public School District is required to contribute a matching amount. The contribution requirements of members and the Columbia Public School District are established and may be amended by the Board of Trustees. The District's contributions to NTRS for the year ending June 30, 2003, were \$1,804,452, which was equal to the required contributions, which were made up of \$902,226 in employee contributions and \$902,226 in employer contributions. For the years ended June 30, 2003, 2002, and 2001, the district contributed 100% of the required contributions. The contributions for the last three fiscal years were as follows:

Year Ended June 30,	Amount of Employer Contribution	Contribution as a Percentage of Covered Salaries
2003	\$ 902,226	5.0%
2002	885,245	5.0%
2001	702,124	4.5%

The District contributed to the Teacher Retirement System on total salaries and benefits of \$69,580,695 and to the Non-Teacher Retirement System on total salaries and benefits of \$18,044,520 for the year ended June 30, 2003. The overall payroll (salaries and benefits) for the District was \$93,114,408, which includes payroll of \$5,489,193 not subject to either retirement system.

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003**

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, 2003, were \$1,130,471. Future minimum lease payments for these leases are as follows:

Year Ending June 30,	Amount
2004	\$ 756,181
2005	628,011
2006	83,406
Total	<u>\$ 1,467,598</u>

Currently, all operating leases for the District expire by June 30, 2006. No future minimum lease payments are currently required after that date.

Note 9 LONG-TERM DEBT

Bonds Payable

All District bonds are general obligation bonds with maturities from 2004 to 2018 and average net interest rates at issue from 4.06% to 7.23%. General obligation bonds outstanding at June 30, 2003, were \$138,940,000. Scheduled bond retirement and interest payable in the next fiscal year are \$6,110,000 and \$6,932,550, respectively.

The District issued \$15,000,000 of general obligation bonds, dated March 1, 2003. The proceeds from the bonds are to be used for renovation and remodeling at various schools and the purchase of furniture and equipment. The March 1, 2003, bond issue was the first issue of \$23,800,000 that was authorized by the voters at the April 2002 election.

On December 27, 2002, the District issued \$14,320,000 of general obligation refunding bonds. The net proceeds of \$14,220,142 plus an equity contribution by the District of \$232,000 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 refund the District's 1996b and 2000c general obligation bond issues on March 1, 2003, and March 1, 2005, respectively. Until the general obligation bonds are refunded, the District remains obligated for the outstanding principal and interest on the 1996b and 2000c bond issues. Investment income from the escrow account may be used to offset the interest due on the December 27, 2002, bond issue. This crossover refunding was undertaken to reduce the District's obligation under long term debt by \$1,063,682, which resulted in an economic gain of \$640,375 (the difference between the present value of debt service payments on the December 27, 2002, bond issue and the 1996b and 2000c issues after the refunding date). Bond issuance costs of \$99,858 were paid from the Debt Service Fund out of the bond proceeds, and will be amortized 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, 2003, the District had accumulated \$23,021,243 in the Debt Service Fund for future debt requirements.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003**

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

<u>Year Ending June 30</u>	<u>Bond Payment</u>	<u>Interest Payment</u>	<u>Total</u>
2004	\$ 6,110,000	\$ 6,932,550	\$ 13,042,550
2005	7,340,000	6,483,343	13,823,343
2006	8,340,000	6,093,798	14,433,798
2007	9,430,000	5,656,911	15,086,911
2008	11,335,000	5,155,979	16,490,979
2009-2013	68,675,000	16,834,147	85,509,147
2014-2018	27,710,000	2,505,675	30,215,675
	<u>\$ 138,940,000</u>	<u>\$ 49,662,403</u>	<u>\$ 188,602,403</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, 2003, was:

Constitutional Debt Limit (Excluding State Assessed Utilities)	\$ 200,555,233
General Obligation Bonds Payable	<u>(138,940,000)</u>
Total Estimated Legal Debt Margin	<u>\$ 61,615,233</u>

Changes in Long-Term Debt

Changes in long-term debt for the District for the year ended June 30, 2003, are as follows:

	<u>Governmental Activities</u>				<u>Business-Type Activities</u>
	<u>Bonds</u>	<u>Less Deferred Amounts</u>	<u>Compensated Absences</u>	<u>Total</u>	<u>Compensated Absences</u>
Balance, June 30, 2002.....	\$ 119,225,000	\$ -	\$ 1,148,634	\$ 120,373,634	\$ 97,458
Restatements (See Note 16)	-	-	(28,790)	(28,790)	28,790
Additions	29,320,000	11,836	751,760	30,083,596	44,479
Reductions	(9,605,000)	(147,515)	(560,630)	(10,313,145)	(44,089)
Balance, June 30, 2003.....	<u>\$ 138,940,000</u>	<u>\$ (135,679)</u>	<u>\$ 1,310,974</u>	<u>\$ 140,115,295</u>	<u>\$ 126,638</u>
Due in one year.....	<u>\$ 6,110,000</u>	<u>\$ -</u>	<u>\$ 560,000</u>	<u>\$ 6,670,000</u>	<u>\$ 45,000</u>

The district-wide financial statements include \$14,190,058 in Restricted Assets and \$13,805,000 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 balances previously reported have been restated due to the change in accounting principle of treating the Adult Education Fund as a proprietary fund and business-type activity instead of a governmental fund and a governmental activity (See Note 16). The restatements and changes in capital assets are as follows:

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003**

	<u>Beginning Balance</u>	<u>Restatements</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets that are not depreciated:					
Land	\$ 3,873,710	\$ (37,763)	\$ 25,133	\$ -	\$ 3,861,080
Construction in progress	12,944,332	-	7,031,459	(14,445,520)	5,530,271
Capital assets that are depreciated:					
Buildings	118,091,181	(289,976)	15,020,250	-	132,821,455
Mobile classroom trailers	2,218,976	-	-	-	2,218,976
Furniture and equipment	4,812,901	-	641,867	(26,634)	5,428,134
Total capital assets, governmental activities	<u>141,941,100</u>	<u>(327,739)</u>	<u>22,718,709</u>	<u>(14,472,154)</u>	<u>149,859,916</u>
Accumulated depreciation, governmental activities:					
Buildings	(23,083,578)	85,900	(1,245,829)	-	(24,243,507)
Mobile classroom trailers	(754,452)	-	(88,759)	-	(843,211)
Furniture and equipment	(2,432,579)	-	(422,503)	-	(2,855,082)
Total accumulated depreciation, governmental activities	<u>(26,270,609)</u>	<u>85,900</u>	<u>(1,757,091)</u>	<u>-</u>	<u>(27,941,800)</u>
Total capital assets, governmental activities, net	<u>\$ 115,670,491</u>	<u>\$ (241,839)</u>	<u>\$ 20,961,618</u>	<u>\$ (14,472,154)</u>	<u>\$ 121,918,116</u>
Business-Type Activities:					
Capital assets that are not depreciated:					
Land	\$ -	\$ 37,763	\$ -	\$ -	\$ 37,763
Capital assets that are depreciated:					
Buildings	-	289,976	-	-	289,976
Furniture and equipment	828,553	-	161,423	-	989,976
Total capital assets, business-type activities	<u>828,553</u>	<u>327,739</u>	<u>161,423</u>	<u>-</u>	<u>1,317,715</u>
Accumulated depreciation, business-type activities:					
Buildings	-	(85,900)	(2,899)	-	(88,799)
Furniture and equipment	(476,243)	-	(75,818)	-	(552,061)
Total accumulated depreciation, business-type activities	<u>(476,243)</u>	<u>(85,900)</u>	<u>(78,717)</u>	<u>-</u>	<u>(640,860)</u>
Total capital assets, business-type activities, net	<u>\$ 352,310</u>	<u>\$ 241,839</u>	<u>\$ 82,706</u>	<u>\$ -</u>	<u>\$ 676,855</u>

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, 2003, the District had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
<u>Capital Projects Fund</u>		
Hickman High Additions and Renovations	\$ 1,280,904	8/01/03
Renovations at Seven Locations	168,573	8/22/03
Ridgeway Elementary Media Center	463,842	8/30/03
Fairview Elementary Boiler Replacement	69,497	9/30/03
West Junior High Additions and Renovations	1,787,245	2/27/04
	<u>\$ 3,770,061</u>	

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 combined financial statements and accordingly, no provision for losses has been recorded.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003**

Grants

As a recipient of various federal funds, the District is subject to the audit of these programs which 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

Consistent with the requirements of GASB Statement No. 10 Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, some of the District's risk management activities are reported in Internal Service Funds, and the claims liabilities associated with the fund are reported therein. The District has established a self-insured benefits program, 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 which 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 which provides specific stop-loss coverage for claims in excess of \$300,000 for each accident and aggregate stop-loss coverage when aggregate claims exceed 155% of premiums. Settled claims have not exceeded this coverage in the last three fiscal years.

The District allocates the cost of providing the medical insurance and dental insurance to its employees and their dependents by annually determining a "premium" to be charged to the other funds for each covered employee to pay current or prior year claims. Also, all the funds of the District participate in the workers compensation program by making payments to the Internal Service Funds based on actuarial estimates of the amounts needed to pay prior-year and current-year claims. The Net Assets of the Internal Service Funds were \$3,241,907 as of June 30, 2003. The claims liability of \$895,628 reported in the fund at June 30, 2003 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the funds' 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>
2003	\$ 901,077	\$ 10,322,490	\$ (9,840,760)	\$ (487,179)	\$ 895,628
2002	807,692	9,301,944	(8,610,178)	(598,381)	901,077
2001	732,007	8,227,310	(7,631,970)	(519,655)	807,692

Other Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. For the years ended June 30, 2003, 2002, and 2001, the settlements did not exceed the insurance coverage provided by commercial insurance.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003**

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 appropriate 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.

Note 16 CHANGE IN ACCOUNTING PRINCIPLE

The July 1, 2002, fund balance for the Adult Education Fund has been restated to reflect the change in accounting principle of presenting this fund as a proprietary fund instead of as a governmental fund. Proprietary funds are used in instances where fees are charged for services and the revenues generated by the activity are intended to cover all the costs of the activity. While this fund is not required to be presented as a proprietary fund, the District changed the presentation of this fund to more properly reflect the way the fund is treated in the accounting and budgetary policy.

Similarly, the July 1, 2002, net assets for governmental and business-type activities have been restated as a result of this change.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003**

The restatements of net assets and fund balance are as follows:

	Governmental Activities	Business-Type Activities
July 1, 2002, net assets as previously reported	\$ 52,251,949	\$ 1,114,438
Restatement due to reclassifying adult education as a business-type activity	(599,157)	599,157
July 1, 2002, net assets as restated	\$ 51,652,792	\$ 1,713,595

	Adult Education Fund
July 1, 2002, fund balance as previously reported	\$ 386,108
Restatements to record:	
Capital assets	327,739
Accumulated depreciation	(85,900)
Liability for compensated absences	(28,790)
July 1, 2002, fund balance as restated	\$ 599,157

The comparative information presented for the year ended June 30, 2002, in Management's Discussion and Analysis has also been adjusted to reflect this change in accounting principle.

Note 17 SUBSEQUENT EVENT

On August 15, 2003, the District issued \$32,730,000 of general obligation refunding bonds. The proceeds from these refunding bonds are being used to provide resources for advance and crossover refundings of six outstanding bond issues of the District. These refundings were undertaken to reduce the District's obligation under long term debt by \$2,018,105, which resulted in an economic gain of \$1,493,079 (the difference between the present value of debt service payments refunded bonds and the general obligation refunding bonds until the refunding date).

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, 2003**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local	\$ 11,468,684	\$ 11,167,204	\$ 11,322,281	\$ 155,077
County	304,803	304,803	223,616	(81,187)
State	1,398,677	1,398,677	1,358,643	(40,034)
Total Revenues	<u>13,172,164</u>	<u>12,870,684</u>	<u>12,904,540</u>	<u>33,856</u>
EXPENDITURES				
Debt Service				
Principal	5,495,000	9,605,000	9,605,000	-
Interest and Fees	6,276,811	6,376,811	6,362,844	13,967
Total Expenditures	<u>11,771,811</u>	<u>15,981,811</u>	<u>15,967,844</u>	<u>13,967</u>
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	1,400,353	(3,111,127)	(3,063,304)	47,823
OTHER FINANCING SOURCES (USES)				
Refunding Bonds Issued	-	14,320,000	14,320,000	-
NET CHANGE IN FUND BALANCE	1,400,353	11,208,873	11,256,696	47,823
FUND BALANCE, JULY 1	<u>11,764,547</u>	<u>11,764,547</u>	<u>11,764,547</u>	-
FUND BALANCE, JUNE 30	<u>\$ 13,164,900</u>	<u>\$ 22,973,420</u>	<u>\$ 23,021,243</u>	<u>\$ 47,823</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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local	\$ 549,625	\$ 549,040	\$ 395,497	\$ (153,543)
County	8,026	8,026	5,293	(2,733)
State	82,275	82,275	79,727	(2,548)
Total Revenues	<u>639,926</u>	<u>639,341</u>	<u>480,517</u>	<u>(158,824)</u>
EXPENDITURES				
Capital Outlay and Construction				
Equipment	2,973,539	2,973,539	2,787,145	186,394
Vehicles	176,264	176,264	165,215	11,049
Land and Site Improvements	76,621	76,621	71,818	4,803
Building Additions and Renovations	8,249,376	8,249,376	7,732,272	517,104
Total Expenditures	<u>11,475,800</u>	<u>11,475,800</u>	<u>10,756,450</u>	<u>719,350</u>
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	(10,835,874)	(10,836,459)	(10,275,933)	560,526
OTHER FINANCING SOURCES AND (USES)				
General Obligation Bonds Issued	<u>15,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	4,164,126	4,163,541	4,724,067	560,526
FUND BALANCE, JULY 1	<u>14,782,945</u>	<u>14,782,945</u>	<u>14,782,945</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 18,947,071</u>	<u>\$ 18,946,486</u>	<u>\$ 19,507,012</u>	<u>\$ 560,526</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
GRANTS AND DONATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local	\$ 1,275,420	\$ 1,276,351	\$ 988,591	\$ (287,760)
State	1,899,682	2,452,620	2,234,924	(217,696)
Federal	829,169	1,240,150	723,794	(516,356)
Total Revenues	4,004,271	4,969,121	3,947,309	(1,021,812)
EXPENDITURES				
Current				
Instruction				
Regular Instruction	745,120	1,016,705	835,190	181,515
Special Instruction	100	258,035	259,459	(1,424)
Vocational Instruction	859,182	860,682	658,977	201,705
Total Instruction	1,604,402	2,135,422	1,753,626	381,796
Pupil Support Services				
Guidance and Counseling	84,984	93,683	80,444	13,239
Health and Ancillary Services	100,500	100,500	99,726	774
Improvement of Instruction	192,767	192,767	2,300	190,467
Media Services	202,918	226,863	178,567	48,296
Total Support Services	581,169	613,813	361,037	252,776
Other				
Operation of Plant	5,000	5,000	4,184	816
Adult Literacy	269,200	359,978	346,684	13,294
Community Services	1,544,500	1,854,908	1,585,317	269,591
Total Other	1,818,700	2,219,886	1,936,185	283,701
Total Expenditures	4,004,271	4,969,121	4,050,848	918,273
NET CHANGE IN FUND BALANCE	-	-	(103,539)	(103,539)
FUND BALANCE, JULY 1	1,474,388	1,474,388	1,474,388	-
FUND BALANCE, JUNE 30	\$ 1,474,388	\$ 1,474,388	\$ 1,370,849	\$ (103,539)

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 food service 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, 2003**

	<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	\$ 696,202	\$ 433,860	\$ 1,130,062
Receivables (Net of Allowance for Uncollectibles)			
State	-	2,932	2,932
Federal	293,916	55,829	349,745
Inventories	158,439	-	158,439
Prepaid Expenditures	1,920	-	1,920
Total Current Assets	<u>1,150,477</u>	<u>492,621</u>	<u>1,643,098</u>
Noncurrent Assets			
Capital Assets (Net of Accumulated Depreciation)			
Land	-	37,763	37,763
Buildings	-	201,177	201,177
Furniture and Equipment	409,240	28,675	437,915
Total Noncurrent Assets	<u>409,240</u>	<u>267,615</u>	<u>676,855</u>
Total Assets	<u>1,559,717</u>	<u>760,236</u>	<u>2,319,953</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	2,650	11,585	14,235
Accrued Salaries and Payroll Taxes	6,871	5,172	12,043
Deferred Revenue	129,421	-	129,421
Total Current Liabilities	<u>138,942</u>	<u>16,757</u>	<u>155,699</u>
Noncurrent Liabilities			
Liability for Long-Term			
Compensated Absences	91,055	35,583	126,638
Total Liabilities	<u>229,997</u>	<u>52,340</u>	<u>282,337</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	409,240	267,615	676,855
Unrestricted	920,480	440,281	1,360,761
Total Net Assets	<u>\$ 1,329,720</u>	<u>\$ 707,896</u>	<u>\$ 2,037,616</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>Enterprise Funds</u>		<u>Total Nonmajor Enterprise Funds</u>
	<u>Food Services</u>	<u>Adult Education</u>	
OPERATING REVENUES			
Food Sales	\$ 2,667,828	\$ -	\$ 2,667,828
Tuition	-	1,192,950	1,192,950
Total Operating Revenues	<u>2,667,828</u>	<u>1,192,950</u>	<u>3,860,778</u>
OPERATING EXPENSES			
Food Purchased	1,884,907	-	1,884,907
Salaries and Wages	1,676,006	1,173,105	2,849,111
Fringe Benefits	544,193	226,371	770,564
Supplies	109,897	180,539	290,436
Purchased Services	87,040	150,090	237,130
Travel	8,939	20,969	29,908
Repairs	106,310	10,577	116,887
Donated Commodities Used	174,201	-	174,201
Financial Aid	-	253,048	253,048
Depreciation	74,309	4,408	78,717
Total Operating Expenses	<u>4,665,802</u>	<u>2,019,107</u>	<u>6,684,909</u>
OPERATING INCOME (LOSS)	<u>(1,997,974)</u>	<u>(826,157)</u>	<u>(2,824,131)</u>
NONOPERATING REVENUES (EXPENSES)			
State Assistance	36,478	354,577	391,055
Federal Assistance	2,002,577	530,105	2,532,682
Donated Commodities	174,201	-	174,201
Other	-	50,214	50,214
Total Nonoperating Revenues (Expenses)	<u>2,213,256</u>	<u>934,896</u>	<u>3,148,152</u>
CHANGES IN NET ASSETS	215,282	108,739	324,021
NET ASSETS, JULY 1, AS RESTATED (NOTE 16)	<u>1,114,438</u>	<u>599,157</u>	<u>1,713,595</u>
NET ASSETS, JUNE 30	<u>\$ 1,329,720</u>	<u>\$ 707,896</u>	<u>\$ 2,037,616</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2003**

	Enterprise Funds		Total Nonmajor Enterprise Funds
	Food Services	Adult Education	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Sales/Tuition	\$ 2,667,828	\$ 1,215,287	\$ 3,883,115
Cash Payments for Supplies and Services	(2,197,143)	(612,811)	(2,809,954)
Cash Payments to Employees for Services	(2,243,665)	(1,399,230)	(3,642,895)
Net Cash from Operating Activities	<u>(1,772,980)</u>	<u>(796,754)</u>	<u>(2,569,734)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal/State Assistance	1,994,599	877,006	2,871,605
Other	-	50,214	50,214
Net Cash From Noncapital Financing Activities	<u>1,994,599</u>	<u>927,220</u>	<u>2,921,819</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(131,239)	(30,184)	(161,423)
Net Cash From Capital and Related Financing Activities	<u>(131,239)</u>	<u>(30,184)</u>	<u>(161,423)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments Matured or Sold	-	332,578	332,578
Net Cash From Investing Activities	<u>-</u>	<u>332,578</u>	<u>332,578</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	90,380	432,860	523,240
CASH AND CASH EQUIVALENTS, JULY 1	<u>605,822</u>	<u>1,000</u>	<u>606,822</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 696,202</u>	<u>\$ 433,860</u>	<u>\$ 1,130,062</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (1,997,974)	\$ (826,157)	\$ (2,824,131)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used in Operating Activities			
Depreciation	74,309	4,408	78,717
Donated Commodities Used	174,201	-	174,201
Change in Assets and Liabilities			
(Increase) Decrease in Receivables	-	22,337	22,337
(Increase) Decrease in Inventories	(29,647)	-	(29,647)
(Increase) Decrease in Prepaid Expenses	498	2,994	3,492
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(15,426)	(7,129)	(22,555)
Increase (Decrease) in Deferred Revenue	27,462	-	27,462
Increase (Decrease) in Compensated Absences Payable	(6,403)	6,793	390
Net Cash From Operating Activities	<u>\$ (1,772,980)</u>	<u>\$ (796,754)</u>	<u>\$ (2,569,734)</u>
SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES			
Donated commodities received	\$ 201,662	\$ -	\$ 201,662
Donated commodities used	\$ 174,201	\$ -	\$ 174,201

INTERNAL SERVICE FUNDS

The Internal Service Funds were established to account for the District's self funded benefit's 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, 2003**

	<u>Workers Compensation</u>	<u>Medical Insurance</u>	<u>Dental Insurance</u>	<u>Total</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 36,028	\$ 1,550,477	\$ 252,087	\$ 1,838,592
Investments	281,968	1,992,118	-	2,274,086
Receivables	24,857	-	-	24,857
Total Assets	<u>342,853</u>	<u>3,542,595</u>	<u>252,087</u>	<u>4,137,535</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	<u>-</u>	<u>895,628</u>	<u>-</u>	<u>895,628</u>
NET ASSETS				
Unrestricted	<u>342,853</u>	<u>2,646,967</u>	<u>252,087</u>	<u>3,241,907</u>
Total Net Assets	<u>\$ 342,853</u>	<u>\$ 2,646,967</u>	<u>\$ 252,087</u>	<u>\$ 3,241,907</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN NET ASSETS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>Workers Compensation</u>	<u>Medical Insurance</u>	<u>Dental Insurance</u>	<u>Total</u>
OPERATING REVENUES				
Insurance Premiums	\$ 657,142	\$ 9,985,514	\$ 910,687	\$ 11,553,343
OPERATING EXPENSES				
Salaries and Wages	-	67,390	2,101	69,491
Fringe Benefits	-	15,377	413	15,790
Supplies	-	1,129	-	1,129
Purchased Services	174	6,848	143	7,165
Excess Loss Insurance	83,000	242,736	-	325,736
Administration Fees	95,642	297,382	85,861	478,885
Benefits Paid/Accrued	685,879	8,059,661	769,484	9,515,024
Total Operating Expenses	<u>864,695</u>	<u>8,690,523</u>	<u>858,002</u>	<u>10,413,220</u>
OPERATING INCOME (LOSS)	(207,553)	1,294,991	52,685	1,140,123
NONOPERATING REVENUES				
Earnings on Investments	<u>7,982</u>	<u>27,569</u>	<u>2,369</u>	<u>37,920</u>
CHANGES IN NET ASSETS	(199,571)	1,322,560	55,054	1,178,043
NET ASSETS, JULY 1	<u>542,424</u>	<u>1,324,407</u>	<u>197,033</u>	<u>2,063,864</u>
NET ASSETS, JUNE 30	<u>\$ 342,853</u>	<u>\$ 2,646,967</u>	<u>\$ 252,087</u>	<u>\$ 3,241,907</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2003**

	Workers Compensation	Medical Insurance	Dental Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Premiums	\$ 657,142	\$ 9,985,514	\$ 910,687	\$ 11,553,343
Cash Payments for Supplies and Services	(178,816)	(548,095)	(86,004)	(812,915)
Cash Payments to Employees for Services	-	(82,767)	(2,514)	(85,281)
Cash Payments for Claims/Benefits	(690,514)	(8,053,044)	(776,915)	(9,520,473)
Net Cash from Operating Activities	(212,188)	1,301,608	45,254	1,134,674
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances (To) Claims Administrator	(24,857)	-	-	(24,857)
Advances From (To) Other Funds	(107,555)	107,555	-	-
	(132,412)	107,555	-	(24,857)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	7,982	27,569	2,369	37,920
Investments Purchased	(633,128)	(4,031,986)	-	(4,665,114)
Investments Matured or Sold	952,421	3,280,357	-	4,232,778
Net Cash from Investing Activities	327,275	(724,060)	2,369	(394,416)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(17,325)	685,103	47,623	715,401
CASH AND CASH EQUIVALENTS, JULY 1				
	53,353	865,374	204,464	1,123,191
CASH AND CASH EQUIVALENTS, JUNE 30				
	\$ 36,028	\$ 1,550,477	\$ 252,087	\$ 1,838,592
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (207,553)	\$ 1,294,991	\$ 52,685	\$ 1,140,123
Change in Assets and Liabilities				
Increase (Decrease) in Accounts Payable	(4,635)	6,617	(7,431)	(5,449)
Net Cash From Operating Activities	\$ (212,188)	\$ 1,301,608	\$ 45,254	\$ 1,134,674

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, 2003**

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2003</u>
ASSETS				
Cash and Cash Equivalents	\$ 519,568	\$ 1,452,708	\$ 1,392,798	\$ 579,478
Accounts Receivable	2,396	-	2,396	-
Total Assets	<u>\$ 521,964</u>	<u>\$ 1,452,708</u>	<u>\$ 1,395,194</u>	<u>\$ 579,478</u>
LIABILITIES				
Accounts Payable	\$ 15,706	\$ 1,435,968	\$ 1,408,504	\$ 43,170
Due to Student Groups	506,258	1,450,312	1,420,262	536,308
Total Liabilities	<u>\$ 521,964</u>	<u>\$ 2,886,280</u>	<u>\$ 2,828,766</u>	<u>\$ 579,478</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF CHANGES IN DUE TO STUDENT GROUPS
STUDENT ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>Balance July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2003</u>
Hickman High	\$ 263,755	\$ 577,726	\$ 577,270	\$ 264,211
Rock Bridge High	70,863	343,038	328,184	85,717
Douglass High	5,686	5,826	4,976	6,536
Jefferson Junior High	26,890	75,161	73,212	28,839
Oakland Junior High	29,731	65,211	69,975	24,967
West Junior High	14,662	114,574	107,188	22,048
Gentry Middle	48,959	65,543	65,199	49,303
Lange Middle	14,394	40,677	37,745	17,326
Smithton Middle	16,556	30,906	27,129	20,333
Columbia Area Career Center	<u>14,762</u>	<u>131,650</u>	<u>129,384</u>	<u>17,028</u>
TOTAL	<u>\$ 506,258</u>	<u>\$ 1,450,312</u>	<u>\$ 1,420,262</u>	<u>\$ 536,308</u>

Statistical Section

**COLUMBIA PUBLIC SCHOOL DISTRICT
Demographic Statistics**

	Columbia School District
Total Population.....	112,803
Percent Male.....	48%
Percent Female.....	52%
Median Age.....	28.3
Total Households (Occupied Housing Unit)	44,419
Percent Family Households with Married Couples	42.4%
Percent Family Households with Male Householder, No Spouse.....	3.1%
Percent Family Households with Female Householder, No Spouse	10.6%
Percent Nonfamily Households	43.9%

	Columbia School District
Per Capita Income	\$19,992
Population with Income Above Poverty Level	83.7%
Population with Income Below Poverty Level.....	16.3%
Median Household Income	\$52,473
Total Enrollment.....	43,719
Percent Nursery.....	7.8%
Percent Elementary through High School	37.6%
Percent College.....	54.6%
Total Persons 25 Years and Over by Level of Education	63,112
Percent Nursery through High School.....	29.5%
Percent 1-3 Years of College	24%
Percent 4 Years of College	25.1%
Percent with 5 or More Years of College.....	21.1%
Percent with No Schooling3%

Source: 2000 Missouri Census Data Center

**COLUMBIA PUBLIC SCHOOL DISTRICT
GENERAL SCHOOL SYSTEM EXPENDITURES AND EXPENSES BY FUNCTION
1994 - 2003**

<u>Year Ended June 30</u>	<u>Administration</u>	<u>Regular Instruction</u>	<u>Special Instruction</u>	<u>Vocational Instruction</u>	<u>Pupil Transportation</u>	<u>Operation and Maintenance</u>
1994	\$ 6,191,213	\$ 31,019,940	\$ 7,231,425	\$ 1,347,103	\$ 2,771,898	\$ 6,215,083
1995	6,567,144	33,782,207	8,216,039	1,454,676	3,034,073	6,817,372
1996	6,849,902	35,046,838	8,996,860	1,835,241	3,537,025	7,352,127
1997	6,983,169	37,761,501	9,843,083	2,256,787	3,703,053	7,893,577
1998	7,757,757	39,993,655	10,943,459	2,158,415	3,939,475	7,961,864
1999	7,976,282	41,375,742	11,790,921	2,460,320	4,209,018	7,660,866
2000	8,437,173	43,917,038	13,545,494	2,371,675	4,569,807	8,400,593
2001	9,569,488	49,004,439	15,677,072	3,239,948	4,650,642	11,216,438
2002	10,550,750	52,286,130	18,160,565	3,425,062	4,921,314	11,058,835
2003	10,357,435	52,877,919	18,388,595	3,571,360	5,353,642	12,556,216

Expenditures reported are for all Governmental Funds.

* Expenses reported are for the Enterprise (Food Services & Adult Education) Funds (Operating Expenses and Depreciation). Prior to 2003, Adult Education was included in Community Services and Student Activities.

<u>Pupil Support Services</u>	<u>Food Services*</u>	<u>Adult Education*</u>	<u>Community Services and Student Activities</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Payments Between Districts</u>	<u>Total Expenditures and Expenses</u>
\$ 6,670,448	\$ 3,121,096	\$ -	\$ 4,443,634	\$ 9,932,282	\$ 6,041,510	\$ 101,434	\$ 85,087,066
7,422,327	3,456,916	-	4,237,052	12,377,985	6,534,364	131,280	94,031,435
7,886,884	3,480,583	-	4,400,326	6,117,855	7,053,894	120,739	92,678,274
8,563,376	3,642,603	-	4,528,677	8,892,076	7,466,996	146,119	101,681,017
9,587,588	4,026,182	-	5,705,928	2,406,351	8,013,451	142,859	102,636,984
10,221,630	4,024,313	-	5,871,671	6,687,123	8,781,757	178,125	111,237,768
11,466,273	3,972,516	-	4,716,422	11,195,975	8,846,174	251,329	121,690,469
12,540,962	4,428,065	-	6,400,434	14,266,787	9,830,371	264,226	141,088,872
13,789,836	4,566,258	-	6,330,929	15,333,410	10,598,260	325,486	151,346,835
13,759,092	4,665,802	2,019,107	4,601,659	10,756,450	15,967,844	349,088	155,224,209

**COLUMBIA PUBLIC SCHOOL DISTRICT
GENERAL SCHOOL SYSTEM REVENUES BY SOURCE
1994 - 2003**

<u>Year Ended June 30</u>	<u>Local Revenue</u>	<u>County Revenue</u>	<u>State Revenue</u>	<u>Federal Revenue</u>	<u>Tuition Other Districts</u>	<u>Total Revenue</u>
1994	\$ 45,204,648	\$ 1,178,360	\$ 23,869,492	\$ 4,333,877	\$ 48,750	\$ 74,635,127
1995	48,299,373	1,265,074	25,842,466	4,527,205	62,185	79,996,303
1996	51,734,905	1,404,843	30,217,831	4,800,748	87,927	88,246,254
1997	54,819,056	1,362,494	35,357,025	4,828,177	110,612	96,477,364
1998	59,633,685	1,316,562	38,587,948	5,414,788	106,460	105,059,443
1999	62,595,407	1,473,372	33,296,403	5,944,924	89,036	103,399,142
2000	71,158,375	1,937,035	39,719,367	7,334,192	52,480	120,201,449
2001	79,186,268	2,372,190	49,032,229	8,284,997	114,497	138,990,181
2002	81,562,584	1,645,944	47,490,879	9,335,511	122,820	140,157,738
2003	83,129,096	1,822,429	47,842,627	9,965,196	86,969	142,846,317

Revenues reported are for all Governmental Funds and the Enterprise (Food Services & Adult Education) Funds. (Operating Revenue, State Subsidies, Federal Subsidies and Donated Commodities Received)

**COLUMBIA PUBLIC SCHOOL DISTRICT
PROPERTY TAX LEVIES AND REVENUES
TAX RATE PER \$100 ASSESSED VALUATION
1994 - 2003**

<u>Year Ended June 30</u>	<u>Tax Rate</u>	<u>Assessed Valuation*</u>	<u>Total Property Tax Levied</u>	<u>Current Property Tax Revenue</u>	<u>Delinquent Property Tax Revenue</u>
1994	\$ 4.37	\$ 724,155,842	\$ 31,645,610	\$ 30,036,594	\$ 1,179,792
1995	4.45	763,909,133	33,993,956	32,326,860	1,206,270
1996	4.55	810,703,075	36,886,990	35,276,616	1,137,794
1997	4.56	873,346,561	39,824,603	38,127,804	1,314,272
1998	4.12	1,042,836,063	42,964,846	41,254,836	1,498,400
1999	4.12	1,090,964,765	44,947,748	42,694,136	1,879,827
2000	4.70	1,141,693,888	53,659,613	50,513,940	1,606,350
2001	4.79	1,195,928,843	57,284,992	54,465,792	2,584,862
2002	4.7544	1,284,272,994	61,059,475	58,210,710	2,350,881
2003	4.7544	1,337,034,886	63,567,987	60,944,362	2,219,589

*Property tax revenue for a specific fiscal year is obtained by applying the tax rate per \$100 of assessed valuation for the prior calendar year (2003 tax revenue is based on the assessed valuation as of January 1, 2002).

**COLUMBIA PUBLIC SCHOOL DISTRICT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 1994 - 2003**

<u>Year Ended June 30</u>	<u>Assessed Valuation*</u>	<u>Assessment Ratio*</u>	<u>Estimated Actual Valuation</u>
1994	\$ 724,155,842	23.7%	\$ 3,060,691,408
1995	763,909,133	23.8%	3,214,945,048
1996	810,703,075	22.3%	3,643,181,105
1997	873,346,561	22.6%	3,872,861,996
1998	1,042,836,063	22.4%	4,647,153,807
1999	1,090,964,765	23.6%	4,627,911,072
2000	1,141,693,888	22.8%	5,000,366,659
2001	1,195,928,843	22.9%	5,232,589,843
2002	1,284,272,994	23.1%	5,548,816,924
2003	1,337,034,886	23.3%	5,750,633,083

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
PROPERTY TAX RATES PER \$100 ASSESSED VALUATION
DIRECT AND OVERLAPPING GOVERNMENTS
1994 - 2003**

Year Ended June 30	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<u>City Residents:</u>										
City of Columbia	\$.57	\$.48	\$.48	\$.48	\$.41	\$.41	\$.41	\$.4100	\$.4100	\$.4100
State of Missouri	.03	.03	.03	.03	.03	.03	.03	.0300	.0300	.0300
County of Boone	.12	.12	.12	.12	.12	.12	.13	.1300	.1300	.1300
Road and Bridge	.29	.05	.05	.05	.05	.05	.05	.0500	.0500	.0500
Bridge Bond	.02	.00	.00	.00	.00	.00	.00	.0000	.0000	.0000
Library	.30	.30	.30	.30	.28	.29	.65	.6500	.6441	.6391
Group Home	.12	.12	.12	.12	.11	.12	.12	.1200	.1189	.1194
Nursing Home	.02	.00	.00	.00	.00	.00	.00	.0000	.0000	.0000
School District	4.37	4.45	4.55	4.56	4.12	4.12	4.70	4.7900	4.7544	4.7544
Subtotal City Residents	<u>5.84</u>	<u>5.55</u>	<u>5.65</u>	<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>County Residents:</u>										
Fire District	.66	.66	.66	.66	.60	.60	.60	.6000	.6000	.6000
Fire Dispatch Fund	.03	.03	.03	.03	.03	.03	.03	.0300	.0295	.0295
Fire Bond	.17	.19	.19	.19	.25	.22	.22	.2200	.2200	.2200
Less:										
City of Columbia (above)	(.57)	(.48)	(.48)	(.48)	(.41)	(.41)	(.41)	(.4100)	(.4100)	(.4100)
Differential Library Tax	<u>(.05)</u>	<u>(.05)</u>	<u>(.05)</u>	<u>(.05)</u>	<u>(.05)</u>	<u>(.05)</u>	<u>(.41)</u>	<u>(.3300)</u>	<u>(.3241)</u>	<u>(.3191)</u>
Total County Residents	<u>\$ 6.08</u>	<u>\$ 5.90</u>	<u>\$ 6.00</u>	<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>

Tax rates are reported on a calendar year basis. The 2002 calendar year tax levy was the rate levied to produce tax revenues for fiscal 2003.

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
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
1994 - 2003**

<u>Year Ended June 30</u>	<u>Estimated Population*</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Less Debt Service Funds</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt To Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1994	96,450	\$ 724,155,842	\$ 62,465,000	\$ 2,561,778	\$ 59,903,222	.083	\$ 621
1995	99,175	763,909,133	68,320,000	2,386,901	65,933,099	.086	665
1996	101,900	810,703,075	73,625,000	2,700,912	70,924,088	.087	696
1997	104,625	873,346,561	79,000,000	3,130,218	75,869,782	.087	725
1998	107,350	1,042,836,063	86,375,000	3,749,382	82,625,618	.079	770
1999	110,075	1,090,964,765	93,125,000	4,014,717	89,110,283	.082	810
2000	112,800	1,141,693,888	99,485,000	4,049,751	95,435,249	.084	846
2001	113,800	1,195,928,843	113,970,000	9,749,306	104,220,694	.087	916
2002	115,000	1,284,272,994	119,225,000	11,764,547	107,460,453	.084	934
2003	116,800	1,337,034,886	138,940,000	23,021,243	115,918,757	.087	992

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
LEGAL DEBT MARGIN
1994 - 2003**

<u>Year Ended June 30</u>	<u>Assessed Value</u>	<u>Legal Debt Limit*</u>	<u>Indebtedness</u>	<u>Legal Debt Margin</u>
1994	\$ 724,155,842	\$ 72,415,584	\$ 62,465,000	\$ 9,950,584
1995	763,909,133	76,390,913	68,320,000	8,070,913
1996	810,703,075	81,070,308	73,625,000	7,445,308
1997	873,346,561	87,334,656	79,000,000	8,334,656
1998	1,042,836,063	156,425,409	86,375,000	70,050,409
1999	1,090,964,765	163,644,715	93,125,000	70,519,715
2000	1,141,693,888	171,254,083	99,458,000	71,769,083
2001	1,195,928,843	179,389,326	113,970,000	65,419,326
2002	1,284,272,994	192,640,949	119,225,000	73,415,949
2003	1,337,034,886	200,555,233	138,940,000	61,615,233

* Legal Debt Limit was increased to 15% of assessed valuation beginning with fiscal year 1998. All previous fiscal years had a legal debt limit of 10% of assessed valuation.

**COLUMBIA PUBLIC SCHOOL DISTRICT
DIRECT AND OVERLAPPING GENERAL INDEBTEDNESS
1994 - 2003**

<u>Year Ended June 30</u>	<u>Columbia Public School District</u>	<u>City of Columbia</u>	<u>County of Boone</u>	<u>Boone County Fire Protection District</u>	<u>Columbia Library District</u>
1994	\$ 62,465,000	\$ 15,120,000	\$ 2,850,000	\$ 2,390,000	\$ -
1995	68,320,000	14,185,000	1,645,000	2,015,000	-
1996	73,625,000	17,805,000	535,000	1,525,000	-
1997	79,000,000	10,570,000	685,000	1,500,000	-
1998	86,375,000	8,650,000	535,000	7,750,000	-
1999	93,125,000	6,040,000	700,000	6,655,000	22,000,000
2000	99,485,000	4,795,000	895,000	6,655,000	21,470,000
2001	113,970,000	3,490,000	955,000	6,500,000	20,755,000
2002	119,225,000	3,490,000	1,260,000	6,330,000	20,010,000
2003	138,940,000	700,000	1,125,000	5,915,000	20,010,000

Overlapping Debt

The Columbia Public School District is located in Boone County, Missouri, and includes the City of Columbia and adjacent territory.

The overlapping debt (as of December 31, 2002) is as follows:

	<u>Assessed Valuation</u>	<u>Percent Overlapping</u>	<u>Dollar Value of Overlapping Debt</u>
City of Columbia	\$ 1,068,059,364	100%	\$ 700,000
County of Boone	1,561,715,763	86%	963,149
Boone County Fire Protection District	385,973,948	70%	4,122,015
Columbia Library District	579,663,693	100%	<u>20,010,000</u>
Total			\$ 25,795,164

Source: Boone County Clerk

**COLUMBIA PUBLIC SCHOOL DISTRICT
RATIO OF ANNUAL DEBT SERVICE FOR
GENERAL BONDED DEBT TO TOTAL EXPENDITURES/EXPENSES
1994 - 2003**

<u>Year Ended June 30</u>	<u>Debt Service Expenditures</u>	<u>Total Expenditures/Expenses</u>	<u>Ratio</u>
1994	\$ 6,041,510	\$ 85,087,066	.071
1995	6,534,364	94,031,435	.070
1996	7,053,894	92,678,274	.076
1997	7,466,996	101,681,017	.073
1998	8,013,451	102,636,984	.078
1999	8,781,757	111,237,768	.079
2000	8,846,174	121,690,469	.073
2001	9,830,371	141,088,872	.070
2002	10,598,260	151,346,835	.070
2003	15,967,844	155,224,209	.103

Expenditures reported are for all Governmental Funds.
Expenses reported are for the Enterprise (Food Services & Adult Education) Funds (Operating Expenses and Depreciation).

**COLUMBIA PUBLIC SCHOOL DISTRICT
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
1994 - 2003**

<u>Year Ended June 30</u>	<u>Property Value*</u>	<u>Construction Estimated Value City of Columbia</u>	<u>Columbia Commercial Bank Deposits</u>
1994	\$ 3,060,691,408	\$ 138,823,578	\$ 999,734,101
1995	3,214,945,048	148,756,680	1,077,290,286
1996	3,643,181,105	151,073,831	1,039,977,453
1997	3,872,861,996	143,186,205	1,316,069,688
1998	4,647,153,807	147,481,791	1,395,673,747
1999	4,627,911,072	151,106,324	1,304,961,337
2000	5,000,366,659	111,599,076	1,472,770,840
2001	5,436,040,195	160,403,932	1,528,308,544
2002	5,548,816,924	157,494,400	1,563,308,000
2003	5,750,633,083	266,026,017	1,641,677,000

*Property Value is the estimated actual valuation determined by a ratio set by the State Tax Commission for taxable property.

Source: City of Columbia, Department of Protective Inspections
Columbia Commercial Banks

**COLUMBIA PUBLIC SCHOOL DISTRICT
MAJOR TAXPAYERS**

	<u>Assessed Valuation*</u>	<u>Percentage of Total Assessed Valuation</u>
Minnesota Mining & Mfg. Co. (3M)	\$ 27,795,707	2.08%
City of Columbia	23,080,268	1.73%
Ameren UE	19,436,898	1.45%
State Farm Mutual Automobile Ins. Co.	11,091,059	0.83%
Shelter Mutual Insurance Companies	8,345,629	0.62%
Columbia Mall Limited Partnership	8,268,325	0.62%
Columbia Foods	5,770,966	0.43%
Boone Electric Cooperative	4,717,446	0.35%
Dan Hagan	4,146,825	0.31%
Rusk Rehabilitation Center	3,790,932	0.28%
Rayman Columbia Center Trust	3,777,439	0.28%
Boone County National Bank	3,440,480	0.26%
Forum Shopping Center	3,320,340	0.25%
Boone Hospital	3,142,112	0.24%
Spicer Axle Inc.	3,094,143	0.23%
	<u>\$ 133,218,569</u>	<u>9.96%</u>

*Major taxpayers are reported for the District's 2002 fiscal year.

Source: Information Services
Boone County Government Center

**COLUMBIA PUBLIC SCHOOL DISTRICT
MAJOR EMPLOYERS**

More Than 5,000 Employees:

University of Missouri-Columbia	Education
---------------------------------	-----------

1,000 - 4,999 Employees:

Boone Hospital Center	Medical
City of Columbia	Government
Columbia Public School District	Education
MFA Incorporated	Agriculture
Shelter Insurance Companies	Insurance
University Hospital and Clinics	Medical/Education

500 - 999 Employees:

Columbia Foods	Food Processing
Harry S. Truman Memorial Veterans Hospital	Medical
State Farm Insurance Companies	Insurance
Minnesota Mining & Mfg. Co. (3M)	Manufacturing

200 - 499 Employees:

ABC Laboratories Inc.	Manufacturing
APAC-Missouri Inc.	Maintenance
Boone County	Government
Boone County National Bank	Financial
Collins and Aikman	Manufacturing
Columbia College	Education
Columbia Regional Hospital	Medical
Columbia Water & Light	Utilities
Dana Corporation	Manufacturing
Holiday Inn Select Executive Center	Hotel
Joe Machens Ford	Automotive
MBS Textbook Exchange Inc.	Distribution of Textbooks
Quaker Oats Co.	Manufacturing
Square D	Manufacturing
Taco Bell	Restaurant
Tribune Publishing Company	Newspaper
Verizon	Telephone Services
WalMart	Retail
Watlow Inc.	Electrical

Source: Columbia Chamber of Commerce

**COLUMBIA PUBLIC SCHOOL DISTRICT
AVERAGE DAILY ATTENDANCE AND MEMBERSHIP
1994 - 2003**

<u>School Year</u>	<u>Average Daily Attendance*</u>	<u>Average Membership</u>	<u>Percentage of ADA to Average Membership</u>
1993-94	12,869	13,702	.939
1994-95	13,128	14,036	.935
1995-96	13,411	14,422	.930
1996-97	13,811	14,812	.932
1997-98	13,992	15,166	.923
1998-99	14,127	15,253	.926
1999-00	14,378	15,355	.936
2000-01	14,624	15,701	.931
2001-02	14,838	15,706	.945
2002-03	14,813	15,888	.932

*Regular School Session Only

**COLUMBIA PUBLIC SCHOOL DISTRICT
PER PUPIL COSTS
GOVERNMENTAL FUNDS
1994 - 2003**

<u>School Year</u>	<u>Total Expenditures</u>	<u>Average Daily Attendance*</u>	<u>Average Per Pupil Cost</u>
1993-94	\$ 81,965,970	12,869	\$ 6,369
1994-95	90,574,519	13,128	6,899
1995-96	89,197,691	13,411	6,651
1996-97	98,038,414	13,811	7,099
1997-98	98,610,802	13,992	7,048
1998-99	107,213,455	14,127	7,589
1999-00	117,717,953	14,378	8,187
2000-01	136,660,807	14,624	9,345
2001-02	146,780,577	14,838	9,892
2002-03	148,539,300	14,813	10,028

*Regular School Session Only

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATE CALCULATED PER PUPIL COSTS
CURRENT EXPENDITURES PER AVERAGE DAILY ATTENDANCE (ADA)**

DISTRICT VS. ENROLLMENT COMPARISON GROUP VS. ALL MISSOURI DISTRICTS

The Missouri Department of Elementary and Secondary Education (DESE) collects financial and student information for comparison to enrollment peer groups and to all Missouri school districts. The Columbia School District's enrollment peer group is districts with an enrollment of 6,000 or more students (includes 29 school districts in Missouri). For school year 2002-03, there were 524 school districts in Missouri. Due to a conversion to a new computer system, the enrollment peer group comparison information is currently not available for the 2000-01 and subsequent school years. DESE anticipates this comparative information will again be available in the future.

The table below compares Current Expenditures Per ADA for the Columbia School District to large Missouri School Districts (6,000 or more students) and to all Missouri school districts. Current Expenditures Per ADA includes all expenditures for K-12 instruction and support services, excluding reimbursements by all sources for the food services program, receipts of the Student Activities Fund, and capital outlay.

School Year	Columbia Public School District	Enrollment Comparison Group	All Missouri School Districts
2002-03	\$ 7,815.63	Not available	\$ 7,345.00
2001-02	7,581.39	Not available	7,147.00
2000-01	7,121.44	Not available	6,767.00
1999-00	6,354.42	7,453.35	6,303.00
1998-99	5,969.99	6,929.00	5,911.00
1997-98	5,780.22	6,625.74	5,621.48
1996-97	5,454.66	6,433.88	5,389.24
1995-96	5,255.01	6,286.12	5,199.00
1994-95	5,050.68	6,230.17	4,972.00
1993-94	4,751.54	5,909.94	4,715.00

Source: Missouri Department of Elementary and Secondary Education

**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 2002-03, 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				
	1998-99	1999-00	2000-01	2001-02	2002-03	1998-99	1999-00	2000-01	2001-02	2002-03
Students per Teacher	14	13	13	13	13	14	14	14	14	13
Students per Classroom Teacher	19	18	18	18	17	19	18	18	18	18
Average Teacher Salary (Total)	\$36,510	\$37,788	\$39,244	\$40,772	\$41,387	\$34,803	\$35,656	\$36,714	\$37,992	\$39,293
Students per Administrator	250	245	251	238	231	223	219	213	209	205
Average Administrator Salary	\$63,061	\$65,648	\$69,181	\$70,551	\$72,784	\$60,905	\$63,020	\$65,475	\$67,558	\$70,128
Total Calendar Days	176	176	176	176	176	175	176	174	175	174
Length of the School Day (hours)	6.65	6.65	6.65	6.52	6.52	6.37	6.42	6.42	6.43	6.43
Total Calendar Hours	1,162.90	1,162.90	1,159.67	1,135.02	1,127.52	1,101.32	1,118.26	1,093.50	1,105.17	1,096.75
Students Eligible for Free/Reduced Lunch	25.34%	26.37%	27.22%	28.88%	29.62%	35.69%	36.33%	36.82%	38.20%	38.28%

Source: Missouri Department of Elementary and Secondary Education

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF INSURANCE COVERAGE
JUNE 30, 2003**

Insurance	Policy Number	Policy Period		Coverage
		From	To	
Blanket Building and Contents	OTR806410	09/15/02	09/15/03	Statement of Values, \$291,333,737 \$5,000 Deductible Except Flood and Earthquake, \$25,000 All Risk, Replacement Cost
Boiler and Machinery	BES 265 66 18	09/01/02	09/01/03	\$1,000,000 per Accident \$5,000 Deductible
Vehicles	FOO-1061-C12-25	09/12/02	09/12/03	Bodily Injury \$300,000 Each Person; \$2,000,000 Each Accident for Liability Property Damage \$2,000,000 Each Accident Medical Payment \$5,000 Each Person Uninsured Motorist \$100,000 Each Person; \$300,000 Each Accident Underinsured Motorist \$100,000 Each Person; \$300,000 Each Accident Collision - Cash Value Less \$100 Deductible Comprehensive - Cash Value Less \$100 Deductible Statutory Coverage
Workers' Compensation	Self-funded	07/01/02	07/01/03	
Bodily Injury & Property Damage Liability	OTR806410	09/15/02	09/15/03	\$300,000 Per Person \$2,000,000 Per Occurrence
Bodily Injury & Property Damage Liability Umbrella	CTDV11936	09/15/02	09/15/03	\$1,000,000 General Aggregate Limit
School Leaders Errors and Omissions	511-87-60	07/01/02	07/01/03	\$2,000,000 Liability Per Occurrence \$25,000 Deductible Each Wrongful Act
Fidelity Bonds	POBO8203412 CCP0056421 CCP0005917	07/15/02 03/01/02 12/11/02	07/15/03 03/01/03 12/11/03	Treasurer, \$400,000 Secretary, \$25,000 Selected Personnel, Blanket Coverage: \$250,000
Liability – Rock Climbing Wall (RBHS)	CLS0913679	04/03/03	04/03/04	\$3,000,000 Annual Aggregate \$2,000,000 Each Occurrence \$500 Deductible
Liability – Underground Storage Tank	7514232	07/12/02	07/12/03	\$2,000,000 Annual Aggregate \$2,000,000 Each Occurrence \$5,000 Deductible

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State Compliance Section



GERDING, KORTE & CHITWOOD

Professional Corporation ♦ Certified Public Accountants
20 South Fifth Street ♦ Columbia, Missouri 65201
573-449-1599 ♦ FAX 573-443-8603

INDEPENDENT AUDITORS' REPORT - STATE COMPLIANCE REPORTS

Board of Education
Columbia Public School District
Columbia, Missouri

We have audited the financial statements of Columbia Public School District, Columbia, Missouri, as of and for the year ended June 30, 2003, and have issued our report thereon dated September 22, 2003. These 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.

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 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 financial statements of Columbia Public School District taken as a whole. The accompanying Schedules on pages 97 through 109 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 financial statements and, in our opinion, are fairly presented in all material respects in relation to the financial statements taken as a whole.

September 22, 2003


Certified Public Accountants



GERDING, KORTE & CHITWOOD

Professional Corporation ♦ Certified Public Accountants
20 South Fifth Street ♦ Columbia, Missouri 65201
573-449-1599 ♦ FAX 573-443-8603

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

Board of Education
Columbia Public School District
Columbia, Missouri

We have examined management's assertions that Columbia Public School District, Columbia, Missouri, complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January; and accurate disclosure by pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2003. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

In our opinion, Columbia Public School District, Columbia, Missouri, complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2003.

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

September 22, 2003


Certified Public Accountants

SCHEDULES FOR STATE COMPLIANCE

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2003**

	General Fund			
	General	Food Service	Student Activities	Adult Education
REVENUES				
Local	\$ 27,598,341	\$ 2,667,828	\$ 1,450,312	\$ 1,294,374
County	697,336	-	-	-
State	15,973,748	36,478	-	354,577
Federal	2,871,350	2,176,778	-	530,105
Tuition Other Districts	37,875	-	-	-
Total Revenues	<u>47,178,650</u>	<u>4,881,084</u>	<u>1,450,312</u>	<u>2,179,056</u>
EXPENDITURES				
Regular Instruction	8,450,557	-	-	-
Special Instruction	4,654,155	-	-	-
Vocational Instruction	539,311	-	-	-
Student Activities	430,311	-	1,408,205	-
Tuition Other Districts	-	-	-	-
Total Instruction	<u>14,074,334</u>	<u>-</u>	<u>1,408,205</u>	<u>-</u>
Attendance	150,454	-	-	-
Guidance and Counseling	1,947,701	-	-	-
Health and Ancillary Services	1,676,549	-	-	-
Improvement of Instruction	1,064,660	-	-	-
Media Services	1,978,826	-	-	-
Board Services	316,632	-	-	-
General Administration	716,358	-	-	-
Building Administration	2,849,560	-	-	-
Business, Central Services	802,091	-	-	-
Operation of Plant	12,422,145	-	-	-
Pupil Transportation	5,353,642	-	-	-
Food Services	-	4,591,492	-	-
Total Pupil Support Services	<u>29,278,618</u>	<u>4,591,492</u>	<u>-</u>	<u>-</u>
Adult Education	7,364	-	-	2,065,909
Community Services	1,056,837	-	-	-
Debt Services	-	-	-	-
Capital Outlay and Construction	-	-	-	-
Total Other	<u>1,064,201</u>	<u>-</u>	<u>-</u>	<u>2,065,909</u>
Total Expenditures	<u>44,417,153</u>	<u>4,591,492</u>	<u>1,408,205</u>	<u>2,065,909</u>
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	2,761,497	289,592	42,107	113,147
OTHER FINANCING SOURCES (USES)				
General Obligation Bonds Issued	-	-	-	-
Refunding Bonds Issued	-	-	-	-
Sale of Other Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(175,472)	(131,240)	(12,057)	(30,184)
NET CHANGES IN FUND BALANCES	2,586,025	158,352	30,050	82,963
FUND BALANCE, JULY 1 (AS RESTATED)	<u>16,393,760</u>	<u>762,128</u>	<u>506,258</u>	<u>357,318</u>
FUND BALANCE, JUNE 30	<u>\$ 18,979,785</u>	<u>\$ 920,480</u>	<u>\$ 536,308</u>	<u>\$ 440,281</u>

<u>Grants and Donations</u>		<u>Special Revenue Teachers Fund</u>		<u>Debt Service Fund</u>		<u>Capital Projects Fund</u>		<u>Total</u>	
	<u>Total</u>								
\$ 988,591	\$ 33,999,446	\$ 38,913,394	\$ 11,322,281	\$ 376,488	\$ 84,611,609				
-	697,336	896,184	223,616	5,293	1,822,429				
2,234,924	18,599,727	27,555,391	1,358,643	328,865	47,842,626				
723,794	6,302,027	3,663,169	-	-	9,965,196				
-	37,875	49,094	-	-	86,969				
<u>3,947,309</u>	<u>59,636,411</u>	<u>71,077,232</u>	<u>12,904,540</u>	<u>710,646</u>	<u>144,328,829</u>				
835,190	9,285,747	43,592,172	-	-	52,877,919				
259,459	4,913,614	13,474,981	-	-	18,388,595				
658,977	1,198,288	2,175,533	-	197,539	3,571,360				
-	1,838,516	340,243	-	12,057	2,190,816				
-	-	349,088	-	-	349,088				
<u>1,753,626</u>	<u>17,236,165</u>	<u>59,932,017</u>	<u>-</u>	<u>209,596</u>	<u>77,377,778</u>				
-	150,454	-	-	-	150,454				
80,444	2,028,145	2,812,962	-	-	4,841,107				
99,726	1,776,275	877,616	-	-	2,653,891				
2,300	1,066,960	1,158,886	-	-	2,225,846				
178,567	2,157,393	1,678,801	-	51,600	3,887,794				
-	316,632	-	-	-	316,632				
-	716,358	886,066	-	-	1,602,424				
-	2,849,560	4,786,728	-	-	7,636,288				
-	802,091	-	-	-	802,091				
4,184	12,426,329	129,887	-	-	12,556,216				
-	5,353,642	-	-	-	5,353,642				
-	4,591,492	-	-	131,240	4,722,732				
<u>365,221</u>	<u>34,235,331</u>	<u>12,330,946</u>	<u>-</u>	<u>182,840</u>	<u>46,749,117</u>				
346,684	2,419,957	46,836	-	30,184	2,496,977				
1,585,317	2,642,154	788,067	-	-	3,430,221				
-	-	-	15,967,844	-	15,967,844				
-	-	-	-	10,756,450	10,756,450				
<u>1,932,001</u>	<u>5,062,111</u>	<u>834,903</u>	<u>15,967,844</u>	<u>10,786,634</u>	<u>32,651,492</u>				
<u>4,050,848</u>	<u>56,533,607</u>	<u>73,097,866</u>	<u>15,967,844</u>	<u>11,179,070</u>	<u>156,778,387</u>				
(103,539)	3,102,804	(2,020,634)	(3,063,304)	(10,468,424)	(12,449,558)				
-	-	-	-	15,000,000	15,000,000				
-	-	-	14,320,000	-	14,320,000				
-	-	-	-	19,010	19,010				
-	-	175,472	-	173,481	348,953				
-	(348,953)	-	-	-	(348,953)				
(103,539)	2,753,851	(1,845,162)	11,256,696	4,724,067	16,889,452				
<u>1,474,388</u>	<u>19,493,852</u>	<u>11,391,843</u>	<u>11,764,547</u>	<u>14,782,945</u>	<u>57,433,187</u>				
<u>\$ 1,370,849</u>	<u>\$ 22,247,703</u>	<u>\$ 9,546,681</u>	<u>\$ 23,021,243</u>	<u>\$ 19,507,012</u>	<u>\$ 74,322,639</u>				

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF REVENUES CLASSIFIED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
LOCAL SOURCES:					
Current Tax	\$ 17,745,946	\$ 32,791,041	\$ 10,279,157	\$ 128,217	\$ 60,944,361
Delinquent Tax	639,060	1,194,610	377,957	7,961	2,219,588
Sales Tax	7,864,589	3,776,737	-	-	11,641,326
In Lieu of Tax	16,008	29,580	9,272	115	54,975
Intangible Tax	25,327	46,800	14,671	183	86,981
Surtax	383,673	708,961	222,248	2,767	1,317,649
Tuition, K-12	158,212	115,407	-	-	273,619
Tuition, Post Secondary	1,244,160	-	-	-	1,244,160
Earnings on Investments	264,180	219,121	409,215	237,123	1,129,639
Other Interest Earned	16,851	31,137	9,761	122	57,871
Food Service Sales	2,622,295	-	-	-	2,622,295
Student Activities	1,564,071	-	-	-	1,564,071
Community Services	7,944	-	-	-	7,944
Rentals	245,178	-	-	-	245,178
Offset Printing	130,647	-	-	-	130,647
Donations	206,969	-	-	-	206,969
Food Service Catering	58,494	-	-	-	58,494
Project Construct	360,825	-	-	-	360,825
Fund Raising	13,139	-	-	-	13,139
Other Local Sources	431,878	-	-	-	431,878
Total Local Sources	<u>33,999,446</u>	<u>38,913,394</u>	<u>11,322,281</u>	<u>376,488</u>	<u>84,611,609</u>
COUNTY SOURCES:					
Fines & Forfeitures	-	795,496	-	-	795,496
State Assessed Utilities	697,336	100,688	223,616	5,293	1,026,933
Total County Sources	<u>697,336</u>	<u>896,184</u>	<u>223,616</u>	<u>5,293</u>	<u>1,822,429</u>
STATE SOURCES:					
Basic Formula	9,145,430	16,898,703	1,123,095	65,904	27,233,132
Transportation	888,456	1,641,676	-	-	2,530,132
Exceptional Pupil Aid	1,302,229	2,406,239	-	-	3,708,468
Free and Reduced/At Risk	1,918,086	3,544,193	235,548	13,822	5,711,649
Foreign Insurance, Free Textbook	1,493,198	-	-	-	1,493,198
Vocational, Technical	457,648	344,475	-	-	802,123
Adult Basic Education	175,935	-	-	-	175,935
Food Service	36,478	-	-	-	36,478
Literacy Grant	70,000	-	-	-	70,000
Fair Share, Cigarette Tax	-	409,302	-	-	409,302
Early Childhood	474,960	877,625	-	-	1,352,585
Remedial Reading	70,387	130,059	-	-	200,446
Career Ladder	344,854	637,216	-	-	982,070
Parents as Teachers	247,329	457,011	-	-	704,340
Safe Schools Grant	89,041	-	-	-	89,041
School Health Grant	85,500	-	-	-	85,500
Grants for School Technology	46,799	-	-	51,600	98,399
Vocational Enhancement	491,719	-	-	197,539	689,258

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF REVENUES CLASSIFIED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2003
(continued)**

	<u>General 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	\$ 35,391	\$ -	\$ -	\$ -	\$ 35,391
Missouri Preschool	27,100	-	-	-	27,100
Child Care Consortium	40,359	-	-	-	40,359
Excess Cost	37,187	68,714	-	-	105,901
Extraordinary Costs	75,863	140,178	-	-	216,041
Mathematics Grant	3,289	-	-	-	3,289
Project Construct	1,019,544	-	-	-	1,019,544
Other State Sources	22,945	-	-	-	22,945
Total State Sources	<u>18,599,727</u>	<u>27,555,391</u>	<u>1,358,643</u>	<u>328,865</u>	<u>47,842,626</u>
FEDERAL SOURCES:					
Pell Grants	212,630	-	-	-	212,630
Voc Ed Act - Title I, Basic Grant	156,881	118,353	-	-	275,234
Title I - ESEA	618,358	1,545,329	-	-	2,163,687
Title V - ESEA	115,199	22,016	-	-	137,215
P.L. 94-142, Special Education	807,733	1,438,941	-	-	2,246,674
Early Childhood	248,060	202,801	-	-	450,861
J.T.P.A.	12,920	-	-	-	12,920
Adult Basic Education	263,063	-	-	-	263,063
Food Service	2,002,577	-	-	-	2,002,577
Childcare Development	20,000	-	-	-	20,000
Title IV, Drug Free Schools	76,490	-	-	-	76,490
Title II, Part A	414,436	335,729	-	-	750,165
Title II, Part D	56,915	-	-	-	56,915
Title III - ESEA	30,326	-	-	-	30,326
Learn & Serve America	13,000	-	-	-	13,000
Medicaid	642,505	-	-	-	642,505
Aids Education Grant	999	-	-	-	999
Goals 2000	2,000	-	-	-	2,000
Youth Build	10,071	-	-	-	10,071
Even Start Family Literacy	177,778	-	-	-	177,778
Workforce Investment Act	106,465	-	-	-	106,465
Comprehensive School Reform	122,311	-	-	-	122,311
Other Federal Sources	191,310	-	-	-	191,310
Total Federal Sources	<u>6,302,027</u>	<u>3,663,169</u>	<u>-</u>	<u>-</u>	<u>9,965,196</u>
OTHER SOURCES:					
Sale of Bonds	-	-	-	15,000,000	15,000,000
Refunding of Bonds	-	-	14,320,000	-	14,320,000
Sale of Other Property	-	-	-	19,010	19,010
Total Other Sources	<u>-</u>	<u>-</u>	<u>14,320,000</u>	<u>15,019,010</u>	<u>29,339,010</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF REVENUES CLASSIFIED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2003
(continued)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
TUITION OTHER DISTRICTS:					
Tuition Other Districts	-	11,219	-	-	11,219
Area Vocational School Fees	37,875	37,875	-	-	75,750
Total Tuition Other Districts	<u>37,875</u>	<u>49,094</u>	<u>-</u>	<u>-</u>	<u>86,969</u>
 Total Revenues	 <u>\$ 59,636,411</u>	 <u>\$ 71,077,232</u>	 <u>\$ 27,224,540</u>	 <u>\$ 15,729,656</u>	 <u>\$ 173,667,839</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES BY OBJECT
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
SALARIES:					
Certificated Salaries	\$ 1,626,879	\$ 67,431,382	\$ -	\$ -	\$ 69,058,261
Non-Certificated Salaries	16,401,421	-	-	-	16,401,421
Total Salaries	<u>18,028,300</u>	<u>67,431,382</u>	<u>-</u>	<u>-</u>	<u>85,459,682</u>
FRINGE BENEFITS:					
Teacher Retirement	7,301,960	-	-	-	7,301,960
Non-Teacher Retirement	889,571	-	-	-	889,571
Social Security	2,170,713	-	-	-	2,170,713
Medical and Dental Benefits	2,378,522	5,317,184	-	-	7,695,706
Workers Compensation	721,562	-	-	-	721,562
Total Fringe Benefits	<u>13,462,328</u>	<u>5,317,184</u>	<u>-</u>	<u>-</u>	<u>18,779,512</u>
PURCHASED SERVICES:					
Instructional Services	-	349,300	-	-	349,300
Professional Services	2,142,308	-	-	-	2,142,308
Property Services	2,917,007	-	-	-	2,917,007
Contracted Transportation	5,127,042	-	-	-	5,127,042
Other Transportation, Non-Route	307,744	-	-	-	307,744
Travel	922,812	-	-	-	922,812
Insurance	475,072	-	-	-	475,072
Communications and Printing	954,363	-	-	-	954,363
Dues and Fees	592,737	-	-	-	592,737
Service Charges	27,344	-	-	-	27,344
Financial Aid Adult Ed.	253,760	-	-	-	253,760
Total Purchased Services	<u>13,720,189</u>	<u>349,300</u>	<u>-</u>	<u>-</u>	<u>14,069,489</u>
SUPPLIES:					
General Supplies	5,394,068	-	-	-	5,394,068
Free Textbooks	1,317,727	-	-	-	1,317,727
Library Books	696	-	-	-	696
Food Supplies	2,059,108	-	-	-	2,059,108
Gasoline	233,260	-	-	-	233,260
Utilities	2,192,542	-	-	-	2,192,542
Total Supplies	<u>11,197,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,197,401</u>
CAPITAL OUTLAY:					
Buildings and Additions	-	-	-	7,762,879	7,762,879
Improvements to Buildings	-	-	-	2,658,470	2,658,470
Equipment and Vehicles	125,389	-	-	757,721	883,110
Total Capital Outlay	<u>125,389</u>	<u>-</u>	<u>-</u>	<u>11,179,070</u>	<u>11,304,459</u>
DEBT SERVICE:					
Principal	-	-	9,605,000	-	9,605,000
Interest	-	-	6,256,787	-	6,256,787
Professional Fees	-	-	106,057	-	106,057
Total Debt Service	<u>-</u>	<u>-</u>	<u>15,967,844</u>	<u>-</u>	<u>15,967,844</u>
Total Expenditures	<u>\$ 56,533,607</u>	<u>\$ 73,097,866</u>	<u>\$ 15,967,844</u>	<u>\$ 11,179,070</u>	<u>\$ 156,778,387</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
 ASSESSED VALUATION AND TAX LEVY
 JUNE 30, 2003**

The assessed valuation of the tangible taxable property for the calendar years 2002 and 2001 for purposes of local taxation was as follows:

	<u>Current Year</u>	<u>Prior Year</u>
Real Estate:		
Residential.....	\$ 733,217,332	\$ 705,618,687
Agriculture	11,541,728	11,761,428
Commercial.....	320,806,701	290,086,192
Personal Property.....	<u>271,469,125</u>	<u>276,806,687</u>
 TOTAL	 \$ <u>1,337,034,886</u>	 \$ <u>1,284,272,994</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2002 for purposes of local taxation was as follows:

	<u>Adjusted</u>	<u>Unadjusted</u>
Operating Fund	\$ 1.3844	\$ 1.7708
Teachers Fund.....	2.5581	2.5581
Debt Service Fund8019	.8019
Capital Projects Fund.....	<u>.0100</u>	<u>.0100</u>
 TOTAL	 \$ <u>4.7544</u>	 \$ <u>5.1408</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2003**

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 - A.M.	532.44 hours	Grades 10-12 (Rock Bridge)	1,127.50 hours
Kindergarten – Full-day	1,067.50 hours	Grades 6-12 (Douglass)	1,108.16 hours
Grades 1-5	1,067.50 hours	Grades 6-12 (Juvenile Justice)	1,080.00 hours
Grades 6-7	1,111.00 hours		
Grades 8-12	1,080.00 hours		

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

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

2. Students

The number of eligible pupils (EP) for this school year was 15,202.67 (Section 163.011(4), RSMo), calculated as follows:

AVERAGE DAILY ATTENDANCE (ADA)

Regular Year	Full-time/ Part-time	Remedial	Total
Kindergarten – A.M.	10.34	-	10.34
Kindergarten – Full-day	1,118.46	-	1,118.46
Grades 1-5	5,742.09	-	5,742.09
Grades 6-12	7,942.36	-	7,942.36
Subtotal Regular Year	14,813.25	-	14,813.25
SUMMER SCHOOL AVERAGE DAILY ATTENDANCE			194.71
TOTAL AVERAGE DAILY ATTENDANCE			15,007.96
DETERMINATION OF RESIDENT ELIGIBLE PUPILS FOR STATE AID			
Total Average Daily Attendance (ADA) (above)			15,007.96
Summer School Average Daily Attendance			194.71
RESIDENT ELIBIGLE PUPILS FOR STATE AID (EP)			15,202.67
SEPTEMBER RESIDENT MEMBERSHIP			15,887.91
(This is a calculated number adjusted for less than full-day kindergarten as of the last Wednesday of September, 2002.)			

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2003**

2. Students (Continued)

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

(This is a full-time equivalency (FTE) number as of last Wednesday of January, 2003.)

	<u>2003</u>
Free	4,071.51
Reduced	717.04
Total	4,788.55

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. 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 No

If no, has corrective action been recommended? 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 8,045.50 and the average number of students transported on a regular basis (ADT) ineligible to be counted for state transportation aid was 0.

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

If no, has corrective action been recommended? Yes No

Based on the actual odometer records, the total mileage for the year was 2,105,344. Of this total, the eligible non-handicapped and handicapped miles was 1,854,029 and the ineligible non-route and disapproved miles (combined) was 251,315.

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

4. Adult Education and Literacy

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

If yes, check the appropriate programs.

Regular AEL <input checked="" type="checkbox"/>	Special Literacy <input checked="" type="checkbox"/>	Supplemental Literacy <input checked="" type="checkbox"/>
MESL <input checked="" type="checkbox"/>	EL/Civics <input checked="" type="checkbox"/>	Other (name) _____

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2003**

4. Adult Education and Literacy (Continued)

- B. The number of contact hours eligible for core funding reimbursement in AEL for this year was 98,659.51.
- 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
 - have been designated as employed on the class schedule submitted to the state director. _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

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2003**

6. Finance (Continued)

- D. The District allocated the state aid it received in accordance with Section 163.031.7, RSMo. X Yes No
- E. The District's Free & Reduced/At-Risk (Line 14) expenditures are in accordance with DESE and/or statutory requirements. X Yes No
- F. The District's expenditures for At-Risk activities were \$6,762,706.
- G. 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 |
- H. The District's June, Basic Formula Calculation Sheet, Line K, Basic Formula Apportionment amount was \$27,110,875.
- The District's 75% of 1% of the Basic Formula Apportionment amount was \$203,332.
- The amount spent for approved professional development committee plan activities was \$698,910.
- I. 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? _____
- 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, 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 set a levy in the Capital Projects Fund sufficient to cover the lease purchase principal and interest obligations for all Section 177.088 lease purchases entered into after January 1, 1997. Yes No X N/A
- M. 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
- N. The District has appropriately included all current and prior year crossover refunding bonds in its financial statements. X Yes No N/A
- O. The District took action prior to October 31 to cause the 2002-03 audit to be performed. X Yes No

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2003**

6. Finance (Continued)

- P. 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 2001-02 report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo. X Yes No N/A
- Q. Based on the District's federal expenditures, an audit was required to be performed in accordance with OMB Circular A-133 (Revised). X Yes No

7. Missouri School Improvement Program (MSIP)

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF TRANSPORTATION COSTS
YEAR ENDED JUNE 30, 2003**

	<u>Regular</u>		<u>Handicapped Contracted</u>
	<u>District Owned</u>	<u>Contracted</u>	
Salary and Benefits	\$ 47,079	\$ -	\$ -
Purchased Services	61	3,890,974	1,236,698
Supplies	-	134,498	44,332
Total	<u>\$ 47,140</u>	<u>\$ 4,025,472</u>	<u>\$ 1,281,030</u>

Single Audit Section



GERDING, KORTE & CHITWOOD

Professional Corporation ♦ Certified Public Accountants
20 South Fifth Street ♦ Columbia, Missouri 65201
573-449-1599 ♦ FAX 573-443-8603

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

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, 2003, and have issued our report thereon dated September 22, 2003. 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.

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.

September 22, 2003


Certified Public Accountants

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003**

<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)	\$ 212,630
Perkins Loan	84.038	N/A		(1)	82,515
Teachers Quality Enhancement	84.366	N/A		\$ 7,500	7,500
Total					<u>302,645</u>
Passed Through State Department of Education:					
Title I, Regular and Summer School	84.010A	010-093	X	\$ 2,539,184	2,163,687
Title II.A	84.281A	010-093	X	722,352	693,504
Title II.D	84.318A	010-093		56,915	56,915
Education of Handicapped:					
Entitlement	84.027A	010-093-EN01	X	2,414,924	2,414,924
Entitlement	84.323A	010-093-LI	X	6,452	6,452
Entitlement	84.158A	010-093-M1	X	2,046	2,046
Early Childhood	84.027A	010-093-EC04	X	259,282	259,282
Early Childhood	84.173A	010-093-EC01	X	191,824	191,824
Vocational Education	84.048A	010-093		275,234	275,234
Adult Basic Education	84.002A	010-093		263,063	263,063
Title III	84.365A	010-093		30,326	30,326
Drug-Free Schools & Communities (Title IV.A)	84.186A	010-093		90,201	76,490
Title V	84.340A	010-093		119,405	73,951
Lift	84.317	010-093		2,000	2,000
Show-Me Science Center	84.281B	010-093		54,070	54,070
Comprehensive School Reform-School Age Children	84.332A	010-093		20,000	20,000
Even Start	84.213C	N/A		177,778	177,778
Comprehensive School Reform	84.332A	N/A		150,000	122,309
Total					<u>6,883,855</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				\$	<u>7,186,500</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003
(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)	\$ 1,557,331
National School Breakfast	10.553	010-093	X	(1)	400,790
Food Distribution	10.555	010-093	X	\$ 201,662	174,201
Total					<u>2,132,322</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE					<u>\$ 2,132,322</u>
<u>U.S. DEPARTMENT OF LABOR</u>					
Passed Through State Department of Education:					
Job Training Partnership Act	17.225	39-0005-3-01, 32-0005-3-01		\$ 9,420	\$ <u>9,420</u>
Total					<u>9,420</u>
Passed Through Advent Enterprises:					
Welfare to Work	17.253	N/A		(1)	\$ 142,979
Total					<u>142,979</u>
TOTAL U.S. DEPARTMENT OF LABOR					<u>\$ 152,399</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
Passed Through Advent Enterprises:					
Youth Build	14.243	N/A		\$ 47,000	\$ <u>10,071</u>
Total					<u>10,071</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					<u>\$ 10,071</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003
(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 HEALTH AND HUMAN SERVICES</u>					
Passed Through State Department of Education:					
Temporary Assistance for Needy Families	93.558	010-093		\$ 3,500	\$ <u>3,500</u>
Total					<u>3,500</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					\$ <u><u>3,500</u></u>
 <u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>					
Passed Through State Department of Education:					
Learn & Serve America	94.004	010-093		\$ 13,000	\$ <u>13,000</u>
Total					<u>13,000</u>
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					\$ <u><u>13,000</u></u>
 <u>U.S. GENERAL SERVICES ADMINISTRATION</u>					
Passed Through The State Agency for Surplus Property:					
Surplus Property	39.003	010-093		(1) \$	<u>4,649</u>
Total					<u>4,649</u>
TOTAL U.S. GENERAL SERVICES ADMINISTRATION					\$ <u><u>4,649</u></u>
 TOTAL FEDERAL ASSISTANCE					 \$ <u><u>9,502,441</u></u>

(1) No specific award amount

COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2003

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 \$300,000 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 \$19,960 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 \$174,201, valued at the cost assigned to those commodities by the U.S. Department of Agriculture.



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING 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, 2003, and have issued our report thereon dated September 22, 2003. 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.

Compliance

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 grants, 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*.

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 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.

However, we noted other matters involving the internal control over financial reporting that we have reported to the management of Columbia Public School District in a separate letter dated September 22, 2003.

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

September 22, 2003


Certified Public Accountants



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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND 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, 2003. Columbia Public School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of 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, 2003.

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 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 organization, Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

September 22, 2003

Geising, Korte & Clithwood
Certified Public Accountants

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AND SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2003**

Section I: Summary of Auditors' Results

Financial Statements

Type of auditor's 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 auditor's 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>
84.010	Title 1.A - Program for Educationally Disadvantaged Students
84.027	Education of the Handicapped
84.323	Education of the Handicapped
84.158A	Education of the Handicapped
84.173	Education of the Handicapped
10.553	School Breakfast
10.555	School Lunch
10.550	Food Distribution
84.281a	Title IIa

Dollar threshold used to distinguish between type A and type B programs: \$300,000

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, 2003**

Section II: Findings

None

Section III: Questioned Costs

None