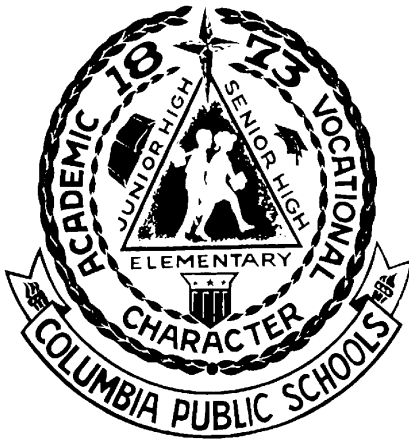


Comprehensive Annual Financial Report

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*Columbia Public School District
Columbia, Missouri*

For Fiscal Year Ended June 30, 2005

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2005**

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

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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Introductory Section



Dr. Phyllis A. Chase
Superintendent of Schools

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

October 15, 2005

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

State law and the District's adopted policy require an audit of the books of accounts, financial records and transactions of all funds of the District. This report is published to fulfill that requirement for the fiscal year ended June 30, 2005.

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

Gerding, Korte & Chitwood, P.C., Certified Public Accountants, have issued an unqualified ("clean") opinion on the District's financial statements for the year ended June 30, 2005. The independent auditor's report is located at the front of the financial section of this report. The independent auditor's report on internal control and compliance issued in connection with the Single Audit is located in the back in the Single Audit Section.

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

Profile of the Government

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

The Columbia Public School District was organized on January 7, 1873. The first high school opened in 1895 on the site where Jefferson Junior High School now stands and in 1909 a bond issue was voted for Columbia High School, now the original wing of the Jefferson Junior High School building. Today, the District includes nineteen elementary schools, three middle schools, three junior high schools, two senior high schools, one alternative school, and one vocational school. Total enrollment (K-12) in the District is 16,520 students. Enrollment growth reflects the growth of the community. For the period 1995 through 2005 overall enrollment of the District increased by 10.4%. 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 7,300 part-time and full-time adult students enrolled annually in more than 2,037 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 11,500 students are eligible to be transported to and from school on a daily basis. One hundred forty-one (141) school buses are used in the transportation program. Most buses serve multiple routes.

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

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 District is not a component unit of another reporting entity. The Board meets prior to July 1 and adopts the annual budget. The budget serves as the foundation for the District's financial planning and control. The budget is prepared by fund and function and may be amended at this level only by the approval of a majority of the members of the Board of Education. The administration may amend the budget only at the object and location (school or building) level without seeking the approval of the Board. The Board of Education approved budget amendments for the year ended June 30, 2005, at its January 10, 2005, and June 13, 2005, meetings.

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

Local Economy

Columbia is located midway between St. Louis and Kansas City at the crossroads of Interstate 70 and U.S. Highway 63. Medical and research facilities form a major portion of the Columbia economic base. Five hospitals employ a significant portion of the Columbia area work force in medically related occupations. Columbia's medical facilities are comparable to those found in a typical city of nearly half a million in population. In addition, Columbia serves as the home of several insurance companies and many light industrial facilities. Education is also a significant portion of the Columbia economic base with the University of Missouri and two private colleges serving more than 25,000 students and the Columbia Public Schools with an enrollment of approximately 16,500 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 (4.1% in June 2005).

Long-Term Financial Planning

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

In addition, the District has continued to maintain and update a facilities and equipment plan by going to the voters every two years for an authorization to issue general obligation bonds for financing. Voters have approved 24 consecutive authorizations, totaling \$210.1 million, dating back to 1960. The District currently has \$10 million of a \$22.5 million authorization available for issuance, approved by the voters in April 2004. The first issue of this authorization, \$12.5 million, was issued in fiscal year 2005. The remaining \$10 million will be issued in fiscal year 2006.

Relevant Financial Policies

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 170% of premiums and specific claims in excess of \$350,000.

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

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

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

Cash Management

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

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

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

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

Awards and Acknowledgements

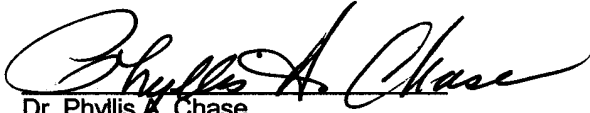
This past year, our Comprehensive Annual Financial Report earned both the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting. These awards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

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

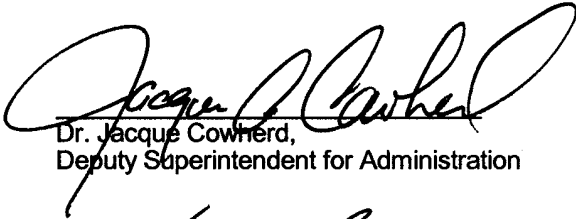
It is our intention that this Comprehensive Annual Financial Report will provide the District's management, outside investors, and interested local citizens with the most meaningful financial presentation possible. We are hopeful that all readers of the report will obtain a clear and concise picture of the District's financial condition as of June 30, 2005.

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

Respectfully submitted,



Dr. Phyllis A. Chase,
Superintendent



Dr. Jacques Cowherd,
Deputy Superintendent for Administration



Kevan Snell,
Director of Business Services

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2005**

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

BOARD OF EDUCATION

Mr. J. C. Headley, President

Ms. Karla DeSpain, Vice President

Mr. David P. Ballenger, Member

Dr. Kerry Crist, Member

Mr. Elton Fay, Member

Mr. Donald R. Ludwig, Member

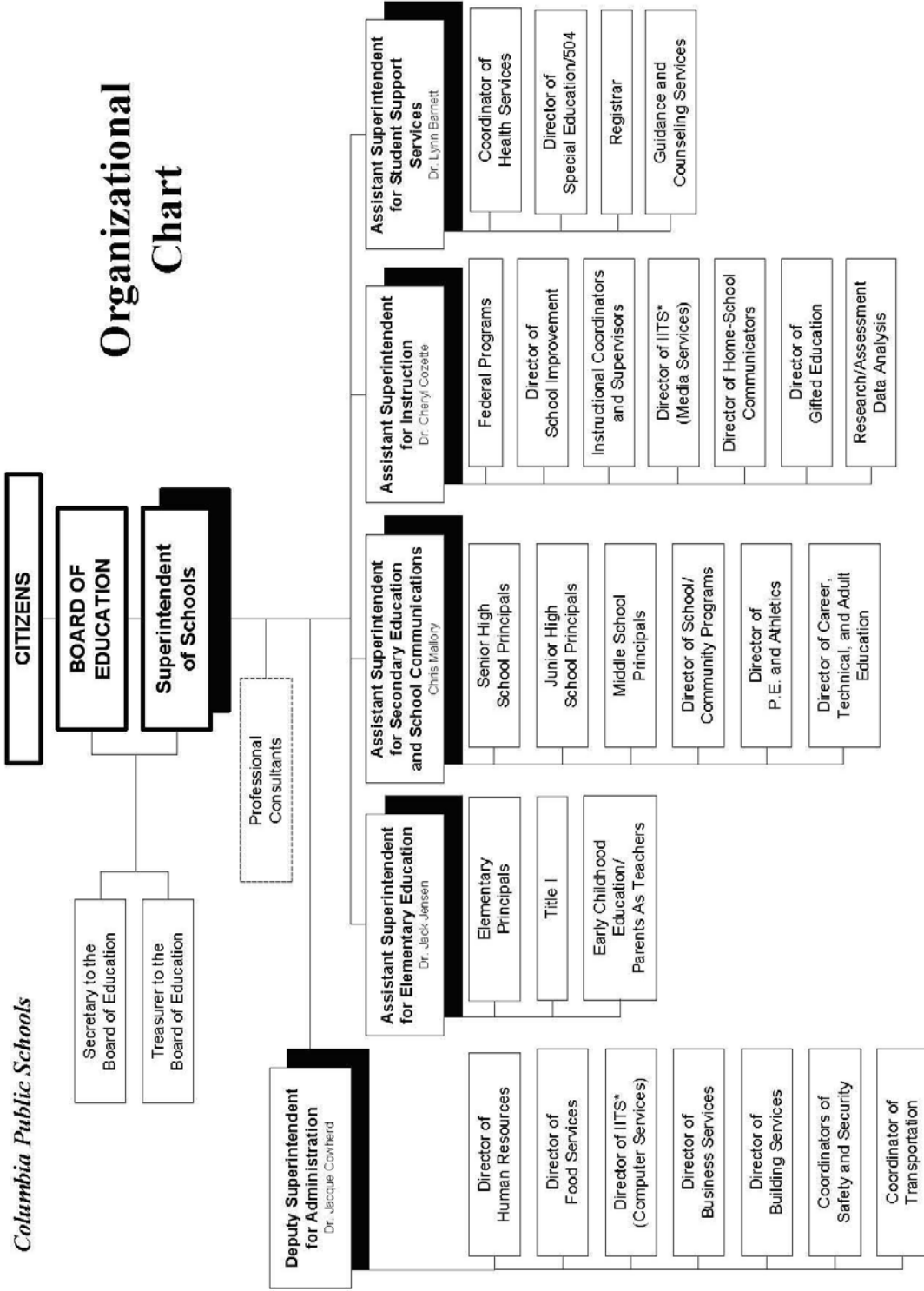
Mr. Darin Preis, Member

DISTRICT ADMINISTRATION

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

Columbia Public Schools

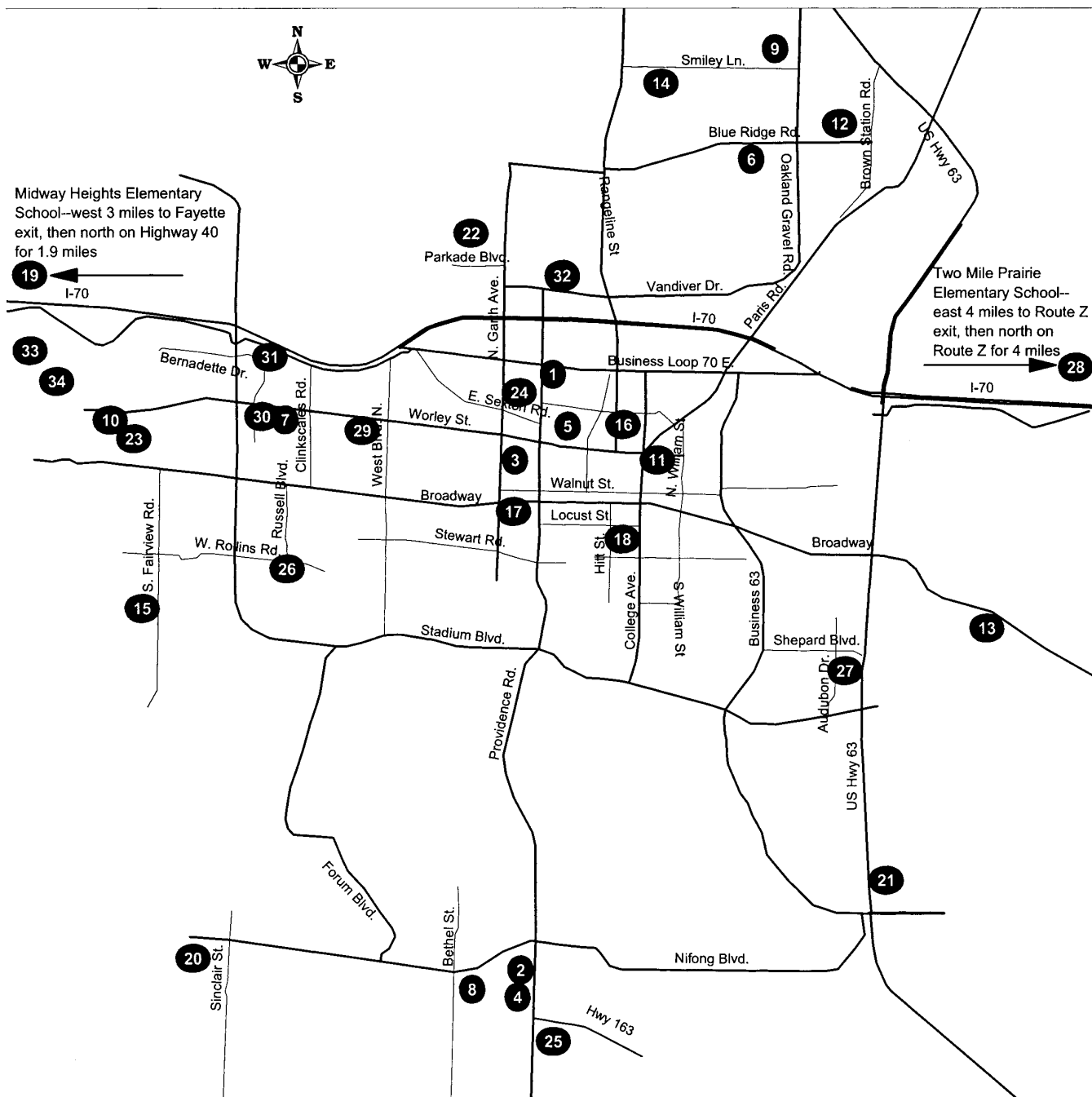
Organizational Chart



*One position

Columbia Public School District

School District Map



- | | | |
|---|--|---|
| <ul style="list-style-type: none"> 1 Hickman High School 2 Rock Bridge High School 3 Douglass High School 4 Columbia Area Career Center 5 Jefferson Junior High School 6 Oakland Junior High School 7 West Junior High School 8 Gentry Middle School 9 Lange Middle School 10 Smithton Middle School 11 Benton Elementary School | <ul style="list-style-type: none"> 12 Blue Ridge Elementary School 13 Cedar Ridge Elementary School 14 Derby Ridge Elementary School 15 Fairview Elementary School 16 Field Elementary School 17 Grant Elementary School 18 Lee Elementary School 19 Midway Heights Elementary School 20 Mill Creek Elementary School 21 New Haven Elementary School 22 Parkade Elementary School 23 Paxton Keeley Elementary School | <ul style="list-style-type: none"> 24 Ridgeway Elementary School 25 Rock Bridge Elementary School 26 Russell Blvd. Elementary School 27 Shepard Blvd. Elementary School 28 Two Mile Prairie Elementary School 29 West Blvd. Elementary School 30 Administration Building 31 Business & Computer Services/Gifted Center 32 Vandiver District Services Building 33 Building Services 34 Health Occupations |
|---|--|---|

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, 2004

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.



Nancy L. Zjelke

President

Jeffrey R. Enos

Executive Director

Certificate of Excellence/ASBO _____

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

Columbia Public School District

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2004

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

A handwritten signature in cursive script, appearing to read 'James Timbark'.

President

A handwritten signature in cursive script, appearing to read 'Anne W. Miller'.

Executive Director

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Financial Section



Professional Corporation
Certified Public Accountants

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

INDEPENDENT AUDITORS' REPORT

Board of Education
Columbia Public School District
Columbia, Missouri

PARTNERS

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Columbia Public School District, Columbia, Missouri, as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Columbia Public School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Columbia Public School District, Columbia, Missouri, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general and teachers funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 9, 2005, on our consideration of the Columbia Public School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Columbia Public School District's basic financial statements. The introductory section, combining and individual 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 9, 2005


Gerding, Korte and Chitwood
Certified Public Accountants

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005**

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

Financial Highlights

- The total assets of the Columbia Public School District exceeded its liabilities at the end of the 2005 fiscal year by \$67,230,784 (net assets). Of this amount, \$32,174,731 (unrestricted net assets) may be used to meet the District's ongoing obligations to taxpayers and creditors.
- The District's total net assets increased \$2,192,941. This increase was the result of additional unexpected revenues received that were not spent during the current year.
- The governmental funds reported a combined ending fund balance of \$71,814,266, a decrease of \$13,520,315 from the prior year. A little over three-fourths of this amount, \$56,934,571, is available for spending at the District's discretion (unreserved, undesignated fund balance), within each respective fund.
- The combined unreserved fund balance for the General Fund and Teachers Fund is \$31,556,332, or 24.3% of the current year expenditures of these funds.
- The total long-term debt of the District decreased \$4,802,984 during the year.

Overview of the Financial Statements

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

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

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

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

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005**

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

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

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

District-wide Statements

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

- Increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005**

- To assess the District's overall financial position, additional non-financial factors, such as changes in the District's property tax base and the condition of its school buildings and other facilities, should be considered.

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

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

The District's component unit is the Columbia Public School District Foundation, which is a legally separate entity. Although the Board does not control the activities of the component unit, the component unit provides its resources solely to the District. The component unit's fiscal year end is December 31. The financial information presented for the component unit is for its fiscal year ending December 31, 2004.

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005**

District's self-insurance for medical, dental, and workers' compensation programs. These funds are used to allocate the costs of these programs to the functions that benefit from their use. Since internal service funds predominantly benefit governmental activities rather than business-type activities, they have been included in governmental activities in the district-wide financial statements.

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

Financial Analysis of the District as a Whole

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. As of the end of the most recently completed fiscal year, assets exceeded liabilities by just over \$67 million. Of that amount, 29% represents the District's investment in capital assets (land, buildings, equipment, etc.), 23% represents amounts that are subject to external restrictions on how they can be used (debt service, capital projects, teachers' salaries and benefits, etc.), and the remaining 48%, just over \$32 million, is available to fund the ongoing operations of the District.

The long-term perspective shown in the district-wide statements indicates the District continues to remain financially sound. The District's current assets exceed current liabilities indicating an ability to meet immediate financial needs. Obligations under long-term debt of the District decreased by \$4.8 million during the year and the District continues to be able to meet its obligations under long-term debt while also maintaining a reasonable balance of almost \$8 million in net assets restricted for debt service.

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005**

Table 2 Condensed Statement of Net Assets June 30, 2005 With Comparative Totals for June 30, 2004 (In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and Other Assets	\$ 165,487	\$ 172,902	\$ 2,463	\$ 2,131	\$ 167,950	\$ 175,033
Capital Assets	140,713	129,971	613	667	141,326	130,638
Total Assets	<u>306,200</u>	<u>302,873</u>	<u>3,076</u>	<u>2,798</u>	<u>309,276</u>	<u>305,671</u>
Current Liabilities	92,462	86,306	240	181	92,702	86,487
Noncurrent Liabilities	149,192	154,004	151	142	149,343	154,146
Total Liabilities	<u>241,654</u>	<u>240,310</u>	<u>391</u>	<u>323</u>	<u>242,045</u>	<u>240,633</u>
Investment in Capital Assets, Net of Related Debt	18,991	19,762	613	667	19,604	20,429
Restricted	15,452	18,803	-	-	15,452	18,803
Unrestricted	<u>30,103</u>	<u>23,998</u>	<u>2,072</u>	<u>1,808</u>	<u>32,175</u>	<u>25,806</u>
Total Net Assets	<u>\$ 64,546</u>	<u>\$ 62,563</u>	<u>\$ 2,685</u>	<u>\$ 2,475</u>	<u>\$ 67,231</u>	<u>\$ 65,038</u>

As of June 30, 2005, the District is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same was also true for the prior fiscal year.

The District's total net assets increased \$2.2 million. This increase is due to additional revenues received during the year that were not spent and were added to reserves during the current year.

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005**

Table 3 provides a summary of the changes in net assets for the year ended June 30, 2005.

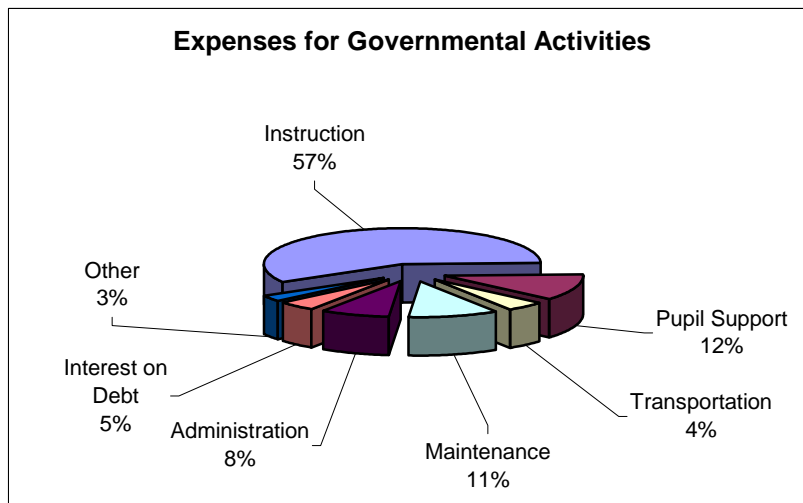
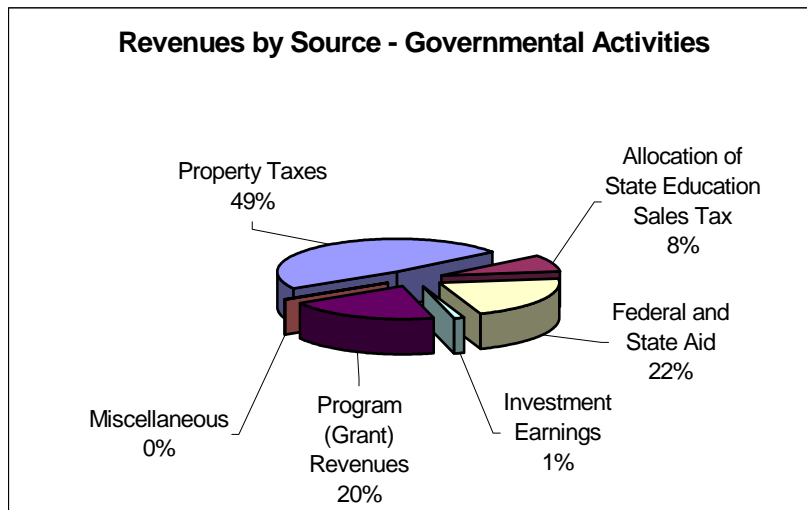
Table 3 Changes In Net Assets from Operating Results Year Ended June 30, 2005 With Comparative Totals for Year Ended June 30, 2004 (In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,072	\$ 1,281	\$ 3,703	\$ 3,661	\$ 4,775	\$ 4,942
Operating Grants and Contributions	28,622	27,553	3,520	3,411	32,142	30,964
Capital Grants and Contributions	614	639	-	-	614	639
General Revenues:						
Property Taxes	71,189	70,003	-	-	71,189	70,003
Allocation of Statewide Education Sales Tax	12,472	11,950	-	-	12,472	11,950
Federal and State Aid	31,791	26,407	-	-	31,791	26,407
Other	2,594	1,924	-	-	2,594	1,924
Total Revenues	148,354	139,757	7,223	7,072	155,577	146,829
Expenses:						
Instruction	84,636	75,656	-	-	84,636	75,656
Support Services						
Pupil/Instructional Support	17,502	15,368	-	-	17,502	15,368
Administration	11,457	10,430	-	-	11,457	10,430
Operation of plant	15,636	14,748	-	-	15,636	14,748
Pupil Transportation	6,418	5,864	-	-	6,418	5,864
Other	3,882	3,872	-	-	3,882	3,872
Interest Payments	6,839	7,125	-	-	6,839	7,125
Food Services	-	-	5,246	4,782	5,246	4,782
Adult Education	-	-	1,768	1,853	1,768	1,853
Total Expenses	146,370	133,063	7,014	6,635	153,384	139,698
Increase (decrease) in net assets	\$ 1,984	\$ 6,694	\$ 209	\$ 437	\$ 2,193	\$ 7,131

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005**

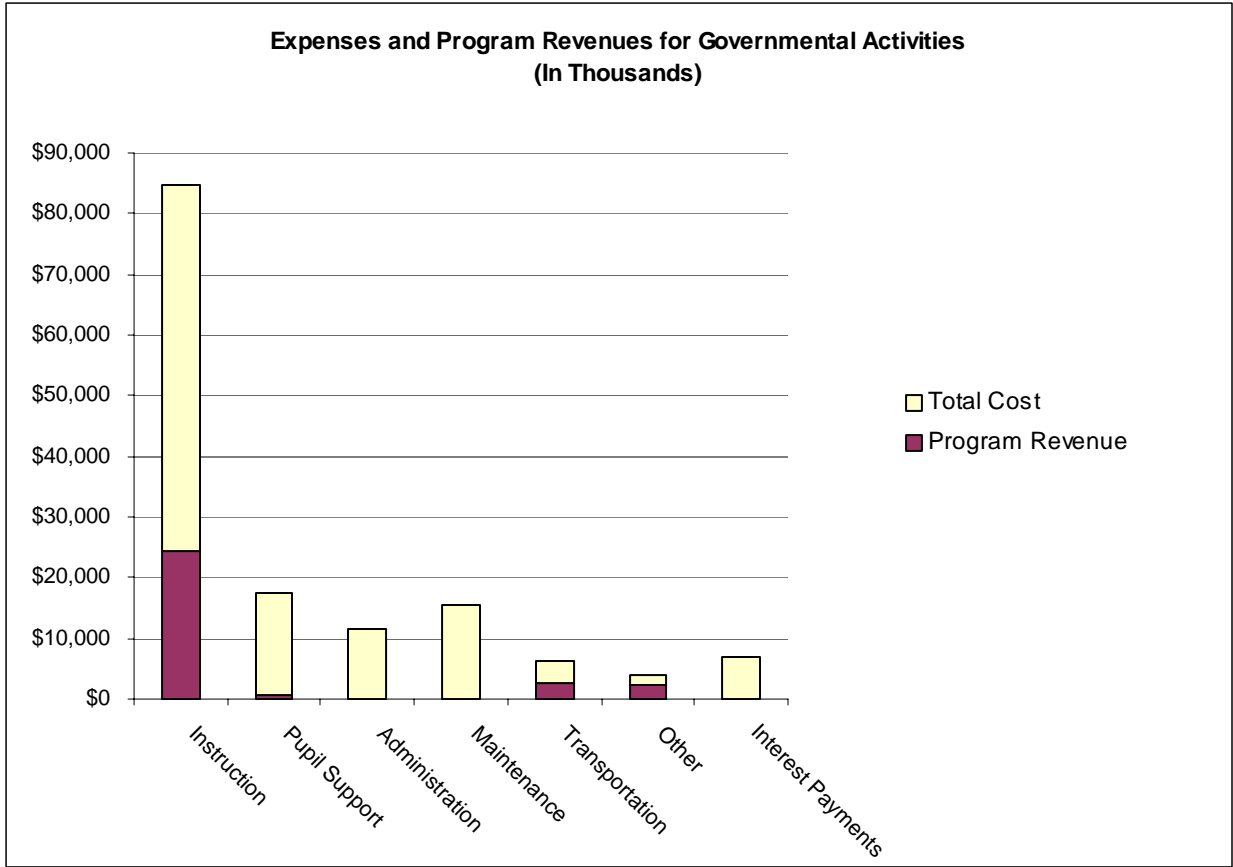
Governmental and Business-Type Activities

Expenses for Governmental Activities increased \$13 million. Of this increase, 85% (\$11 million) was in the areas of Instruction and Pupil/Instructional Support, primarily due to increases in teachers' salaries and benefits and payments to the District's summer school contractor. The increase in expenses was primarily financed by an increase of \$9 million in revenues, and the remaining \$4 million increase in expenses caused the change in net assets to be \$4 million lower than the prior year. Of the \$9 million increase in revenues, only \$1 million was from increases in property taxes while \$6 million was financed with additional state and federal grants and increases in state aid.

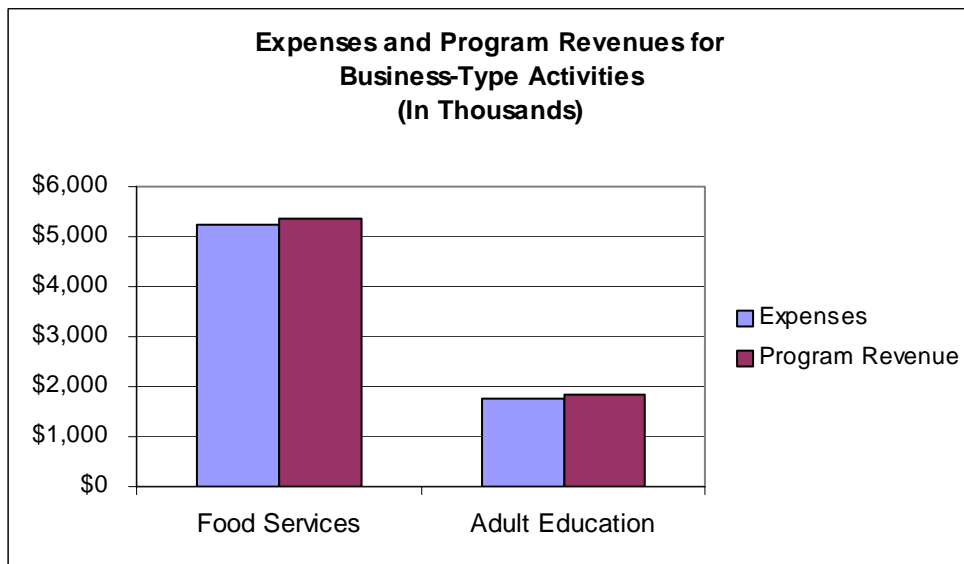
The District's Business-Type Activities continue to be entirely self-supporting and require no funding from the District's operating funds. The Business-Type Activities are funded through amounts charged for the services they provide as well as federal and state grants. The increase in expenses for the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



**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005**



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



**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005**

Financial Analysis of the District's Funds

The District completed the year with a total governmental fund balance of \$71,814,266. This is a decrease of \$13,520,315 from the previous year, primarily due to decreases in the Debt Service Fund and Capital Projects Fund. The overall position of the District's funds is strong and the District is able to meet all of its ongoing operational expenses without having to resort to any short-term financing activities.

The District refers to the combined balance of the General Fund and Teachers Fund as its operating funds. The balance of the operating funds decreased by approximately \$1.5 million. This was a planned decrease in the reserve balance of operating funds. Expenses for the operating funds increased \$13 million in the current year. The increase was primarily due to salary and benefit increases for teachers and support staff and payments made to the District's summer school contractor.

The balance of the Debt Service Fund decreased \$10 million during the year. This was due to principal payments that were made on the District's general obligation bonds that were funded by the proceeds from crossover refunding bonds that had been held by the District's fiscal agent in an escrow account since 2002 when the refunding bonds were issued.

The balance of the Capital Projects Fund decreased \$2.2 million during the year. This was a normal decrease in the balance of this fund as the timing of completion of capital projects often varies from the timing of issuance of general obligation bonds to finance the capital projects.

The District completed the year with a balance of net assets of \$2,684,586 in its proprietary funds. These funds are nonmajor funds and are presented in the district-wide statements as Business-Type Activities. The financial position of these funds remains strong and they continue to be able to be funded entirely through charges for the services they provide and federal and state grants. Revenues were greater than expenses for both the current and prior year for these funds.

General Fund Budgetary Highlights

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

- Increased revenues of \$2.4 million for additional state aid that was received during the year as a result of increased pupil counts from the 2004 summer school.
- Increased expenditures of \$3 million to pay the District's contractor for summer school.
- Increased revenues and expenditures for various grant programs to recognize final grant approvals.

Actual revenues exceeded budgeted amounts by \$684,063, primarily due to additional state aid received at the end of the year. Actual expenditures were \$914,941 less than budgeted, leaving a positive variance of over \$1.5 million in the ending balance of the fund. Costs related to pupil transportation were \$569,000 more than budgeted, mainly as a result of increased fuel costs and higher than expected costs to transport special education students. End of year payroll costs were also \$360,000 less than anticipated and various schools and departments did not spend all amounts budgeted for services and supplies.

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005**

Capital Assets

As of June 30, 2005, the District had \$140,713,105 and \$612,799, net of accumulated depreciation, invested in land, buildings and equipment in Governmental Activities and Business-Type Activities, respectively. This also includes construction in progress of \$9,533,338 as of year-end in Governmental Activities. (More detailed information regarding capital assets can be found in the notes to the basic financial statements, Note 10).

The District completed capital improvement projects totaling \$6.3 million. This included \$3.4 million for the Jefferson Junior High School additions and \$1.7 million for the Oakland Junior High School additions. 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 4 provides a summary of the District's capital assets as of June 30, 2005.

Table 4 Capital Assets June 30, 2005 With Comparative Totals for June 30, 2004 (Net of Depreciation, In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 3,861	\$ 3,861	\$ 38	\$ 38	\$ 3,899	\$ 3,899
Construction in Progress	9,533	4,803	-	-	9,533	4,803
Buildings	121,617	116,793	195	198	121,812	116,991
Mobile Classrooms	1,198	1,287	-	-	1,198	1,287
Equipment and Furniture	4,504	3,227	380	431	4,884	3,658
Total	\$ 140,713	\$ 129,971	\$ 613	\$ 667	\$ 141,326	\$ 130,638

Debt Administration

As of June 30, 2005, the District had \$147,715,000 in general obligation bonds outstanding. The District issued \$12.5 million in general obligation bonds, dated March 1, 2005, which was the first issue of \$22.5 million authorized by the voters in April 2004. (More detailed information regarding long-term debt can be found in the notes to the basic financial statements, Note 9).

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005**

Other Matters

The District's budget for the subsequent fiscal year approved by the Board in June 2005 further reduces the balance of reserve operating funds by \$4.2 million. This will leave a projected balance in reserve funds of 19.8% of fiscal year 2006 expenditures at the end of fiscal year 2006. The Board has targeted a level of 18% of reserve funds in the operating funds.

In August 2005, the District issued refunding bonds that will lower the District's future debt service payments by \$1.2 million.

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

The District has joined 242 other school districts in a lawsuit against the state questioning the constitutionality of both the new and old funding formulas in that they provide for inadequate and unfairly distributed funding among Missouri school districts. A trial date has not been set on this lawsuit and the effects, if any, it may have on the amount of funding the District receives from the state in the future is not known at this time.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2005**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Columbia Public School District Foundation
ASSETS				
Cash and Cash Equivalents	\$ 5,900,951	\$ 518,748	\$ 6,419,699	\$ 245,049
Investments	60,875,760	1,491,416	62,367,176	504,776
Receivables (Net of Allowance for Uncollectibles)				
Local	82,526,926	242	82,527,168	-
State	1,055,886	-	1,055,886	-
Federal	246,755	249,513	496,268	-
Inventories	246,646	172,746	419,392	-
Prepaid Expenses	327,269	30,685	357,954	-
Restricted Assets				
Investment with Fiscal Agent - Refunding Escrow	14,306,280	-	14,306,280	-
Capital Assets (Net of Accumulated Depreciation)				
Land	3,861,080	37,763	3,898,843	-
Construction in Progress	9,533,338	-	9,533,338	-
Buildings	121,617,189	195,377	121,812,566	-
Mobile Classrooms	1,198,247	-	1,198,247	-
Furniture and Equipment	4,503,251	379,659	4,882,910	-
Total Assets	306,199,578	3,076,149	309,275,727	749,825
LIABILITIES				
Accounts Payable	4,401,573	7,268	4,408,841	-
Accrued Salaries and Payroll Taxes	6,638,622	26,658	6,665,280	-
Accrued Interest Payable	2,071,572	-	2,071,572	-
Deferred Revenue	79,349,561	206,393	79,555,954	-
Noncurrent Liabilities				
Due within One Year	8,950,000	34,334	8,984,334	-
Due in More than One Year	125,992,052	116,910	126,108,962	-
Liabilities Payable from Restricted Assets	14,250,000	-	14,250,000	-
Total Liabilities	241,653,380	391,563	242,044,943	-
NET ASSETS				
Investment in Capital Assets, Net of Related Debt	18,990,907	612,799	19,603,706	-
Restricted for:				
Debt Service	7,791,972	-	7,791,972	-
Capital Projects	2,430,029	-	2,430,029	-
Teachers' Salaries and Benefits	3,712,278	-	3,712,278	-
Other	1,518,068	-	1,518,068	-
Unrestricted	30,102,944	2,071,787	32,174,731	749,825
Total Net Assets	\$ 64,546,198	\$ 2,684,586	\$ 67,230,784	\$ 749,825

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, 2005**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities				
Instruction				
Regular Instruction	\$ 60,010,663	\$ 137,166	\$ 9,986,045	\$ 30,000
Special Education	20,082,002	-	12,595,621	7,395
Vocational Instruction	3,455,086	66,750	929,034	576,946
Student Activities - Athletics	733,748	118,396	-	-
Tuition to Other Districts	354,159	-	-	-
Total Instruction	<u>84,635,658</u>	<u>322,312</u>	<u>23,510,700</u>	<u>614,341</u>
Support Services				
Attendance	163,181	-	-	-
Guidance and Counseling	4,948,835	-	-	-
Health and Ancillary Services	2,747,952	22,500	90,000	-
Improvement of Instruction	2,109,746	-	433,586	-
Media Services	7,532,218	8,476	206,793	-
Board Services	319,449	-	-	-
General Administration	1,687,864	-	11,999	-
Building Administration	8,649,127	-	-	-
Business, Central Services	800,688	-	-	-
Operation of Plant	15,636,034	123,141	-	-
Pupil Transportation	6,418,242	-	2,744,981	-
Adult Literacy	205,451	-	164,223	-
Community Services	3,676,452	595,447	1,460,085	-
Total Support Services	<u>54,895,239</u>	<u>749,564</u>	<u>5,111,667</u>	<u>-</u>
Non-Instruction/Support Services				
Interest Payments, Bonds	6,839,392	-	-	-
Total Non-Instruction/Support Services	<u>6,839,392</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>146,370,289</u>	<u>1,071,876</u>	<u>28,622,367</u>	<u>614,341</u>
Business-Type Activities				
Food Services	5,246,357	2,841,177	2,534,764	-
Adult Education	1,767,660	862,321	985,016	-
Total Business-Type Activities	<u>7,014,017</u>	<u>3,703,498</u>	<u>3,519,780</u>	<u>-</u>
Total Primary Government	<u>\$ 153,384,306</u>	<u>\$ 4,775,374</u>	<u>\$ 32,142,147</u>	<u>\$ 614,341</u>
Component Unit				
Columbia Public School District Foundation	\$ 57,542	\$ -	\$ 130,583	\$ -

General Revenues

Taxes

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Services

Property Taxes, Levied for Capital Projects

Other Taxes

Allocation of Statewide Education Sales Tax

Federal and State Aid Not Restricted to Specific Purposes

Interest and Investment Earnings

Miscellaneous

Total General Revenues

Changes in Net Assets

Net Assets, July 1, as restated

Net Assets, June 30

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

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

Primary Government			Component Unit
Governmental Activities	Business- Type Activities	Total	Columbia Public School District Foundation
\$ (49,857,452)	\$ -	\$ (49,857,452)	\$ -
(7,478,986)	-	(7,478,986)	-
(1,882,356)	-	(1,882,356)	-
(615,352)	-	(615,352)	-
(354,159)	-	(354,159)	-
<u>(60,188,305)</u>	<u>-</u>	<u>(60,188,305)</u>	<u>-</u>
(163,181)	-	(163,181)	-
(4,948,835)	-	(4,948,835)	-
(2,635,452)	-	(2,635,452)	-
(1,676,160)	-	(1,676,160)	-
(7,316,949)	-	(7,316,949)	-
(319,449)	-	(319,449)	-
(1,675,865)	-	(1,675,865)	-
(8,649,127)	-	(8,649,127)	-
(800,688)	-	(800,688)	-
(15,512,893)	-	(15,512,893)	-
(3,673,261)	-	(3,673,261)	-
(41,228)	-	(41,228)	-
(1,620,920)	-	(1,620,920)	-
<u>(49,034,008)</u>	<u>-</u>	<u>(49,034,008)</u>	<u>-</u>
(6,839,392)	-	(6,839,392)	-
<u>(6,839,392)</u>	<u>-</u>	<u>(6,839,392)</u>	<u>-</u>
<u>(116,061,705)</u>	<u>-</u>	<u>(116,061,705)</u>	<u>-</u>
-	129,584	129,584	-
-	79,677	79,677	-
-	<u>209,261</u>	<u>209,261</u>	<u>-</u>
<u>(116,061,705)</u>	<u>209,261</u>	<u>(115,852,444)</u>	<u>-</u>
-	-	-	73,041
58,137,258	-	58,137,258	-
11,281,371	-	11,281,371	-
140,683	-	140,683	-
1,629,305	-	1,629,305	-
12,471,601	-	12,471,601	-
31,790,801	-	31,790,801	-
2,175,247	-	2,175,247	10,100
419,119	-	419,119	-
<u>118,045,385</u>	<u>-</u>	<u>118,045,385</u>	<u>10,100</u>
1,983,680	209,261	2,192,941	83,141
<u>62,562,518</u>	<u>2,475,325</u>	<u>65,037,843</u>	<u>666,684</u>
<u>\$ 64,546,198</u>	<u>\$ 2,684,586</u>	<u>\$ 67,230,784</u>	<u>\$ 749,825</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005**

	<u>General</u>	<u>Teachers</u>	<u>Debt Service</u>
ASSETS			
Cash and Cash Equivalents	\$ 17,726	\$ -	\$ 3,663,976
Investments	33,104,868	2,261,245	5,965,846
Receivables (Net of Allowance for Uncollectibles)			
Local	24,035,750	44,676,138	13,602,452
State	391,038	635,362	-
Federal	60,644	138,473	-
Inventories	246,646	-	-
Prepaid Expenditures	318,256	8,513	-
Restricted Assets			
Investments with Fiscal Agent - Refunding Escrow	-	-	14,306,280
Total Assets	<u>\$ 58,174,928</u>	<u>\$ 47,719,731</u>	<u>\$ 37,538,554</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 663,074	\$ 178,133	\$ 627
Accrued Salaries and Payroll Taxes	6,359,325	271,167	-
Deferred Revenue	22,357,208	43,936,005	13,542,833
Total Liabilities	<u>29,379,607</u>	<u>44,385,305</u>	<u>13,543,460</u>
Fund Balances			
Reserved for			
Debt Service	-	-	14,306,280
Inventories	246,646	-	-
Prepaid Expenditures	318,256	8,513	-
Unreserved Reported in			
General Fund	28,230,419	-	-
Special Revenue Funds	-	3,325,913	-
Debt Service Fund	-	-	9,688,814
Capital Projects Fund	-	-	-
Total Fund Balances	<u>28,795,321</u>	<u>3,334,426</u>	<u>23,995,094</u>
Total Liabilities and Fund Balances	<u>\$ 58,174,928</u>	<u>\$ 47,719,731</u>	<u>\$ 37,538,554</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>
\$ -	\$ 395,752	\$ 4,077,454
16,457,211	1,106,631	58,895,801
169,316	43,270	82,526,926
-	29,486	1,055,886
-	47,638	246,755
-	-	246,646
-	500	327,269
-	-	14,306,280
<u>\$ 16,626,527</u>	<u>\$ 1,623,277</u>	<u>\$ 161,683,017</u>
\$ 2,286,596	\$ 59,936	\$ 3,188,366
-	8,130	6,638,622
168,574	37,143	80,041,763
<u>2,455,170</u>	<u>105,209</u>	<u>89,868,751</u>
-	-	14,306,280
-	-	246,646
-	-	326,769
-	-	28,230,419
-	1,518,068	4,843,981
-	-	9,688,814
14,171,357	-	14,171,357
<u>14,171,357</u>	<u>1,518,068</u>	<u>71,814,266</u>
<u>\$ 16,626,527</u>	<u>\$ 1,623,277</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.	140,713,105
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	692,202
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.	2,590,249
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>(151,263,624)</u>
Net assets of governmental activities	<u>\$ 64,546,198</u>

COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	General	Teachers
REVENUES		
Local	\$ 31,823,166	\$ 40,268,287
County	851,323	735,316
State	18,606,301	28,332,693
Federal	3,440,585	4,321,476
Tuition From Other Districts	33,625	42,036
Total Revenues	54,755,000	73,699,808
EXPENDITURES		
Current		
Instruction		
Regular Instruction	12,443,750	46,736,856
Special Instruction	4,902,419	15,025,431
Vocational Instruction	685,055	2,357,865
Student Activities - Athletics	264,963	432,865
Tuition To Other Districts	-	354,159
Total Instruction	18,296,187	64,907,176
Pupil Support Services		
Attendance	163,462	-
Guidance and Counseling	1,804,132	3,060,645
Health and Ancillary Services	1,865,596	779,039
Improvement of Instruction	1,082,353	944,938
Media Services	2,682,320	1,831,215
Total Support Services	7,597,863	6,615,837
Administration		
Board Services	319,449	-
General Administration	814,724	851,477
Building Administration	3,126,229	5,345,698
Business, Central Services	801,449	-
Total Administration	5,061,851	6,197,175
Other		
Operation of Plant	13,012,638	-
Pupil Transportation	6,356,475	-
Adult Literacy	8,662	33,697
Community Services	1,258,338	521,653
Total Other	20,636,113	555,350
Debt Service		
Principal	-	-
Interest and Fees	-	-
Total Debt Service	-	-
Capital Outlay and Construction		
Furniture and Equipment	-	-
Vehicles	-	-
Land and Site Improvements	-	-
Building Additions and Renovations	-	-
Total Capital Outlay and Construction	-	-
Total Expenditures	51,592,014	78,275,538
REVENUES OVER (UNDER) EXPENDITURES	3,162,986	(4,575,730)
OTHER FINANCING SOURCES (USES)		
General Obligation Bonds Issued	-	-
Transfers In	-	80,152
Transfers Out	(80,152)	-
NET CHANGES IN FUND BALANCES	3,082,834	(4,495,578)
FUND BALANCES, JULY 1	25,712,487	7,830,004
FUND BALANCES, JUNE 30	\$ 28,795,321	\$ 3,334,426

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
\$	12,554,168	\$ 1,817,375	\$ 1,036,389	\$ 87,499,385
	274,716	5,914	-	1,867,269
	1,348,964	79,393	2,121,598	50,488,949
	-	-	781,257	8,543,318
	-	-	-	75,661
	<u>14,177,848</u>	<u>1,902,682</u>	<u>3,939,244</u>	<u>148,474,582</u>
	-	-	471,716	59,652,322
	-	-	181,590	20,109,440
	-	-	532,779	3,575,699
	-	-	-	697,828
	-	-	-	354,159
	-	-	<u>1,186,085</u>	<u>84,389,448</u>
	-	-	-	163,462
	-	-	89,282	4,954,059
	-	-	106,173	2,750,808
	-	-	82,443	2,109,734
	-	-	<u>239,064</u>	<u>4,752,599</u>
	-	-	<u>516,962</u>	<u>14,730,662</u>
	-	-	-	319,449
	-	-	-	1,666,201
	-	-	-	8,471,927
	-	-	-	801,449
	-	-	-	<u>11,259,026</u>
	-	-	-	13,012,638
	-	-	61,812	6,418,287
	-	-	164,505	206,864
	-	-	<u>1,899,094</u>	<u>3,679,085</u>
	-	-	<u>2,125,411</u>	<u>23,316,874</u>
	17,505,000	-	-	17,505,000
	6,682,339	165,790	-	6,848,129
	<u>24,187,339</u>	<u>165,790</u>	<u>-</u>	<u>24,353,129</u>
	-	5,153,943	-	5,153,943
	-	78,405	-	78,405
	-	694,405	-	694,405
	-	<u>10,519,005</u>	-	<u>10,519,005</u>
	-	<u>16,445,758</u>	-	<u>16,445,758</u>
	<u>24,187,339</u>	<u>16,611,548</u>	<u>3,828,458</u>	<u>174,494,897</u>
	(10,009,491)	(14,708,866)	110,786	(26,020,315)
	-	12,500,000	-	12,500,000
	-	-	-	80,152
	-	-	-	<u>(80,152)</u>
	(10,009,491)	(2,208,866)	110,786	(13,520,315)
	<u>34,004,585</u>	<u>16,380,223</u>	<u>1,407,282</u>	<u>85,334,581</u>
\$	<u><u>23,995,094</u></u>	<u><u>14,171,357</u></u>	<u><u>1,518,068</u></u>	<u><u>71,814,266</u></u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005**

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

Net changes in fund balances of total governmental funds	\$	(13,520,315)
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		10,741,831
Revenues in the Statement of Activities that do not provide current financial resources are not reported in the funds		(59,077)
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		5,005,000
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		(121,716)
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		77,117
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		(270,283)
Internal service funds are used by the District to charge the costs of employee benefits to individual funds. The change in net assets of internal service funds is reported with governmental activities		131,123
Change in net assets of governmental activities	\$	<u><u>1,983,680</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, 2005**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local	\$ 32,061,493	\$ 31,566,439	\$ 31,823,166	\$ 256,727
County	855,984	855,984	851,323	(4,661)
State	15,593,739	17,994,630	18,606,301	611,671
Federal	3,328,855	3,611,384	3,440,585	(170,799)
Tuition From Other Districts	42,500	42,500	33,625	(8,875)
Total Revenues	<u>51,882,571</u>	<u>54,070,937</u>	<u>54,755,000</u>	<u>684,063</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	9,367,659	12,873,927	12,443,750	430,177
Special Instruction	5,107,050	5,238,695	4,902,419	336,276
Vocational Instruction	772,409	832,190	685,055	147,135
Student Activities - Athletics	387,045	387,045	264,963	122,082
Total Instruction	<u>15,634,163</u>	<u>19,331,857</u>	<u>18,296,187</u>	<u>1,035,670</u>
Pupil Support Services				
Attendance	169,768	169,768	163,462	6,306
Guidance and Counseling	1,805,639	1,807,181	1,804,132	3,049
Health and Ancillary Services	1,955,823	1,975,057	1,865,596	109,461
Improvement of Instruction	1,257,820	1,255,813	1,082,353	173,460
Media Services	2,664,626	2,673,570	2,682,320	(8,750)
Total Support Services	<u>7,853,676</u>	<u>7,881,389</u>	<u>7,597,863</u>	<u>283,526</u>
Administration				
Board Services	325,000	325,000	319,449	5,551
General Administration	836,172	836,055	814,724	21,331
Building Administration	3,085,103	3,153,287	3,126,229	27,058
Business, Central Services	842,194	842,194	801,449	40,745
Total Administration	<u>5,088,469</u>	<u>5,156,536</u>	<u>5,061,851</u>	<u>94,685</u>
Other				
Operation of Plant	12,932,235	12,985,077	13,012,638	(27,561)
Pupil Transportation	5,778,894	5,786,594	6,356,475	(569,881)
Adult Literacy	8,891	8,891	8,662	229
Community Services	1,356,611	1,356,611	1,258,338	98,273
Total Other	<u>20,076,631</u>	<u>20,137,173</u>	<u>20,636,113</u>	<u>(498,940)</u>
Total Expenditures	<u>48,652,939</u>	<u>52,506,955</u>	<u>51,592,014</u>	<u>914,941</u>
REVENUES OVER EXPENDITURES	3,229,632	1,563,982	3,162,986	1,599,004
OTHER FINANCING USES				
Transfers Out	(893,681)	-	(80,152)	(80,152)
NET CHANGE IN FUND BALANCE	2,335,951	1,563,982	3,082,834	1,518,852
FUND BALANCE, JULY 1	<u>24,603,340</u>	<u>25,712,487</u>	<u>25,712,487</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 26,939,291</u>	<u>\$ 27,276,469</u>	<u>\$ 28,795,321</u>	<u>\$ 1,518,852</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, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local	\$ 41,281,986	\$ 40,477,622	\$ 40,268,287	\$ (209,335)
County	776,703	776,703	735,316	(41,387)
State	23,549,528	27,249,210	28,332,693	1,083,483
Federal	4,332,145	4,752,990	4,321,476	(431,514)
Tuition From Other Districts	64,871	64,871	42,036	(22,835)
Total Revenues	<u>70,005,233</u>	<u>73,321,396</u>	<u>73,699,808</u>	<u>378,412</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	45,524,539	46,882,750	46,736,856	145,894
Special Instruction	15,064,779	15,251,625	15,025,431	226,194
Vocational Instruction	2,407,898	2,407,898	2,357,865	50,033
Student Activities - Athletics	439,108	439,108	432,865	6,243
Tuition To Other Districts	360,000	400,000	354,159	45,841
Total Instruction	<u>63,796,324</u>	<u>65,381,381</u>	<u>64,907,176</u>	<u>474,205</u>
Pupil Support Services				
Guidance and Counseling	3,118,040	3,118,040	3,060,645	57,395
Health and Ancillary Services	804,098	804,098	779,039	25,059
Improvement of Instruction	1,148,092	1,148,092	944,938	203,154
Media Services	1,801,737	1,801,737	1,831,215	(29,478)
Total Support Services	<u>6,871,967</u>	<u>6,871,967</u>	<u>6,615,837</u>	<u>256,130</u>
Administration				
General Administration	938,309	938,309	851,477	86,832
Building Administration	5,237,352	5,355,802	5,345,698	10,104
Total Administration	<u>6,175,661</u>	<u>6,294,111</u>	<u>6,197,175</u>	<u>96,936</u>
Other				
Adult Literacy	52,818	52,818	33,697	19,121
Community Services	758,050	758,050	521,653	236,397
Total Other	<u>810,868</u>	<u>810,868</u>	<u>555,350</u>	<u>255,518</u>
Total Expenditures	<u>77,654,820</u>	<u>79,358,327</u>	<u>78,275,538</u>	<u>1,082,789</u>
REVENUES UNDER EXPENDITURES	(7,649,587)	(6,036,931)	(4,575,730)	1,461,201
OTHER FINANCING SOURCES				
Transfers In	893,681	-	80,152	80,152
NET CHANGE IN FUND BALANCE	(6,755,906)	(6,036,931)	(4,495,578)	1,541,353
FUND BALANCE, JULY 1	<u>6,755,906</u>	<u>7,830,004</u>	<u>7,830,004</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ -</u>	<u>\$ 1,793,073</u>	<u>\$ 3,334,426</u>	<u>\$ 1,541,353</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, 2005**

	<u>Business-Type Activities- Nonmajor Enterprise Funds</u>	<u>Governmental Activities- Internal Service Funds</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 518,748	\$ 1,823,497
Investments	1,491,416	1,979,959
Receivables (Net of Allowance for Uncollectibles)		
Local	242	-
Federal	249,513	-
Inventories	172,746	-
Prepaid Expenses	30,685	-
Total Current Assets	<u>2,463,350</u>	<u>3,803,456</u>
Noncurrent Assets		
Capital Assets (Net of Accumulated Depreciation)		
Land	37,763	-
Buildings	195,377	-
Furniture and Equipment	379,659	-
Total Noncurrent Assets	<u>612,799</u>	<u>-</u>
Total Assets	<u>3,076,149</u>	<u>3,803,456</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	7,268	1,213,207
Accrued Salaries and Payroll Taxes	26,658	-
Deferred Revenue	206,393	-
Total Current Liabilities	<u>240,319</u>	<u>1,213,207</u>
Noncurrent Liabilities		
Liability for Long - Term		
Compensated Absences	151,244	-
Total Liabilities	<u>391,563</u>	<u>1,213,207</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	612,799	-
Unrestricted	2,071,787	2,590,249
Total Net Assets	<u>\$ 2,684,586</u>	<u>\$ 2,590,249</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, 2005**

	Business-Type Activities- Nonmajor <u>Enterprise Funds</u>	Governmental Activities- Internal <u>Service Funds</u>
OPERATING REVENUES		
Food Sales	\$ 2,841,177	\$ -
Tuition	862,321	-
Insurance Premiums	-	13,387,746
Total Operating Revenues	3,703,498	13,387,746
OPERATING EXPENSES		
Food Purchased	2,047,158	-
Salaries and Wages	2,759,728	71,655
Fringe Benefits	803,441	16,528
Supplies	382,618	26
Purchased Services	253,020	8,016
Travel	21,710	-
Repairs	152,765	-
Donated Commodities Used	256,342	-
Financial Aid	265,950	-
Excess Loss Insurance	-	243,784
Administration Fees	-	302,552
Benefits Paid/Accrued	-	12,698,189
Depreciation	71,285	-
Total Operating Expenses	7,014,017	13,340,750
OPERATING INCOME (LOSS)	(3,310,519)	46,996
NONOPERATING REVENUES		
State Assistance	415,701	-
Federal Assistance	2,812,124	-
Earnings on Investments	-	84,127
Donated Commodities	256,342	-
Other	35,613	-
Total Nonoperating Revenues	3,519,780	84,127
CHANGES IN NET ASSETS	209,261	131,123
NET ASSETS, JULY 1	2,475,325	2,459,126
NET ASSETS, JUNE 30	\$ 2,684,586	\$ 2,590,249

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, 2005**

	Business-Type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Sales/Tuition/Premiums	\$ 3,714,003	\$ 13,387,746
Cash Payments for Supplies and Services	(3,070,161)	(554,378)
Cash Payments to Employees for Services	(3,553,763)	(88,183)
Cash Payments for Claims/Benefits	-	(12,873,449)
Net Cash From Operating Activities	(2,909,921)	(128,264)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal/State Assistance	3,348,045	-
Other	35,613	-
Net Cash From Noncapital Financing Activities	3,383,658	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(17,264)	-
Net Cash From Capital and Related Financing Activities	(17,264)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	-	84,127
Investments Purchased	(1,491,416)	(5,454,385)
Investments Matured or Sold	1,551,951	4,663,597
Net Cash From Investing Activities	60,535	(706,661)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	517,008	(834,925)
CASH AND CASH EQUIVALENTS, JULY 1	1,740	2,658,422
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 518,748	\$ 1,823,497
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (3,310,519)	\$ 46,996
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities		
Depreciation	71,285	-
Donated Commodities Used	256,342	-
Change in Assets and Liabilities		
Decrease in Receivables	560	-
Decrease in Inventories	14,720	-
Increase in Prepaid Expenses	(10,962)	-
Decrease in Accounts Payable and Accrued Liabilities	(5,208)	(175,260)
Increase in Deferred Revenue	65,011	-
Increase in Compensated Absences Payable	8,850	-
Net Cash From Operating Activities	\$ (2,909,921)	\$ (128,264)
SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES		
Donated commodities received	\$ 262,759	\$ -
Donated commodities used	\$ 256,342	\$ -

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, 2005**

ASSETS

Cash	\$ 587,533
Accounts Receivable	2,955
Total Assets	<u>\$ 590,488</u>

LIABILITIES

Accounts Payable	\$ 23,973
Due to Student Groups	566,515
Total Liabilities	<u>\$ 590,488</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, 2005**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Discretely presented component unit – The Columbia Public School District Foundation (Foundation) provides annual program grants to the District from funds raised through its own fundraising efforts. The Foundation's board is not appointed by the Columbia School District Board. However, the economic resources of the Foundation have been raised for the direct benefit of the District and all of the grants made by the Foundation are for the benefit of the District. The Foundation's fiscal year ends on December 31, and the accompanying financial statements include financial information for its fiscal year ended December 31, 2004. Complete financial statements for the Foundation can be obtained from the Foundation's Treasurer, P.O. Box 1234, Columbia, MO 65205-1234.

District-wide and Fund Financial Statements

District-wide Statements:

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

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

Fund Financial Statements:

During the year, the District segregates transactions related to certain functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a 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, 2005**

Fund Accounting

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

Governmental Funds

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

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

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

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

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

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

Proprietary Funds

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

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods and services. The District 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.

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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). The District's allocation of the statewide education sales tax is recognized as revenue in the year of the underlying sale. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

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

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operating revenues of the Food Services Fund, the Adult Education Fund, and the internal service funds include charges for meals, tuition, and insurance premiums, respectively. Operating expenses include the cost of providing meals (food and personal services), the cost of classes for adult education (personal services, financial aid, and supplies), and expenses related to providing employee benefits (personal services, professional fees, and direct benefit payments), respectively. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Deposits and Investments

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

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

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

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

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

Receivables

Receivables are reported by source. Local receivables include property taxes, allocations of the statewide education sales tax, and other receivables generated by the District's operations. 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.

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

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

Restricted Assets

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

Capital Assets

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

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

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

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

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

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.

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Compensated Absences

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

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

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

Net Assets

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

Fund Equity

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

Use of Estimates

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

Budgets

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

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

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

Once the budget is adopted and approved by the Board, the budget may be amended at the function and fund level, only by approval of a majority of the members of the Board of Education. The administration may amend the budget only at the object and location (school or building) level without seeking the approval of the Board. The Board of Education approved budget amendments for the year ended June 30, 2005, at its January 10, 2005, and June 13, 2005, meetings.

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

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

Note 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance of total governmental funds and net assets of governmental activities as reported in the district-wide statement of net assets. One element of that reconciliation states that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$692,202 difference are as follows:

Deferred property tax related to prior year	\$ 100,432
Deferred remainder of property tax unearned	<u>591,770</u>
Net adjustment to increase fund balance of total governmental funds to arrive at net assets of governmental activities	<u>\$ 692,202</u>

Another element of that reconciliation states that "Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this \$151,263,624 difference are as follows:

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Compensated Absences	\$ 1,874,732
Liabilities Payable from Restricted Assets	14,250,000
Accrued Interest Payable	2,071,572
General Obligation Bonds Due within One Year	8,470,000
General Obligation Bonds Due in More than One Year	<u>124,597,320</u>
Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of governmental activities	<u>\$ 151,263,624</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances of total governmental funds and changes in net assets of governmental activities as reported in the district-wide statement of activities. One element of that reconciliation states that "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$10,741,831 difference are as follows:

Construction in Progress	\$ 10,976,249
Buildings	94,463
Equipment	1,809,300
Less: Depreciation Expense	<u>(2,138,181)</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>\$ 10,741,831</u>

Another element of that reconciliation states that "Revenues in the Statement of Activities that do not provide current financial resources are not reported in the funds." The details of this \$59,077 difference are as follows:

Earned but unavailable property tax	\$ 591,770
Prior years' property tax	<u>(650,847)</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>\$ (59,077)</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 \$5,005,000 difference are as follows:

General obligation bonds issued	\$ (12,500,000)
Bond payments	<u>17,505,000</u>
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 5,005,000</u>

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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 \$121,716 difference are as follows.

Current bond interest payable	\$	(2,071,572)
Prior year's bond interest payable		<u>1,949,856</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>(121,716)</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 \$77,117 difference are as follows:

Current year debt issuance related costs:		
Premium	\$	(53,336)
Other issuance costs		165,790
Prior year's bond interest		<u>(35,337)</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>77,117</u>

Note 3 PROPERTY TAX REVENUE RECOGNITION

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

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

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

Note 4 DEPOSITS & INVESTMENTS

Deposits

At June 30, 2005, the carrying amount of the District's deposits for the primary government was \$3,819,640 and the bank balance was \$8,155,650. Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law. District policy further requires that all securities that serve as collateral against the deposits of a depository institution must be held in safekeeping at a non-affiliated custodial facility.

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

At December 31, 2004, the carrying amount of the component unit's deposits was \$245,049 and the bank balance was \$246,021. The component unit does not have a deposit policy for custodial credit risk. As of December 31, 2004, \$129,393 of the bank balance was uninsured and uncollateralized and was exposed to custodial credit risk.

Investments

As of June 30, 2005, the District (primary government) had the following investments:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Maturity Less Than 1 Year</u>	<u>Maturity 1-5 Years</u>
U.S. Treasury Obligations			
U.S. Treasury Bills	\$ 26,811,357	\$ 26,811,357	\$ -
State and Local Government Series	14,306,280	-	14,306,280
U.S. Agencies Obligations			
Freddie Mac Discount Notes	23,101,981	23,101,981	-
Federal Home Loan Bank Discount Notes	6,984,629	6,984,629	-
Federal National Mortgage Association Discount Notes	6,960,723	6,960,723	-
External Investment Pool			
Missouri Health and Education Facilities Authority Direct Deposit Program	1,676,652	1,676,652	-
Total Investments – Primary Government	<u>\$ 79,841,622</u>	<u>\$ 65,535,342</u>	<u>\$ 14,306,280</u>

As of December 31, 2004, the discretely presented component unit had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity Less Than 1 Year</u>	<u>Maturity 1-5 Years</u>
U.S. Agencies Obligations			
Federal National Mortgage Association	\$ 197,313	\$ 99,438	\$ 97,875
Federal Home Loan Bank Common Stock	100,031	-	100,031
Mutual Fund	125,841	N/A	N/A
	<u>81,591</u>	<u>N/A</u>	<u>N/A</u>
Total Investments - Discretely Presented Component Unit	<u>\$ 504,776</u>	<u>\$ 99,438</u>	<u>\$ 197,906</u>

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy mandates structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations thereby avoiding the need to sell securities

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on the open market prior to maturity. The investment policy also mandates investing operating funds primarily in shorter-term securities.

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

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

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

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2005, all of the District's investments in discount notes of various U.S. agencies were rated A-1 by Standard and Poor's and P-1 by Moody's, the highest ratings given for short-term investments.

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

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

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. The District's investment policy states that the District will manage custodial credit risk by pre-qualifying the financial institutions and advisors with which the District will do business; and, diversifying the portfolio so that potential losses on individual securities will be minimized. The District's investment policy further mandates that all securities purchased be perfected in the name of or for the account of the District and be held by a third-party custodian as evidenced by appropriate safekeeping receipts.

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

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

To address concentration of credit risk, the component unit's investment policy mandates that the portfolio have asset allocations meeting the following criteria: a.) Cash and cash equivalents, 0 – 20%;

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b.) Stocks/Equities, stock funds, 30 – 60%; c.) Bonds, bond funds, fixed, 30 – 60%. As of December 31, 2004, the component unit's investment in common stock was 25% of the portfolio.

Reconciliation of Carrying Amounts – Primary Government

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

Balance sheet:

Assets:

Cash and cash equivalents		
Governmental Funds	\$	4,077,454
Cash and cash equivalents		
Proprietary Funds		518,748
Cash and cash equivalents		
Internal Service Funds		1,823,497
Cash – Fiduciary Funds		587,533
Investments – Governmental Funds		58,895,801
Investments – Debt Service Fund - with Fiscal Agent		14,306,280
Investments – Proprietary Funds		1,491,416
Investments – Internal Service Funds		1,979,959
Total	\$	<u>83,680,688</u>

Note disclosure:

Cash on Hand	\$	19,426
Carrying Amount of Deposits		3,819,640
Investments		<u>79,841,622</u>
Total	\$	<u>83,680,688</u>

Note 5 PROPERTY TAXES RECEIVABLE

The amount of prior years' taxes due at June 30, 2005, 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 (04-05)	\$ 22,477,760	\$ 43,554,884	\$ 13,653,632	\$ 169,954	\$ 79,856,230
Less: Allowance	<u>(100,486)</u>	<u>(163,265)</u>	<u>(51,179)</u>	<u>(637)</u>	<u>(315,567)</u>
Net Property Taxes Receivable	<u>\$ 22,377,274</u>	<u>\$ 43,391,619</u>	<u>\$ 13,602,453</u>	<u>\$ 169,317</u>	<u>\$ 79,540,663</u>
Deferred Revenue	<u>\$ 22,260,215</u>	<u>\$ 43,201,427</u>	<u>\$ 13,542,833</u>	<u>\$ 168,574</u>	<u>\$ 79,173,049</u>

The allowance for doubtful collections was computed by multiplying 0.76% times the total amount of personal property taxes assessed for 2003 through 2005 taxes. The 0.76% is the average uncollected percentage of personal property taxes for 2000 through 2002 taxes. All real property taxes prior to 2003 have been collected and the District assumes all real property taxes will eventually be collected.

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

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Note 6 INVENTORIES

Physical inventories of goods on hand were taken as of June 30, 2005. Inventories on hand, stated at cost or average cost, at June 30, 2005, are as follows:

General Fund:		
Consumable supplies	\$	222,261
Gasoline, fuel oil.....		<u>24,385</u>
Total	\$	<u><u>246,646</u></u>
Food Services Fund:		
Food supplies - purchased	\$	28,524
Donated commodities.....		<u>144,222</u>
Total	\$	<u><u>172,746</u></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 of the Revised Statutes of Missouri. The statutes assign responsibility for the administration of the system to a seven-member Board of Trustees. PSRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Public School Retirement System of Missouri, P. O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

PSRS members are required to contribute 11.0% of their annual covered salary and the Columbia Public School District is required to contribute a matching amount. The contribution requirements of members and the Columbia Public School District are established and may be amended by the PSRS Board of Trustees. The District's contributions to PSRS for the year ending June 30, 2005, were \$16,512,936 which was equal to the required contributions, which were made up of \$8,256,468 in employee contributions and \$8,256,468 in employer contributions. For the years ended June 30, 2005, 2004, and 2003, 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
2005	\$ 8,256,468	11.0%
2004	7,291,710	10.5%
2003	7,305,973	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 of the Revised Statutes of Missouri. The statutes assign responsibility for the administration of the system to the Board of Trustees of the Public School Retirement System. 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.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2005**

NTRS members are required to contribute 5.25% 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, 2005, were \$2,081,362, which was equal to the required contributions, which were made up of \$1,040,681 in employee contributions and \$1,040,681 in employer contributions. For the years ended June 30, 2005, 2004, and 2003, 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
2005	\$ 1,040,681	5.25%
2004	904,537	5.00%
2003	902,226	5.00%

The District contributed to the Teacher Retirement System on total salaries and benefits of \$75,058,800 and to the Non-Teacher Retirement System on total salaries and benefits of \$19,822,495 for the year ended June 30, 2005. The overall payroll (salaries and benefits) for the District was \$99,201,074 which includes payroll of \$4,319,779 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.

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, 2005, were \$1,100,806. Future minimum lease payments for these leases are as follows:

Year Ending June 30,	Amount
2006	\$ 655,722
2007	468,966
2008	472,590
2009	476,305
Total	\$ <u>2,073,583</u>

Currently, all operating leases for the District expire by June 30, 2009. 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 2005 to 2020 and average net interest rates at issue from 2.83% to 7.23%. General obligation bonds outstanding at June 30, 2005, were \$147,715,000. Scheduled bond retirement and interest payable in the next fiscal year are \$8,470,000 and \$6,232,154, respectively.

The District issued \$12,500,000 of general obligation bonds, dated March 1, 2005. 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, 2005, bond issue was the first issue of \$22,500,000 that was authorized by the voters at the April 2004 election.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2005**

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, 2005, the District had accumulated \$23,995,094 in the Debt Service Fund for future debt requirements.

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

<u>Year Ending June 30,</u>	<u>Bond Payment</u>	<u>Interest Payment</u>	<u>Total</u>
2006	\$ 8,470,000	\$ 6,232,154	\$ 14,702,154
2007	19,655,000	5,863,204	25,518,204
2008	14,795,000	4,859,696	19,654,696
2009	11,285,000	2,107,533	13,392,533
2010	12,300,000	1,880,736	14,180,736
2011-2015	61,260,000	11,262,548	72,522,548
2016-2020	19,950,000	1,787,395	21,737,395
	<u>\$ 147,715,000</u>	<u>\$ 33,993,266</u>	<u>\$ 181,708,266</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, 2005, was calculated as follows:

Legal Debt Limit (Excluding State Assessed Utilities)	\$ 216,118,113
Less Indebtedness	
General Obligation Bonds Payable	\$ 147,715,000
Balance of Debt Service Fund	(23,995,094)
Total Estimated Legal Debt Margin	<u>\$ 92,398,207</u>

Changes in Long-Term Debt

Changes in long-term debt for the District for the year ended June 30, 2005, 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, 2004	\$ 152,720,000	\$ (320,564)	\$ 1,604,450	\$ 154,003,886	\$ 142,394
Additions	12,500,000	35,337	750,759	13,286,096	43,184
Reductions	(17,505,000)	(112,454)	(480,476)	(18,097,930)	(34,334)
Balance, June 30, 2005	<u>\$ 147,715,000</u>	<u>\$ (397,681)</u>	<u>\$ 1,874,733</u>	<u>\$ 149,192,052</u>	<u>\$ 151,244</u>
Due in one year	<u>\$ 8,470,000</u>	<u>\$ -</u>	<u>\$ 480,000</u>	<u>\$ 8,950,000</u>	<u>\$ 34,334</u>

The district-wide financial statements include \$14,306,280 in Restricted Assets and \$14,250,000 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.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2005**

Note 10 CHANGES IN CAPITAL ASSETS

Capital Assets activity for the year ended June 30, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 3,861,080	\$ -	\$ -	\$ 3,861,080
Construction in progress	4,802,928	10,976,249	(6,245,839)	9,533,338
Capital assets that are depreciated:				
Buildings	142,446,574	6,340,302	-	148,786,876
Mobile classroom trailers	2,218,976	-	-	2,218,976
Furniture and equipment	6,565,943	1,844,050	(34,750)	8,375,243
Total capital assets, governmental activities	<u>159,895,501</u>	<u>19,160,601</u>	<u>(6,280,589)</u>	<u>172,775,513</u>
Accumulated depreciation, governmental activities:				
Buildings	(25,653,638)	(1,516,049)	-	(27,169,687)
Mobile classroom trailers	(931,970)	(88,759)	-	(1,020,729)
Furniture and equipment	(3,338,619)	(554,223)	20,850	(3,871,992)
Total accumulated depreciation, governmental activities	<u>(29,924,227)</u>	<u>(2,159,031)</u>	<u>20,850</u>	<u>(32,062,408)</u>
Total capital assets, governmental activities, net	<u>\$ 129,971,274</u>	<u>\$ 17,001,570</u>	<u>\$ (6,259,739)</u>	<u>\$ 140,713,105</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	1,070,770	17,264	(18,774)	1,069,260
Total capital assets, business-type activities	<u>1,398,509</u>	<u>17,264</u>	<u>(18,774)</u>	<u>1,396,999</u>
Accumulated depreciation, business-type activities:				
Buildings	(91,699)	(2,900)	-	(94,599)
Furniture and equipment	(639,990)	(68,385)	18,774	(689,601)
Total accumulated depreciation, business-type activities	<u>(731,689)</u>	<u>(71,285)</u>	<u>18,774</u>	<u>(784,200)</u>
Total capital assets, business-type activities, net	<u>\$ 666,820</u>	<u>\$ (54,021)</u>	<u>\$ -</u>	<u>\$ 612,799</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, 2005, the District had the following commitments with respect to unfinished capital projects:

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2005**

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
<u>Capital Projects Fund</u>		
Roofing Work at Four Schools	\$ 567,000	12/28/05
Renovations at Various Schools	1,351,487	11/01/05
Paving and Drainage Improvements	363,670	8/17/05
Hickman High Renovations and Improvements	2,138,564	8/15/05
Renovations at Junior High Schools	47,218	8/01/05
Mill Creek Additions and Renovations	560,931	7/31/05
West Boulevard Renovations and Improvements	317,892	7/30/05
	<u>\$ 5,346,762</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 financial statements and accordingly, no provision for losses has been recorded.

Grants

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

Note 13 RISK MANAGEMENT

Self Insurance

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

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

The District allocates the cost of providing the medical insurance and dental insurance to its employees and their dependents by annually determining a "premium" to be charged to the other funds for each covered employee to pay current or prior year claims. Also, all the funds of the District participate in the workers' compensation program by making payments to the Internal Service Funds based on actuarial estimates of the amounts needed to pay prior-year and current-year claims. The net assets of the Internal Service Funds were \$2,590,249 as of June 30, 2005. Liabilities related to workers' compensation are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities related to medical, dental, and workers' compensation claims include amounts that have been incurred but not reported. As of June 30, 2005, the total claims liability was \$1,213,207. Changes in the claims liability amount for the past three fiscal years were:

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2005**

<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>
2005	\$ 1,388,468	\$ 13,077,306	\$ (12,941,973)	\$ (310,594)	\$ 1,213,207
2004	895,628	12,955,495	(12,160,337)	(302,318)	1,388,468
2003	901,077	10,322,490	(9,840,760)	(487,179)	895,628

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, 2005, 2004, and 2003, the settlements did not exceed the insurance coverage provided by commercial insurance.

Note 14 FUND EQUITY

Reservations

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

Reserve for Debt Service

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

Reserve for Inventories

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

Reserve for Prepaid Expenditures

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

Note 15 DEFERRED COMPENSATION PLAN

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

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2005**

Note 16 CHANGE IN ACCOUNTING PRINCIPLE

The component unit, the Columbia Public School District Foundation, did not qualify as a component unit of the District prior to its fiscal year end on December 31, 2004. The beginning net assets of the District have been restated to include the net assets of the component unit of \$666,684, on January 1, 2004.

Note 17 SUBSEQUENT EVENT

On August 31, 2005, the District issued \$20,190,000 of general obligation refunding bonds. The proceeds from these refunding bonds are being used to provide resources for crossover refundings of four outstanding bond issues of the District. These refundings are being undertaken to reduce the District's interest obligation for long-term debt by \$1,242,903, which resulted in an economic gain of \$945,406 (the difference between the present value of debt service payments on the 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, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local	\$ 12,619,988	\$ 12,619,988	\$ 12,554,168	\$ (65,820)
County	279,661	279,661	274,716	(4,945)
State	1,124,170	1,376,597	1,348,964	(27,633)
Total Revenues	<u>14,023,819</u>	<u>14,276,246</u>	<u>14,177,848</u>	<u>(98,398)</u>
EXPENDITURES				
Debt Service				
Principal	17,505,000	17,505,000	17,505,000	-
Interest and Fees	6,700,380	6,700,380	6,682,339	18,041
Total Expenditures	<u>24,205,380</u>	<u>24,205,380</u>	<u>24,187,339</u>	<u>18,041</u>
NET CHANGE IN FUND BALANCE	(10,181,561)	(9,929,134)	(10,009,491)	(80,357)
FUND BALANCE, JULY 1	<u>34,104,075</u>	<u>34,004,585</u>	<u>34,004,585</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 23,922,514</u>	<u>\$ 24,075,451</u>	<u>\$ 23,995,094</u>	<u>\$ (80,357)</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, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local	\$ 330,707	\$ 1,654,784	\$ 1,817,375	\$ 162,591
County	5,214	5,214	5,914	700
State	66,128	66,128	79,393	13,265
Total Revenues	<u>402,049</u>	<u>1,726,126</u>	<u>1,902,682</u>	<u>176,556</u>
EXPENDITURES				
Debt Service				
Interest and Fees	-	175,000	165,790	9,210
Capital Outlay and Construction				
Furniture and Equipment	3,290,599	6,056,270	5,153,943	902,327
Vehicles	50,059	92,132	78,405	13,727
Land and Site Improvements	443,352	815,978	694,405	121,573
Building Additions and Renovations	6,715,990	12,360,620	10,519,005	1,841,615
Total Capital Outlay and Construction	<u>10,500,000</u>	<u>19,325,000</u>	<u>16,445,758</u>	<u>2,879,242</u>
Total Expenditures	<u>10,500,000</u>	<u>19,500,000</u>	<u>16,611,548</u>	<u>2,888,452</u>
REVENUES UNDER EXPENDITURES	(10,097,951)	(17,773,874)	(14,708,866)	3,065,008
OTHER FINANCING SOURCES				
General Obligation Bonds Issued	10,000,000	12,500,000	12,500,000	-
NET CHANGE IN FUND BALANCE	(97,951)	(5,273,874)	(2,208,866)	3,065,008
FUND BALANCE, JULY 1	<u>16,215,708</u>	<u>16,380,223</u>	<u>16,380,223</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 16,117,757</u>	<u>\$ 11,106,349</u>	<u>\$ 14,171,357</u>	<u>\$ 3,065,008</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, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local	\$ 1,241,373	\$ 1,278,077	\$ 1,036,389	\$ (241,688)
State	2,193,333	2,092,689	2,121,598	28,909
Federal	579,217	1,102,084	781,257	(320,827)
Total Revenues	<u>4,013,923</u>	<u>4,472,850</u>	<u>3,939,244</u>	<u>(533,606)</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	595,400	737,419	471,716	265,703
Special Instruction	160,335	172,210	181,590	(9,380)
Vocational Instruction	927,945	641,000	532,779	108,221
Total Instruction	<u>1,683,680</u>	<u>1,550,629</u>	<u>1,186,085</u>	<u>364,544</u>
Pupil Support Services				
Guidance and Counseling	114,732	115,018	89,282	25,736
Health and Ancillary Services	100,500	100,500	106,173	(5,673)
Improvement of Instruction	-	126,560	82,443	44,117
Media Services	183,952	258,144	239,064	19,080
Total Support Services	<u>399,184</u>	<u>600,222</u>	<u>516,962</u>	<u>83,260</u>
Other				
Pupil Transportation	-	-	61,812	(61,812)
Adult Literacy	293,733	427,066	164,505	262,561
Community Services	1,637,326	1,894,933	1,899,094	(4,161)
Total Other	<u>1,931,059</u>	<u>2,321,999</u>	<u>2,125,411</u>	<u>196,588</u>
Total Expenditures	<u>4,013,923</u>	<u>4,472,850</u>	<u>3,828,458</u>	<u>644,392</u>
NET CHANGE IN FUND BALANCE	-	-	110,786	110,786
FUND BALANCE, JULY 1	<u>1,370,849</u>	<u>1,407,282</u>	<u>1,407,282</u>	-
FUND BALANCE, JUNE 30	<u>\$ 1,370,849</u>	<u>\$ 1,407,282</u>	<u>\$ 1,518,068</u>	<u>\$ 110,786</u>

NONMAJOR ENTERPRISE FUNDS

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

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

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS - NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2005**

	<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	\$ 750	\$ 517,998	\$ 518,748
Investments	1,491,416	-	1,491,416
Receivables (Net of Allowance for Uncollectibles)			
Local	-	242	242
Federal	237,113	12,400	249,513
Inventories	172,746	-	172,746
Prepaid Expenditures	30,685	-	30,685
Total Current Assets	<u>1,932,710</u>	<u>530,640</u>	<u>2,463,350</u>
Noncurrent Assets			
Capital Assets (Net of Accumulated Depreciation)			
Land	-	37,763	37,763
Buildings	-	195,377	195,377
Furniture and Equipment	357,021	22,638	379,659
Total Noncurrent Assets	<u>357,021</u>	<u>255,778</u>	<u>612,799</u>
Total Assets	<u>2,289,731</u>	<u>786,418</u>	<u>3,076,149</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	346	6,922	7,268
Accrued Salaries and Payroll Taxes	17,742	8,916	26,658
Deferred Revenue	192,872	13,521	206,393
Total Current Liabilities	<u>210,960</u>	<u>29,359</u>	<u>240,319</u>
Noncurrent Liabilities			
Liability for Long-Term			
Compensated Absences	121,837	29,407	151,244
Total Liabilities	<u>332,797</u>	<u>58,766</u>	<u>391,563</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	357,021	255,778	612,799
Unrestricted	1,599,913	471,874	2,071,787
Total Net Assets	<u>\$ 1,956,934</u>	<u>\$ 727,652</u>	<u>\$ 2,684,586</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Enterprise Funds</u>		<u>Total Nonmajor Enterprise Funds</u>
	<u>Food Services</u>	<u>Adult Education</u>	
OPERATING REVENUES			
Food Sales	\$ 2,841,177	\$ -	\$ 2,841,177
Tuition	-	862,321	862,321
Total Operating Revenues	<u>2,841,177</u>	<u>862,321</u>	<u>3,703,498</u>
OPERATING EXPENSES			
Food Purchased	2,047,158	-	2,047,158
Salaries and Wages	1,803,002	956,726	2,759,728
Fringe Benefits	599,415	204,026	803,441
Supplies	240,570	142,048	382,618
Purchased Services	80,593	172,427	253,020
Travel	10,410	11,300	21,710
Repairs	143,500	9,265	152,765
Donated Commodities Used	256,342	-	256,342
Financial Aid	-	265,950	265,950
Depreciation	65,367	5,918	71,285
Total Operating Expenses	<u>5,246,357</u>	<u>1,767,660</u>	<u>7,014,017</u>
OPERATING LOSS	<u>(2,405,180)</u>	<u>(905,339)</u>	<u>(3,310,519)</u>
NONOPERATING REVENUES			
State Assistance	45,218	370,483	415,701
Federal Assistance	2,233,204	578,920	2,812,124
Donated Commodities	256,342	-	256,342
Other	-	35,613	35,613
Total Nonoperating Revenues	<u>2,534,764</u>	<u>985,016</u>	<u>3,519,780</u>
CHANGES IN NET ASSETS	129,584	79,677	209,261
NET ASSETS, JULY 1	<u>1,827,350</u>	<u>647,975</u>	<u>2,475,325</u>
NET ASSETS, JUNE 30	<u>\$ 1,956,934</u>	<u>\$ 727,652</u>	<u>\$ 2,684,586</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2005**

	Enterprise Funds		Total Nonmajor Enterprise Funds
	Food Services	Adult Education	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Sales/Tuition	\$ 2,841,177	\$ 872,826	\$ 3,714,003
Cash Payments for Supplies and Services	(2,463,650)	(606,511)	(3,070,161)
Cash Payments to Employees for Services	(2,384,307)	(1,169,456)	(3,553,763)
Net Cash From Operating Activities	<u>(2,006,780)</u>	<u>(903,141)</u>	<u>(2,909,921)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal/State Assistance	2,385,496	962,549	3,348,045
Other	-	35,613	35,613
Net Cash From Noncapital Financing Activities	<u>2,385,496</u>	<u>998,162</u>	<u>3,383,658</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(17,264)	-	(17,264)
Net Cash From Capital and Related Financing Activities	<u>(17,264)</u>	<u>-</u>	<u>(17,264)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments Purchased	(1,491,416)	-	(1,491,416)
Investments Matured or Sold	1,129,974	421,977	1,551,951
Net Cash From Investing Activities	<u>(361,442)</u>	<u>421,977</u>	<u>60,535</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	10	516,998	517,008
CASH AND CASH EQUIVALENTS, JULY 1	<u>740</u>	<u>1,000</u>	<u>1,740</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 750</u>	<u>\$ 517,998</u>	<u>\$ 518,748</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES			
Operating Loss	\$ (2,405,180)	\$ (905,339)	\$ (3,310,519)
Adjustments to Reconcile Operating Loss to Net Cash From Operating Activities			
Depreciation	65,367	5,918	71,285
Donated Commodities Used	256,342	-	256,342
Change in Assets and Liabilities			
Decrease in Receivables	-	560	560
Decrease in Inventories	14,720	-	14,720
Increase in Prepaid Expenses	(10,962)	-	(10,962)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	11,785	(16,993)	(5,208)
Increase in Deferred Revenue	55,066	9,945	65,011
Increase in Compensated Absences Payable	6,082	2,768	8,850
Net Cash From Operating Activities	<u>\$ (2,006,780)</u>	<u>\$ (903,141)</u>	<u>\$ (2,909,921)</u>
SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES			
Donated Commodities Received	\$ 262,759	\$ -	\$ 262,759
Donated Commodities Used	\$ 256,342	\$ -	\$ 256,342

INTERNAL SERVICE FUNDS

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS
JUNE 30, 2005**

	<u>Workers'</u> <u>Compensation</u>	<u>Medical</u> <u>Insurance</u>	<u>Dental</u> <u>Insurance</u>	<u>Total</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 144,389	\$ 1,396,832	\$ 282,276	\$ 1,823,497
Investments	492,790	1,487,169	-	1,979,959
Total Assets	<u>637,179</u>	<u>2,884,001</u>	<u>282,276</u>	<u>3,803,456</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	<u>15,672</u>	<u>1,190,025</u>	<u>7,510</u>	<u>1,213,207</u>
NET ASSETS				
Unrestricted	621,507	1,693,976	274,766	2,590,249
Total Net Assets	<u>\$ 621,507</u>	<u>\$ 1,693,976</u>	<u>\$ 274,766</u>	<u>\$ 2,590,249</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Workers' Compensation</u>	<u>Medical Insurance</u>	<u>Dental Insurance</u>	<u>Total</u>
OPERATING REVENUES				
Insurance Premiums	\$ 1,058,169	\$ 11,378,109	\$ 951,468	\$ 13,387,746
OPERATING EXPENSES				
Salaries and Wages	-	71,655	-	71,655
Fringe Benefits	-	16,528	-	16,528
Supplies	-	26	-	26
Purchased Services	277	7,527	212	8,016
Excess Loss Insurance	72,560	171,224	-	243,784
Administration Fees	157,291	56,470	88,791	302,552
Benefits Paid/Accrued	442,104	11,389,492	866,593	12,698,189
Total Operating Expenses	<u>672,232</u>	<u>11,712,922</u>	<u>955,596</u>	<u>13,340,750</u>
OPERATING INCOME (LOSS)	385,937	(334,813)	(4,128)	46,996
NONOPERATING REVENUES				
Earnings on Investments	<u>17,800</u>	<u>61,112</u>	<u>5,215</u>	<u>84,127</u>
CHANGES IN NET ASSETS	403,737	(273,701)	1,087	131,123
NET ASSETS, JULY 1	<u>217,770</u>	<u>1,967,677</u>	<u>273,679</u>	<u>2,459,126</u>
NET ASSETS, JUNE 30	<u>\$ 621,507</u>	<u>\$ 1,693,976</u>	<u>\$ 274,766</u>	<u>\$ 2,590,249</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Workers' Compensation</u>	<u>Medical Insurance</u>	<u>Dental Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Premiums	\$ 1,058,169	\$ 11,378,109	\$ 951,468	\$ 13,387,746
Cash Payments for Supplies and Services	(230,128)	(235,247)	(89,003)	(554,378)
Cash Payments to Employees for Services	-	(88,183)	-	(88,183)
Cash Payments for Claims/Benefits	(445,113)	(11,569,253)	(859,083)	(12,873,449)
Net Cash From Operating Activities	<u>382,928</u>	<u>(514,574)</u>	<u>3,382</u>	<u>(128,264)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	17,800	61,112	5,215	84,127
Investments Purchased	(1,734,621)	(3,719,764)	-	(5,454,385)
Investments Matured or Sold	1,241,830	3,408,457	13,310	4,663,597
Net Cash From Investing Activities	<u>(474,991)</u>	<u>(250,195)</u>	<u>18,525</u>	<u>(706,661)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(92,063)	(764,769)	21,907	-
CASH AND CASH EQUIVALENTS, JULY 1	<u>236,452</u>	<u>2,161,601</u>	<u>260,369</u>	<u>2,658,422</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 144,389</u>	<u>\$ 1,396,832</u>	<u>\$ 282,276</u>	<u>\$ 1,823,497</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 385,937	\$ (334,813)	\$ (4,128)	\$ 46,996
Change in Assets and Liabilities				
Increase (Decrease) in Accounts Payable	(3,009)	(179,761)	7,510	(175,260)
Net Cash From Operating Activities	<u>\$ 382,928</u>	<u>\$ (514,574)</u>	<u>\$ 3,382</u>	<u>\$ (128,264)</u>

FIDUCIARY FUND

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY
STUDENT ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2005</u>
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 2,227,466	\$ 1,639,933	\$ 587,533
Investments	528,164	-	528,164	-
Accounts Receivable	619	2,955	619	2,955
Total Assets	<u>\$ 528,783</u>	<u>\$ 2,230,421</u>	<u>\$ 2,168,716</u>	<u>\$ 590,488</u>
LIABILITIES				
Accounts Payable	\$ 14,201	\$ 1,635,504	\$ 1,625,732	\$ 23,973
Due to Student Groups	514,582	1,701,638	1,649,705	566,515
Total Liabilities	<u>\$ 528,783</u>	<u>\$ 3,337,142</u>	<u>\$ 3,275,437</u>	<u>\$ 590,488</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF CHANGES IN DUE TO STUDENT GROUPS
STUDENT ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2005</u>
Hickman High	\$ 225,395	\$ 720,381	\$ 694,353	\$ 251,423
Rock Bridge High	84,891	428,770	407,616	106,045
Douglass High	6,093	6,748	10,220	2,621
Jefferson Junior High	32,453	48,751	54,851	26,353
Oakland Junior High	26,782	84,993	86,053	25,722
West Junior High	26,993	104,874	93,607	38,260
Gentry Middle	36,180	78,545	88,413	26,312
Lange Middle	23,665	34,567	39,333	18,899
Smithton Middle	21,100	38,556	34,720	24,936
Columbia Area Career Center	<u>31,030</u>	<u>155,453</u>	<u>140,539</u>	<u>45,944</u>
TOTAL	<u>\$ 514,582</u>	<u>\$ 1,701,638</u>	<u>\$ 1,649,705</u>	<u>\$ 566,515</u>

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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
1996 - 2005**

<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>
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
2004	10,204,711	51,179,206	18,702,425	3,582,205	5,863,990	12,226,149
2005	11,259,026	59,652,322	20,109,440	3,575,699	6,418,287	13,012,638

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.

Source: Financial statements for governmental and enterprise funds.

<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>
\$ 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
13,823,392	4,782,168	1,852,542	4,490,051	12,446,394	35,445,755	396,470	174,995,458
14,730,662	5,246,357	1,767,660	4,583,777	16,445,758	24,353,129	354,159	181,508,914

**COLUMBIA PUBLIC SCHOOL DISTRICT
GENERAL SCHOOL SYSTEM REVENUES BY SOURCE
1996 - 2005**

Year Ended June 30,	Local Revenue	County Revenue	State Revenue	Federal Revenue	Tuition Other Districts	Total Revenue
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
2004	88,944,864	1,878,501	44,871,033	11,097,369	110,411	146,902,178
2005	91,238,496	1,867,269	50,904,650	11,611,784	75,661	155,697,860

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)

Source: Financial statements for governmental and enterprise funds.

**COLUMBIA PUBLIC SCHOOL DISTRICT
PROPERTY TAX LEVIES AND REVENUES
TAX RATE PER \$100 ASSESSED VALUATION
1996 - 2005**

<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>
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
2004	4.9444	1,391,813,552	68,816,829	66,226,894	2,156,160
2005	4.9444	1,440,787,421	71,238,293	67,535,865	1,715,909

*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 (2005 tax revenue is based on the assessed valuation as of January 1, 2004).

Source: Boone County Clerk
Accounting Data

**COLUMBIA PUBLIC SCHOOL DISTRICT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 1996 - 2005**

<u>Year Ended June 30,</u>	<u>Assessed Valuation*</u>	<u>Assessment Ratio*</u>	<u>Estimated Actual Valuation</u>
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
2004	1,391,813,552	23.2%	6,007,051,194
2005	1,440,787,421	23.1%	6,237,174,983

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

Source: Boone County Clerk

**COLUMBIA PUBLIC SCHOOL DISTRICT
PROPERTY TAX RATES PER \$100 ASSESSED VALUATION
DIRECT AND OVERLAPPING GOVERNMENTS
1996 - 2005**

Year Ended June 30,	<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>2004</u>	<u>2005</u>
<u>City Residents:</u>										
City of Columbia	\$.48	\$.48	\$.41	\$.41	\$.41	\$.4100	\$.4100	\$.4100	\$.4100	\$.4100
State of Missouri	.03	.03	.03	.03	.03	.0300	.0300	.0300	.0300	.0300
County of Boone	.12	.12	.12	.12	.13	.1300	.1300	.1300	.1300	.1300
Road and Bridge	.05	.05	.05	.05	.05	.0500	.0500	.0500	.0500	.0500
Library	.30	.30	.28	.29	.65	.6500	.6441	.6391	.6341	.6341
Group Home	.12	.12	.11	.12	.12	.1200	.1189	.1194	.1194	.1195
School District	4.55	4.56	4.12	4.12	4.70	4.7900	4.7544	4.7544	4.9444	4.9444
Subtotal City Residents	<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>6.3179</u>	<u>6.3180</u>
<u>County Residents:</u>										
Fire District	.66	.66	.60	.60	.60	.6000	.6000	.6000	.6000	.6000
Fire Dispatch Fund	.03	.03	.03	.03	.03	.0300	.0295	.0295	.0295	.0295
Fire Bond	.19	.19	.25	.22	.22	.2200	.2200	.2200	.2084	.1936
Less:										
City of Columbia (above)	(.48)	(.48)	(.41)	(.41)	(.41)	(.4100)	(.4100)	(.4100)	(.4100)	(.4100)
Differential Library Tax	<u>(.05)</u>	<u>(.05)</u>	<u>(.05)</u>	<u>(.05)</u>	<u>(.41)</u>	<u>(.3300)</u>	<u>(.3241)</u>	<u>(.3191)</u>	<u>(.3141)</u>	<u>(.3141)</u>
Total County Residents	<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>	<u>\$ 6.4317</u>	<u>\$ 6.4170</u>

Tax rates are reported on a calendar year basis. The 2004 calendar year tax levy was the rate levied to produce tax revenues for fiscal year 2005.

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
1996 - 2005**

<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>
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
2004	118,600	1,391,813,552	152,720,000	34,004,585	118,715,415	.085	1,001
2005	120,400	1,440,787,421	147,715,000	23,995,094	123,719,906	.086	1,028

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

Source: Boone County Clerk
Financial Statements
Census Data

**COLUMBIA PUBLIC SCHOOL DISTRICT
LEGAL DEBT MARGIN
1996 - 2005**

<u>Year Ended June 30,</u>	<u>Assessed Value</u>	<u>Legal Debt Limit*</u>	<u>Indebtedness**</u>	<u>Legal Debt Margin</u>
1996	\$ 810,703,075	\$ 81,070,308	\$ 70,924,088	\$ 10,146,220
1997	873,346,561	87,334,656	75,869,782	11,464,874
1998	1,042,836,063	156,425,409	82,625,618	73,799,791
1999	1,090,964,765	163,644,715	89,110,283	74,534,432
2000	1,141,693,888	171,254,083	95,408,249	75,845,834
2001	1,195,928,843	179,389,326	104,220,694	75,168,632
2002	1,284,272,994	192,640,949	107,460,453	85,180,496
2003	1,337,034,886	200,555,233	115,918,757	84,636,476
2004	1,391,813,552	208,772,033	118,715,415	90,056,618
2005	1,440,787,421	216,118,113	123,719,906	92,398,207

* 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.

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

Source: Boone County Clerk
Financial Statements

**COLUMBIA PUBLIC SCHOOL DISTRICT
DIRECT AND OVERLAPPING GENERAL INDEBTEDNESS
1996 - 2005**

<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>
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
2004	152,720,000	-	959,000	5,370,000	19,235,000
2005	147,715,000	-	785,000	4,195,000	18,425,000

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, 2004) is as follows:

	<u>Assessed Valuation</u>	<u>Percent Overlapping</u>	<u>Dollar Value of Overlapping Debt</u>
City of Columbia	\$ 1,164,766,227	100%	\$ -
County of Boone	1,682,922,959	86%	672,056
Boone County Fire Protection District	401,133,162	69%	2,886,595
Columbia Library District	568,046,634	100%	<u>18,425,000</u>
Total			<u>\$ 21,983,651</u>

Source: Boone County Clerk

**COLUMBIA PUBLIC SCHOOL DISTRICT
RATIO OF ANNUAL DEBT SERVICE FOR
GENERAL BONDED DEBT TO TOTAL EXPENDITURES/EXPENSES
1996 - 2005**

<u>Year Ended June 30,</u>	<u>Debt Service Expenditures</u>	<u>Total Expenditures/Expenses</u>	<u>Ratio</u>
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
2004	35,445,755	174,995,458	.203
2005	24,353,129	181,508,914	.134

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

Source: Financial Statements

**COLUMBIA PUBLIC SCHOOL DISTRICT
PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
1996 - 2005**

<u>Year Ended June 30,</u>	<u>Property Value*</u>	<u>Construction Estimated Value City of Columbia</u>	<u>Columbia Commercial Bank Deposits</u>
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
2004	6,007,051,194	282,150,639	1,735,236,000
2005	6,237,174,983	302,447,628	1,850,793,000

*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
Boone County Clerk

**COLUMBIA PUBLIC SCHOOL DISTRICT
MAJOR TAXPAYERS**

	<u>Assessed Valuation*</u>	<u>Percentage of Total Assessed Valuation</u>
Ameren Services Company	23,584,309	1.64%
3M Company	22,982,530	1.60%
Ameren - Union Electric	21,381,091	1.48%
State Farm Mutual Automobile Insurance Company	9,453,054	0.66%
Columbia Mall LLC	8,268,325	0.57%
Shelter Mutual Insurance Company	6,452,634	0.45%
Columbia Foods	6,286,511	0.44%
Boone Electric Coop.	5,992,159	0.42%
Spicer Axle Inc.	5,921,217	0.41%
Gates Corporation (The)	5,172,480	0.36%
	<u>\$ 115,494,310</u>	<u>8.03%</u>

*Major taxpayers are reported for the District's 2005 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
---------------------------------	-----------

1,001 - 5,000 Employees:

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

501 - 1,000 Employees:

Columbia Foods	Food Processing
Columbia Regional Hospital	Medical
Harry S. Truman Memorial Veterans Hospital	Medical
MBS Textbook Exchange Inc.	Distribution of Textbooks
Minnesota Mining & Mfg. Co. (3M)	Manufacturing
State Farm Insurance Companies	Insurance

251 - 500 Employees:

Boone County	Government
Boone County National Bank	Financial
Collins and Aikman	Manufacturing
Columbia College	Education
Columbia Insurance Group	Insurance
First National Bank	Financial
MFA Inc.	Agricultural
MFA Oil Company	Oil & Gas Operators
Mid-Missouri Mental Health Center	Medical
Missouri Employers Mutual Insurance	Insurance
Square D Company	Manufacturing
Tribune Publishing Company	Newspaper
Watlow - Columbia Inc.	Electrical

Source: Columbia Chamber of Commerce

**COLUMBIA PUBLIC SCHOOL DISTRICT
AVERAGE DAILY ATTENDANCE AND MEMBERSHIP
1996 - 2005**

<u>School Year</u>	<u>Average Daily Attendance*</u>	<u>Average Membership</u>	<u>Percentage of ADA to Average Membership</u>
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
2003-04	14,746	15,847	.931
2004-05	14,812	15,884	.933

*Regular School Session Only

Source: Missouri Department of Elementary and Secondary Education

**COLUMBIA PUBLIC SCHOOL DISTRICT
PER PUPIL COSTS
GOVERNMENTAL FUNDS
1996 - 2005**

<u>School Year</u>	<u>Total Expenditures</u>	<u>Average Daily Attendance*</u>	<u>Average Per Pupil Cost</u>
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
2003-04	168,360,748	14,746	11,417
2004-05	174,494,897	14,812	11,781

*Regular School Session Only (does not include Food Services and Adult Education)

Source: Financial Statements
Missouri Department of Elementary and Secondary Education

**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 2004-05, 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.

<u>School Year</u>	<u>Columbia Public School District</u>	<u>Enrollment Comparison Group</u>	<u>All Missouri School Districts</u>
2004-05	\$ 8,217.80	Not available	\$ 7,679.00
2003-04	7,719.25	Not available	7,456.00
2002-03	7,815.63	Not available	7,434.00
2001-02	7,581.39	Not available	7,146.00
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

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 2004-05, 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				
	2000-01	2001-02	2002-03	2003-04	2004-05	2000-01	2001-02	2002-03	2003-04	2004-05
Students per Teacher	13	13	13	13	13	14	14	13	13	14
Students per Classroom Teacher	18	18	17	19	19	18	18	18	18	19
Average Teacher Salary (Total)	\$39,244	\$40,772	\$41,387	\$41,864	\$45,213	\$36,714	\$37,992	\$39,293	\$39,786	\$40,676
Students per Administrator	251	238	231	240	249	213	209	205	205	207
Average Administrator Salary	\$69,181	\$70,551	\$72,784	\$73,925	\$79,546	\$65,475	\$67,558	\$70,128	\$71,279	\$72,889
Students Eligible for Free/Reduced Lunch	27.22%	28.88%	29.62%	30.80%	31.10%	36.82%	38.20%	38.28%	40.50%	41.80%

Source: Missouri Department of Elementary and Secondary Education

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF INSURANCE COVERAGE
JUNE 30, 2005**

Insurance	Policy Number	Policy Period		Coverage
		From	To	
Blanket Building and Contents	CBP9762083	09/15/04	09/15/05	Statement of Values, \$314,953,415 \$5,000 Deductible Except Flood and Earthquake, \$25,000 All Risk, Replacement Cost
Boiler and Machinery	BES 265 66 18	09/01/04	09/01/05	\$1,000,000 per Accident \$5,000 Deductible
Vehicles	FOO-1061-C12-25	09/12/04	09/12/05	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	07/01/04	07/01/05	
Bodily Injury & Property Damage Liability	CBP9762083	09/15/04	09/15/05	\$1,000,000 per Person \$1,000,000 per Occurrence
Commercial Umbrella	CU9765185	09/15/04	09/15/05	\$2,000,000 per Occurrence \$2,000,000 General Aggregate Limit
Bodily Injury & Property Damage Liability Umbrella	CTDV11936	09/15/04	09/15/05	\$1,000,000 General Aggregate Limit
School Leaders Errors and Omissions	411-24-36	07/01/04	07/01/05	\$2,000,000 Liability Per Occurrence \$50,000 Deductible Each Wrongful Act
Fidelity Bonds	POBO8203412 CCP0056421 CCP0005917	07/15/04 03/01/05 12/11/04	07/15/05 03/01/06 12/11/05	Treasurer, \$400,000 Secretary, \$25,000 Selected Personnel, Blanket Coverage: \$250,000
Liability – Rock Climbing Wall (RBHS)	CLS1016960	04/03/05	04/03/06	\$3,000,000 Annual Aggregate \$2,000,000 Each Occurrence \$500 Deductible
Liability – Underground Storage Tank	7514232	07/12/04	07/12/05	\$2,000,000 Annual Aggregate \$2,000,000 Each Occurrence \$5,000 Deductible

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State Compliance Section



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INDEPENDENT AUDITORS' REPORT - STATE COMPLIANCE REPORTS

Board of Education
Columbia Public School District
Columbia, Missouri

We have audited the basic financial statements of Columbia Public School District, Columbia, Missouri, as of and for the year ended June 30, 2005, and have issued our report thereon dated September 9, 2005. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

PARTNERS

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

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

Our audit was made for the purpose of forming an opinion on the basic financial statements of Columbia Public School District taken as a whole. The accompanying Schedules on pages 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 basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

September 9, 2005


Gerding, Korte and Chitwood
Certified Public Accountants



Professional Corporation
Certified Public Accountants

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

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Board of Education
Columbia Public School District
Columbia, Missouri

We have examined management's assertions that Columbia Public School District, Columbia, Missouri, complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January; and accurate disclosure by pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2005. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

PARTNERS

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

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

In our opinion, Columbia Public School District, Columbia, Missouri, complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2005.

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.

MEMBERS OF AMERICAN INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS

September 9, 2005

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

SCHEDULES FOR STATE COMPLIANCE

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2005**

	General Fund			
	General	Food Services	Student Activities	Adult Education
REVENUES				
Local	\$ 31,823,166	\$ 2,841,177	\$ 1,690,567	\$ 926,071
County	851,323	-	-	-
State	18,606,301	45,218	-	370,483
Federal	3,437,973	2,233,204	-	578,921
Tuition Other Districts	33,625	-	-	-
Total Revenues	<u>54,752,388</u>	<u>5,119,599</u>	<u>1,690,567</u>	<u>1,875,475</u>
EXPENDITURES				
Regular Instruction	12,443,750	-	-	-
Special Instruction	4,902,419	-	-	-
Vocational Instruction	685,055	-	-	-
Student Activities	264,963	-	1,586,396	-
Tuition Other Districts	-	-	-	-
Total Instruction	<u>18,296,187</u>	<u>-</u>	<u>1,586,396</u>	<u>-</u>
Attendance	163,462	-	-	-
Guidance and Counseling	1,804,132	-	-	-
Health and Ancillary Services	1,865,596	-	-	-
Improvement of Instruction	1,079,741	-	-	-
Media Services	2,682,320	-	-	-
Board Services	319,449	-	-	-
General Administration	814,724	-	-	-
Building Administration	3,126,229	-	-	-
Business, Central Services	801,449	-	-	-
Operation of Plant	12,998,542	-	-	-
Pupil Transportation	6,341,101	-	52,238	-
Food Services	-	4,913,846	-	-
Total Pupil Support Services	<u>31,996,745</u>	<u>4,913,846</u>	<u>52,238</u>	<u>-</u>
Adult Education	8,663	-	-	1,548,478
Community Services	1,258,338	-	-	241,400
Debt Services	-	-	-	-
Capital Outlay and Construction	-	-	-	-
Total Other	<u>1,267,001</u>	<u>-</u>	<u>-</u>	<u>1,789,878</u>
Total Expenditures	<u>51,559,933</u>	<u>4,913,846</u>	<u>1,638,634</u>	<u>1,789,878</u>
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	3,192,455	205,753	51,933	85,597
OTHER FINANCING SOURCES (USES)				
General Obligation Bonds Issued	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(109,621)	(28,067)	-	-
NET CHANGES IN FUND BALANCES	3,082,834	177,686	51,933	85,597
FUND BALANCE, JULY 1	<u>25,712,487</u>	<u>1,422,227</u>	<u>514,582</u>	<u>386,277</u>
FUND BALANCE, JUNE 30	<u>\$ 28,795,321</u>	<u>\$ 1,599,913</u>	<u>\$ 566,515</u>	<u>\$ 471,874</u>

<u>Grants and Donations</u>		<u>Special Revenue Teachers Fund</u>		<u>Debt Service Fund</u>		<u>Capital Projects Fund</u>		<u>Total</u>	
	<u>Total</u>								
\$ 1,035,260	\$ 38,316,241	\$ 40,268,287	\$ 12,554,168	\$ 1,818,504	\$ 92,957,200				
-	851,323	735,316	274,716	5,914	1,867,269				
2,071,486	21,093,488	28,332,693	1,348,964	129,506	50,904,651				
781,257	7,031,355	4,321,476	-	2,612	11,355,443				
-	33,625	42,036	-	-	75,661				
<u>3,888,003</u>	<u>67,326,032</u>	<u>73,699,808</u>	<u>14,177,848</u>	<u>1,956,536</u>	<u>157,160,224</u>				
471,716	12,915,466	46,736,856	-	-	59,652,322				
181,590	5,084,009	15,025,431	-	-	20,109,440				
532,779	1,217,834	2,357,865	-	-	3,575,699				
-	1,851,359	432,865	-	-	2,284,224				
-	-	354,159	-	-	354,159				
<u>1,186,085</u>	<u>21,068,668</u>	<u>64,907,176</u>	<u>-</u>	<u>-</u>	<u>85,975,844</u>				
-	163,462	-	-	-	163,462				
89,282	1,893,414	3,060,645	-	-	4,954,059				
106,173	1,971,769	779,039	-	-	2,750,808				
82,443	1,162,184	944,938	-	2,612	2,109,734				
239,064	2,921,384	1,831,215	-	-	4,752,599				
-	319,449	-	-	-	319,449				
-	814,724	851,477	-	-	1,666,201				
-	3,126,229	5,345,698	-	-	8,471,927				
-	801,449	-	-	-	801,449				
-	12,998,542	-	-	14,095	13,012,637				
15,689	6,409,028	-	-	61,497	6,470,525				
-	4,913,846	-	-	28,067	4,941,913				
<u>532,651</u>	<u>37,495,480</u>	<u>12,813,012</u>	<u>-</u>	<u>106,271</u>	<u>50,414,763</u>				
164,506	1,721,647	33,697	-	-	1,755,344				
1,893,975	3,393,713	521,653	-	5,119	3,920,485				
-	-	-	24,187,339	-	24,187,339				
-	-	-	-	16,611,548	16,611,548				
<u>2,058,481</u>	<u>5,115,360</u>	<u>555,350</u>	<u>24,187,339</u>	<u>16,616,667</u>	<u>46,474,716</u>				
<u>3,777,217</u>	<u>63,679,508</u>	<u>78,275,538</u>	<u>24,187,339</u>	<u>16,722,938</u>	<u>182,865,323</u>				
110,786	3,646,524	(4,575,730)	(10,009,491)	(14,766,402)	(25,705,099)				
-	-	-	-	12,500,000	12,500,000				
-	-	80,152	-	57,536	137,688				
-	(137,688)	-	-	-	(137,688)				
110,786	3,508,836	(4,495,578)	(10,009,491)	(2,208,866)	(13,205,099)				
<u>1,407,282</u>	<u>29,442,855</u>	<u>7,830,004</u>	<u>34,004,585</u>	<u>16,380,223</u>	<u>87,657,667</u>				
<u>\$ 1,518,068</u>	<u>\$ 32,951,691</u>	<u>\$ 3,334,426</u>	<u>\$ 23,995,094</u>	<u>\$ 14,171,357</u>	<u>\$ 74,452,568</u>				

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF REVENUES CLASSIFIED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2005**

	<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	\$ 21,505,013	\$ 34,941,566	\$ 10,952,651	\$ 136,635	\$ 67,535,865
Delinquent Tax	656,092	1,082,453	339,452	4,527	2,082,524
Sales Tax	8,611,516	3,860,085	-	-	12,471,601
In Lieu of Tax	-	-	23,460	23,460	46,920
Intangible Tax	-	-	30,293	156,470	186,763
Surtax	-	-	226,342	1,169,279	1,395,621
Tuition, K-12	34,407	-	-	-	34,407
Summer School Tuition K-12	25,061	62,525	-	-	87,586
Tuition, Post Secondary	890,458	-	-	-	890,458
Earnings on Investments	604,215	321,658	981,970	299,004	2,206,847
Other Interest Earned	21,736	-	-	-	21,736
Food Service Sales	2,841,177	-	-	-	2,841,177
Student Activities	1,808,963	-	-	-	1,808,963
Community Services	7,931	-	-	-	7,931
Rentals	123,141	-	-	-	123,141
Offset Printing	96,604	-	-	-	96,604
Donations	303,961	-	-	-	303,961
Food Service Catering	68,837	-	-	-	68,837
Project Construct	339,371	-	-	-	339,371
Fund Raising	241,246	-	-	-	241,246
Other Local Sources	136,512	-	-	29,129	165,641
Total Local Sources	<u>38,316,241</u>	<u>40,268,287</u>	<u>12,554,168</u>	<u>1,818,504</u>	<u>92,957,200</u>
COUNTY SOURCES:					
Fines & Forfeitures	-	520,223	-	-	520,223
State Assessed Utilities	785,226	107,702	241,052	5,495	1,139,475
County Stock Insurance Fund	66,097	107,391	33,664	419	207,571
Total County Sources	<u>851,323</u>	<u>735,316</u>	<u>274,716</u>	<u>5,914</u>	<u>1,867,269</u>
STATE SOURCES:					
Basic Formula	10,793,348	17,537,137	1,123,056	66,097	29,519,638
Transportation	1,045,783	1,699,198	-	-	2,744,981
Exceptional Pupil Aid	1,247,308	2,026,638	-	-	3,273,946
Early Childhood	590,757	959,868	-	-	1,550,625
Remedial Reading	50,462	81,991	-	-	132,453
Gifted Center	232,975	378,539	-	-	611,514
Career Ladder	391,038	635,362	-	-	1,026,400
Free and Reduced/At Risk	2,201,058	3,576,300	225,908	13,296	6,016,562
Parents as Teachers	303,686	493,432	-	-	797,118
Foreign Insurance, Free Textbook	1,377,641	-	-	-	1,377,641
Vocational, Technical	487,491	419,310	-	-	906,801
Fair Share (Cigarette Tax)	-	403,893	-	-	403,893
School Health Grant	90,000	-	-	-	90,000
Excess Cost	4,554	7,400	-	-	11,954
Adult Basic Education	89,067	-	-	-	89,067
Food Service	45,218	-	-	-	45,218
Literacy Grant	64,664	-	-	-	64,664
Customized Training	57,500	-	-	-	57,500
Safe Schools Grant	69,973	-	-	-	69,973
Vocational Enhancement	530,824	-	-	46,123	576,947

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF REVENUES CLASSIFIED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2005
(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	\$ 19,492	\$ -	\$ -	\$ -	\$ 19,492
Missouri Preschool	45,000	-	-	-	45,000
Child Care Consortium	45,759	-	-	-	45,759
Extraordinary Costs	69,931	113,625	-	-	183,556
Project Construct	1,216,959	-	-	-	1,216,959
Other State Sources	23,000	-	-	3,990	26,990
Total State Sources	<u>21,093,488</u>	<u>28,332,693</u>	<u>1,348,964</u>	<u>129,506</u>	<u>50,904,651</u>
FEDERAL SOURCES:					
Pell Grants	241,400	-	-	-	241,400
Voc Ed Act - Title I, Basic Grant	161,019	125,829	-	-	286,848
Title I - ESEA	1,073,584	1,532,669	-	-	2,606,253
Title V	104,182	-	-	-	104,182
Ind With Disabilities Ed Act	1,371,624	2,094,407	-	-	3,466,031
Early Childhood	283,032	176,533	-	-	459,565
Adult Basic Education	338,717	-	-	-	338,717
School Lunch Program	1,754,093	-	-	-	1,754,093
School Breakfast Program	476,863	-	-	-	476,863
After School Snack Program	2,248	-	-	-	2,248
Childcare Development	20,000	-	-	-	20,000
Title IV, Drug Free Schools	88,858	-	-	-	88,858
Title II, Part A	251,477	392,038	-	2,612	646,127
Title II, Part D	54,808	-	-	-	54,808
Title III - ESEA	74,219	-	-	-	74,219
Learn & Serve America	11,999	-	-	-	11,999
Medicaid	518,917	-	-	-	518,917
Workforce Investment Act	7,994	-	-	-	7,994
Mentoring Grant	58,528	-	-	-	58,528
Other Federal Sources	137,793	-	-	-	137,793
Total Federal Sources	<u>7,031,355</u>	<u>4,321,476</u>	<u>-</u>	<u>2,612</u>	<u>11,355,443</u>
OTHER SOURCES:					
Sale of Bonds	-	-	-	12,500,000	12,500,000
Total Other Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,500,000</u>	<u>12,500,000</u>
TUITION OTHER DISTRICTS:					
Tuition Other Districts	-	8,911	-	-	8,911
Area Vocational School Fees	33,625	33,125	-	-	66,750
Total Tuition Other Districts	<u>33,625</u>	<u>42,036</u>	<u>-</u>	<u>-</u>	<u>75,661</u>
Total Revenues	<u>\$ 67,326,032</u>	<u>\$ 73,699,808</u>	<u>\$ 14,177,848</u>	<u>\$ 14,456,536</u>	<u>\$ 169,660,224</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES BY OBJECT
FOR THE YEAR ENDED JUNE 30, 2005**

	<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	\$ 1,713,082	\$ 72,419,734	\$ -	\$ -	\$ 74,132,816
Non-Certificated Salaries	17,119,476	-	-	-	17,119,476
Total Salaries	<u>18,832,558</u>	<u>72,419,734</u>	<u>-</u>	<u>-</u>	<u>91,252,292</u>
FRINGE BENEFITS:					
Teacher Retirement	8,253,301	-	-	-	8,253,301
Non-Teacher Retirement	1,029,987	-	-	-	1,029,987
Social Security	2,336,165	-	-	-	2,336,165
Medical and Dental Benefits	2,484,417	5,501,645	-	-	7,986,062
Workers' Compensation	1,145,147	-	-	-	1,145,147
Total Fringe Benefits	<u>15,249,017</u>	<u>5,501,645</u>	<u>-</u>	<u>-</u>	<u>20,750,662</u>
PURCHASED SERVICES:					
Instructional Services	-	354,159	-	-	354,159
Professional Services	5,339,473	-	-	-	5,339,473
Property Services	2,961,420	-	-	-	2,961,420
Contracted Transportation	5,659,921	-	-	-	5,659,921
Other Transportation, Non-Route	300,282	-	-	-	300,282
Travel	1,032,855	-	-	-	1,032,855
Insurance	519,304	-	-	-	519,304
Communications and Printing	764,259	-	-	-	764,259
Dues and Fees	267,166	-	-	-	267,166
Service Charges	35,455	-	-	-	35,455
Financial Aid Adult Ed.	265,950	-	-	-	265,950
Total Purchased Services	<u>17,146,085</u>	<u>354,159</u>	<u>-</u>	<u>-</u>	<u>17,500,244</u>
SUPPLIES:					
General Supplies	5,261,669	-	-	-	5,261,669
Free Textbooks	1,297,489	-	-	-	1,297,489
Library Books	4,221	-	-	-	4,221
Food Supplies	2,049,371	-	-	-	2,049,371
Gasoline	474,752	-	-	-	474,752
Utilities	2,616,908	-	-	-	2,616,908
Total Supplies	<u>11,704,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,704,410</u>
CAPITAL OUTLAY:					
Buildings and Additions	-	-	-	2,074,593	2,074,593
Improvements to Buildings	-	-	-	9,100,183	9,100,183
Equipment and Vehicles	747,438	-	-	5,548,162	6,295,600
Total Capital Outlay	<u>747,438</u>	<u>-</u>	<u>-</u>	<u>16,722,938</u>	<u>17,470,376</u>
DEBT SERVICE:					
Principal	-	-	17,505,000	-	17,505,000
Interest	-	-	6,666,409	-	6,666,409
Professional Fees	-	-	15,930	-	15,930
Total Debt Service	<u>-</u>	<u>-</u>	<u>24,187,339</u>	<u>-</u>	<u>24,187,339</u>
Total Expenditures	<u>\$ 63,679,508</u>	<u>\$ 78,275,538</u>	<u>\$ 24,187,339</u>	<u>\$ 16,722,938</u>	<u>\$ 182,865,323</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
 ASSESSED VALUATION AND TAX LEVY
 JUNE 30, 2005**

The assessed valuation of the tangible taxable property for the calendar years 2004 and 2003 for purposes of local taxation was as follows:

	<u>Current Year</u>	<u>Prior Year</u>
Real Estate:		
Residential.....	\$ 803,183,814	\$ 763,382,762
Agriculture	11,460,878	11,659,508
Commercial	348,211,365	333,491,169
Personal Property.....	<u>277,931,480</u>	<u>283,280,229</u>
 TOTAL	 \$ <u>1,440,787,537</u>	 \$ <u>1,391,813,668</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2004 for purposes of local taxation was as follows:

	<u>Adjusted</u>	<u>Unadjusted</u>
Operating Fund.....	\$ 1.5744	\$ 1.9440
Teachers Fund	2.5581	2.5581
Debt Service Fund.....	0.8019	0.8019
Capital Projects Fund	<u>0.0100</u>	<u>0.0100</u>
 TOTAL	 \$ <u>4.9444</u>	 \$ <u>5.3140</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2005**

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 were as follows:

Kindergarten – Full-day	1,067.50 hours	Grades 10-12 (Rock Bridge)	1,127.52 hours
Grades 1-5	1,067.50 hours	Grades 6-12 (Douglass)	1,108.16 hours
Grades 6-7	1,111.00 hours	Grades 6-12 (Juvenile Justice)	1,080.00 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 were as follows:

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

2. Students

The number of eligible pupils (EP) for this school year was 16,381.96 (Section 163.011(4), RSMo), calculated as follows:

REGULAR TERM AVERAGE DAILY ATTENDANCE (ADA)

Regular Year	Full-time/ Part-time	Remedial	Total
Kindergarten – Full-day	1,110.60	-	1,110.60
Grades 1-5	5,633.17	.79	5,633.96
Grades 6-12	<u>8,067.84</u>	<u>-</u>	<u>8,067.84</u>
Subtotal Regular Year	<u>14,811.61</u>	<u>.79</u>	14,812.40

SUMMER SCHOOL AVERAGE DAILY ATTENDANCE 828.96

TOTAL AVERAGE DAILY ATTENDANCE 15,641.36

DETERMINATION OF RESIDENT ELIGIBLE PUPILS FOR STATE AID

Total Average Daily Attendance (ADA) (above)	15,641.36
Summer School Average Daily Attendance (Limited to 5% of regular year)	<u>740.60</u>

RESIDENT ELIBIGLE PUPILS FOR STATE AID (EP) 16,381.96

SEPTEMBER RESIDENT MEMBERSHIP 15,884.34

(This is a calculated number adjusted for less than full-day kindergarten as of the last Wednesday of September 2004.)

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2005**

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 2005.)

Free	4,190.75
Reduced	717.07
Total	4,907.82

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 8,558.50 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 2,206,315. Of this total, the eligible non-handicapped and handicapped miles were 1,850,805 and the ineligible non-route and disapproved miles (combined) were 355,510.

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, 2005**

4. Adult Education and Literacy (Continued)

- B. The number of contact hours eligible for core funding reimbursement in AEL for this year was 81,997.59.
- No AEL teacher generated more than fifteen contact hours per teacher paid hour. ___X___ Yes ___ No
 - No AEL teacher generated more than eight contact hours for special needs participants. ___X___ Yes ___ No
- C. Teachers who are paid with AEL funds:
- are AEL certified. ___X___ Yes ___ No
 - if employed as a substitute, have obtained 60 college credit hours from an accredited institution. ___X___ Yes ___ No
- D. The District has adequate procedures to maintain student record of enrollment, test scores, and attendance hours. ___X___ Yes ___ No

5. Career Ladder (Section 168.500, RSMo)

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

6. Finance

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2005**

6. Finance (Continued)

- E. The District's expenditures for At-Risk activities were \$7,235,699.
- F. The District has a school improvement plan and a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment.
- | | | | | |
|-------------------------------|--------------|-----|---------------|----|
| School Improvement Plan | <u> X </u> | Yes | <u> </u> | No |
| Professional Development Plan | <u> X </u> | Yes | <u> </u> | No |
- G. The District's June, Basic Formula Calculation Sheet, Line H, Basic Formula Apportionment amount was \$29,908,285.
- The District's 75% of 1% of the Basic Formula Apportionment amount was \$224,312.
- The amount spent for approved professional development committee plan activities was \$885,606.
- H. Did the District use state-funded grant monies to supplant existing salaries? Yes X No
- If yes, what grant monies were used to supplant existing salaries? _____
- I. Did the District use federal monies to supplant state expenditures? Yes X No
- If yes, please explain. _____
- J. Lease purchase obligations entered into after November 1, 1993, and prior to January 1, 1997, for which the principal and interest payments are being made from the GTB/Line 1 transfer amount are in accordance with Section 165.011.5 (5), RSMo. Yes No X N/A
- K. Did the District make a GTB/Line 1 transfer? Yes X No
- If a GTB/Line 1 transfer was made in excess of adjusted expenditures, did the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken? Yes No
- L. The District issued general obligation refunding bonds in the current year. Yes X No
- If yes, identify the type of refunding: Current Advance-Defeased Advance-Crossover
- M. The District has appropriately included all current and prior year crossover refunding bonds in its financial statements. X Yes No N/A
- N. The District took action prior to October 31 to cause the 2004-05 audit to be performed. X Yes No
- O. For the preceding year (not the current audit period) in which the District took action to cause an audit to be performed by October 31, the District published a summary of the 2003-04 report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo. X Yes No N/A
- P. Based on the District's federal expenditures, an audit was required to be performed in accordance with OMB Circular A-133 (Revised). X Yes No

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2005**

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, 2005**

	<u>Regular</u>		<u>Handicapped Contracted</u>
	<u>District Owned</u>	<u>Contracted</u>	
Salary and Benefits	\$ 35,015	\$ -	\$ 17,507
Purchased Services	-	4,251,224	1,403,198
Supplies	-	313,351	82,618
Capital Outlay	<u>61,497</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 96,512</u>	<u>\$ 4,564,575</u>	<u>\$ 1,503,323</u>

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Single Audit Section



GERDING, KORTE & CHITWOOD

Professional Corporation

Certified Public Accountants

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

20 South Fifth Street
Columbia, MO 65201
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Board of Education
Columbia Public School District
Columbia, Missouri

We have audited the basic financial statements of the Columbia Public School District, Columbia, Missouri, as of and for the year ended June 30, 2005, and have issued our report thereon dated September 9, 2005. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

PARTNERS

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

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

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

September 9, 2005

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

MEMBERS OF AMERICAN INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005**

<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) \$	241,400
Federal Family Education Loans	84.032	N/A		(1)	50,474
Mentoring Program Grants	84.184B	N/A			58,528
Total					<u>350,402</u>
Passed Through State Department of Education:					
Title I, Regular and Summer School	84.010A	010-093	X	\$ 2,687,708	2,497,885
Title II.A	84.281A	010-093	X	767,805	646,127
Title II.D	84.318X	010-093		54,808	54,808
Education of Handicapped:					
Entitlement	84.027A	010-093-EN	X	3,578,611	3,370,424
Early Childhood	84.173A	010-093-EC	X	462,344	462,344
Vocational Education	84.048A	010-093		295,050	286,847
Adult Basic Education	84.002A	010-093	X	338,717	338,717
Title III	84.365A	010-093		74,219	74,219
Drug-Free Schools & Communities (Title IV.A)	84.186A	010-093		110,618	88,858
Title V	84.340A	010-093		125,309	104,182
Leveraging Educational Assistance Partnership	84.069A	010-093		24,550	24,550
Project Construct:					
Title I	84.010A	010-093		129,313	108,368
Entitlement	84.027A	010-093		71,150	71,150
Total					<u>8,128,479</u>
Passed Through Missouri Assistive Technology Advisory Council:					
Special Education	84.027A	N/A		(1)	11,535
Total					<u>11,535</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				\$	<u>8,490,416</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005
(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)	\$ 1,841,338
National School Breakfast	10.553	010-093	X	(1)	498,940
Food Distribution	10.550	010-093	X	\$	256,342
Total					<u>2,596,620</u>
Passed Through State Department of Health and Senior Services:					
Team Nutrition Grants	10.574	DH0506P0001		\$ 4,955	4,915
Total					<u>4,915</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE					<u>\$ 2,601,535</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		(1)	\$ 7,993
Total					<u>7,993</u>
TOTAL U.S. DEPARTMENT OF LABOR					<u>\$ 7,993</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
Passed Through Advent Enterprises:					
Youth Build	14.243	N/A		(1)	\$ 29,734
Total					<u>29,734</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					<u>\$ 29,734</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005
(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:					
Child Care and Development	93.575	010-093		\$ 20,000	\$ <u>20,000</u>
Total					<u>20,000</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					\$ <u>20,000</u>
 <u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>					
Passed Through State Department of Education:					
Learn & Serve America	94.004	010-093		\$ 12,000	\$ <u>12,000</u>
Total					<u>12,000</u>
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					\$ <u>12,000</u>
 <u>U.S. GENERAL SERVICES ADMINISTRATION</u>					
Passed Through The State Agency for Surplus Property:					
Surplus Property	39.003	010-093		(1) \$ 1,262	\$ <u>1,262</u>
Total					<u>1,262</u>
TOTAL U.S. GENERAL SERVICES ADMINISTRATION					\$ <u>1,262</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005
(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>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>					
Passed Through Missouri State Library					
State Library Program	45.310	4LCP401TP		\$ 28,067	\$ <u>22,867</u>
Total					<u>22,867</u>
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES					\$ <u>22,867</u>
TOTAL FEDERAL ASSISTANCE					\$ <u>11,185,807</u>

(1) No specific award amount

COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2005

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 \$5,417 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 \$256,342, valued at the cost assigned to those commodities by the U.S. Department of Agriculture.



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Education
Columbia Public School District
Columbia, Missouri

We have audited the financial statements of Columbia Public School District as of and for the year ended June 30, 2005, and have issued our report thereon dated September 9, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

PARTNERS

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

Internal Control Over Financial Reporting

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

Compliance and Other Matters

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

We noted certain matters that we have reported to the management of Columbia Public School District in a separate letter dated September 9, 2005.

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

September 9, 2005



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PARTNERS

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

Board of Education
Columbia Public School District
Columbia, Missouri

Compliance

We have audited the compliance of Columbia Public School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. 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, 2005.

Internal Control Over Compliance

The management of Columbia Public School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Columbia Public School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

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

September 9, 2005


Gerding, Korte and Chitwood
Certified Public Accountants

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AND SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2005**

Section I: Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010A	Title I - Program for Educationally Disadvantaged Students
84.027A	Education of the Handicapped
84.173A	Education of the Handicapped
10.553	School Breakfast
10.555	School Lunch
10.550	Food Distribution
84.281A	Title IIa
84.002A	Adult Basic Education

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, 2005**

Section II: Findings

None

Section III: Questioned Costs

None