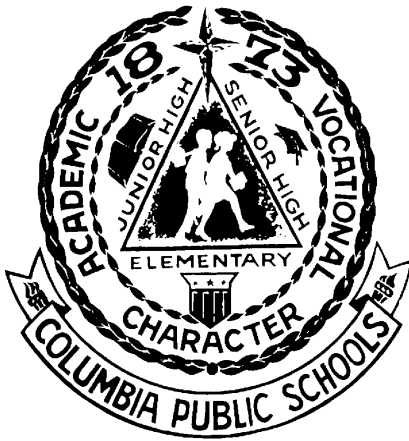


Comprehensive Annual Financial Report

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*Columbia Public School District
Columbia, Missouri*

For Fiscal Year Ended June 30, 2004

Introductory Section

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2004**

**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. Russell C. Still, Member

Mr. Christopher L. Mallory, Secretary

Mr. Kevan Snell, Treasurer

SUPERINTENDENT OF SCHOOLS

Dr. Phyllis A. Chase, Superintendent

Dr. Jacque Cowherd, Deputy Superintendent

REPORT ISSUED BY DEPARTMENT OF BUSINESS SERVICES

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

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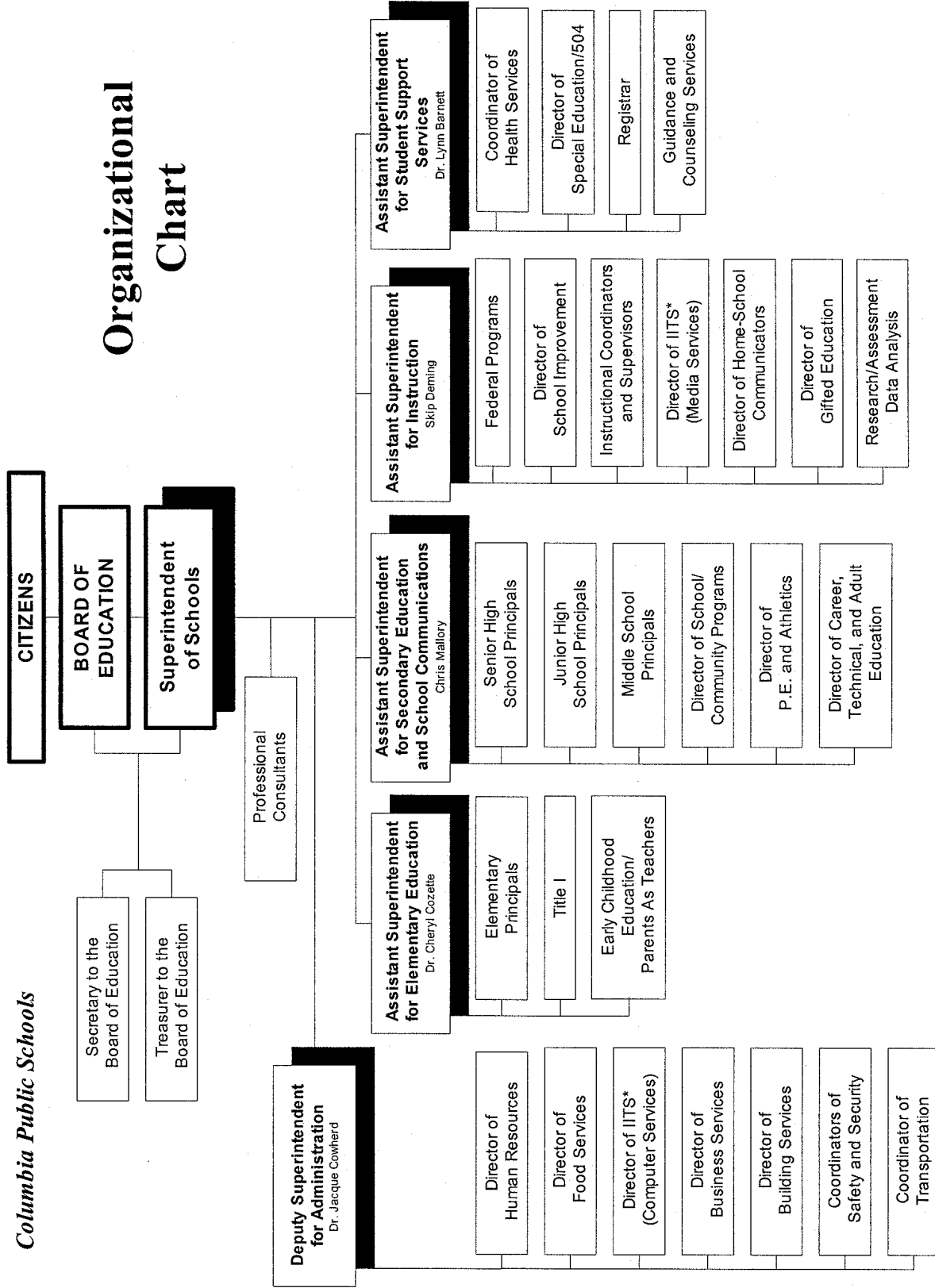
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Organizational Chart



*One position



Dr. Phyllis A. Chase
Superintendent of Schools

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

October 15, 2004

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

The Comprehensive Annual Financial Report of the Columbia Public School District, Columbia, Missouri, for the fiscal year ended June 30, 2004, is presented on the following pages. The Columbia Public School District (the District) is governed by an elected seven member Board of Directors (the Board). The Board is the basic level of government, which has financial accountability and control over all activities related to K-12 public school education in the District. The Board is not included in any other governmental "reporting entity", as defined by Governmental Accounting Standards Board (GASB) pronouncements, since Board members are elected by the public and have decision making authority and primary accountability for fiscal matters. In addition, there are no component units which are included in the District's reporting entity. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

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

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

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

The area served by the Columbia Public School District encompasses 303 square miles and includes a population which is estimated to exceed 118,000. 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 16,211 students. Enrollment growth reflects the growth of the community. For the period 1994 through 2004 overall enrollment of the District increased by 13%. Projections for the next five years indicate that student enrollment will stabilize at current levels.

The District provides a comprehensive curriculum to meet the needs of a diverse student population. Course offerings at the senior high schools vary from those which are considered college preparatory to those which prepare students to enter particular vocations upon graduating from high school. The District also provides an extensive adult education program with approximately 9,900 part-time and full-time adult students enrolled annually in more than 1,080 courses. Approximately 15% of the school population is served by the Special Education Department of the Columbia Public School District. Specially trained teachers provide services to students needing both modified programs and specialized instruction. The District has developed programs for exceptional pupils which include services for students with mental or orthopedic handicaps, speech or language disorders, learning disabilities, behavior disorders, and auditory or visual handicaps, as well as services for infants and pre-school severely handicapped children. It is the goal of the Columbia Public School District to provide appropriate instructional services for each child according to individual and unique needs.

The Columbia Public School District contracts with First Student, Inc. to provide transportation for eligible students to and from school and on school sponsored activity trips. Approximately 12,000 students are eligible to be transported to and from school on a daily basis. One hundred thirty-five (135) school buses are used in the transportation program. Most buses serve multiple routes.

Accounting System and Budgetary Control

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

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

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

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

Economic Condition

Columbia is located midway between St. Louis and Kansas City at the crossroads of Interstate 70 and U.S. Highway 63. Medical and research facilities form a major portion of the Columbia economic base. Five hospitals employ a significant portion of the Columbia area work force in medically related occupations. Columbia's medical facilities are comparable to those found in a typical city of nearly half a

million in population. In addition, Columbia serves as the home of several insurance companies and many light industrial facilities. Education is also a significant portion of the Columbia economic base with the University of Missouri and two private colleges serving more than 25,000 students and the Columbia Public Schools with an enrollment of approximately 16,200 students.

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

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

The economic diversity of Columbia, along with the high quality of education offered here, makes Columbia an attractive community. As such, Columbia continues to experience stable growth, and enjoys a low unemployment rate (2.5% in June 2004).

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, Technology, and the Enrollment Planning Commission.

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

Pension Trust Fund

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

The contribution rates for fiscal year 2004 were 10.5% and 5.0% respectively. The rates are scheduled to increase to 11.0% and 5.25% respectively, for fiscal year 2005. Non-teachers also participate in the Social Security retirement plan. Contribution rates provide for funding the systems' liability for past service cost. The District has no direct responsibility for any unfunded liability in these State operated retirement programs.

Risk Management

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

In addition to the medical benefits program, the District began to self-fund its workers compensation program in February of 1995. Administration of this program is handled by a third party administrator. Stop-loss protection is maintained by policies purchased to cover aggregate claims exceeding 175% 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.

Cash Management

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

The District's depository provides the District with an Automated Cash Management Account, allowing the District to earn interest on daily funds. The rate of interest paid the District for this account is 10 basis points above the current weekly discount auction rate of 13 week Treasury Bills.

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

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

Missouri statutes limit investments of school districts to the following:

- * Open time deposits for ninety days.
- * Certificates of deposit.
- * Bonds of the state of Missouri, of the United States, or of any wholly owned corporation of the United States, and other short-term obligations of the United States.
- * Under limited circumstances, commercial paper and bankers' acceptances.

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

Independent Audit

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

Financial Reporting Awards

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

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

Closing Statement

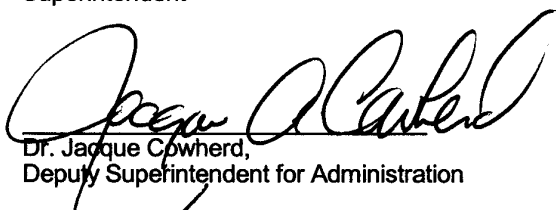
It is our intention that this Comprehensive Annual Financial Report will provide the District's management, outside investors, and interested local citizens with the most meaningful financial presentation possible. In this report, we are hopeful that all readers of the report will obtain a clear and concise picture of the District's financial condition as of June 30, 2004.

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

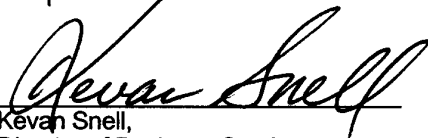
Respectfully submitted,



Dr. Phyllis A. Chase,
Superintendent



Dr. Jacque Cowherd,
Deputy Superintendent for Administration



Kevan Snell,
Director of Business Services

Certificate of Excellence/ASBO _____

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



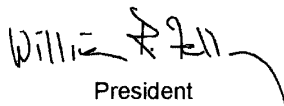
This Certificate of Excellence in Financial Reporting is presented to

COLUMBIA PUBLIC SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2003

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


President


Executive Director

Certificate of Achievement/GFOA _____

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Columbia Public School
District, Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

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



President

Executive Director

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2004**

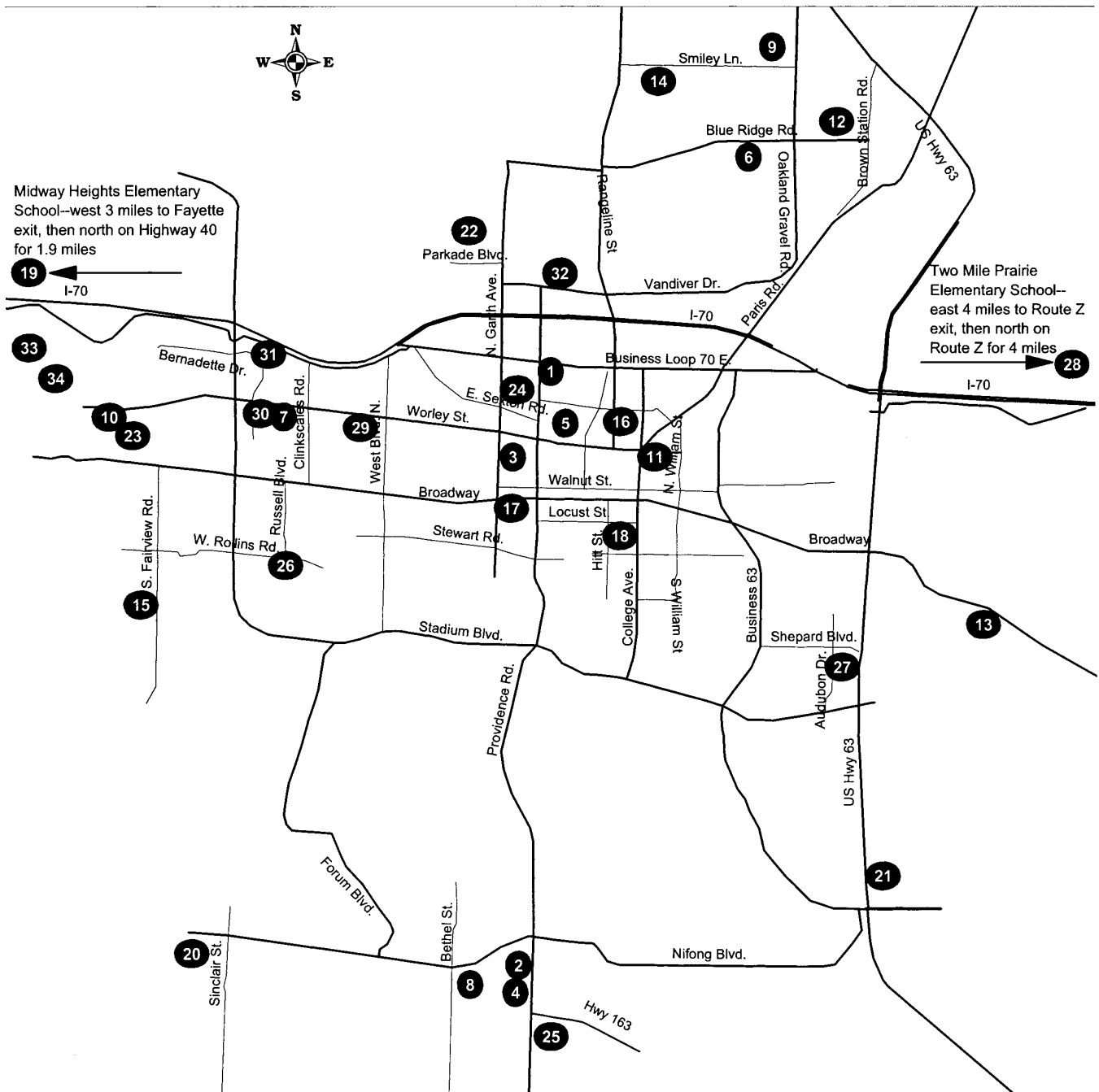
**COLUMBIA PUBLIC SCHOOL DISTRICT
1818 West Worley
Columbia, Missouri 65203**

DISTRICT ADMINISTRATION

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

Columbia Public School District

School District Map



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

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Financial Section



GERDING, KORTE & CHITWOOD

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

INDEPENDENT AUDITORS' REPORT

Board of Education
Columbia Public School District
Columbia, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Columbia Public School District, Columbia, Missouri, as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Columbia Public School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Columbia Public School District, Columbia, Missouri, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general and teachers funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 8, 2004, 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.

October 8, 2004

Gending, Korte & Cuthbert
Certified Public Accountants

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004**

The discussion and analysis of the Columbia Public School District's financial performance provides an overall review of financial activities for the fiscal year. The reader is encouraged to consider the information presented here in conjunction with additional information presented in the letter of transmittal, the financial statements, notes to the financial statements, and other supplemental information to enhance their understanding of the District's financial performance.

Financial Highlights

- The total assets of the Columbia Public School District exceeded its liabilities at the end of the 2004 fiscal year by \$65,037,843 (net assets). Of this amount, \$25,805,940 (unrestricted net assets) may be used to meet the District's ongoing obligations. The District has restricted fund balances of \$18,802,860 available to meet obligations in the Debt Services Fund (\$7,926,571), the Capital Projects Fund (\$1,250,314), the Teachers Fund (\$8,218,693) and a nonmajor fund, the Grants and Donations Fund (\$1,407,282).
- Net assets of the District's Business-Type Activities, the school food services program and the adult education program, are \$2,475,325, with \$1,808,505 in unrestricted net assets.
- As of June 30, 2004, the governmental funds reported a combined ending fund balance of \$85,334,581, an increase of \$12,909,011 from the prior year. This increase was primarily the result of an increase in the Debt Service Fund of \$10,983,342. The increase in the Debt Service Fund was related to the sale of refunding bonds in August 2003.
- The combined unreserved fund balance for the General Fund and Teachers Fund is \$33,048,926, or 28.3% of the FY04 expenditures of these funds.
- The net assets of the Internal Service Funds (established to account for the District's self-funded employee benefit programs) decreased by \$782,781. Net assets, at June 30, 2004, are \$2.5 million and represent 19.6% of the FY 04 operating expenses of these Funds.

Overview of the Financial Statements

This section of the comprehensive annual financial report consists of three parts:

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

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

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004**

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

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

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

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004**

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

In the district-wide financial statements, the District's activities are divided into two categories:

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

Financial Analysis of the District as a Whole

Table 2 Condensed Statement of Net Assets June 30, 2004 With Comparative Totals for June 30, 2003 (In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and Other Assets	\$ 172,902	\$ 157,359	\$ 2,131	\$ 1,643	\$ 175,033	\$ 159,002
Capital Assets	129,971	121,918	667	677	130,638	122,595
Total Assets	<u>302,873</u>	<u>279,277</u>	<u>2,798</u>	<u>2,320</u>	<u>305,671</u>	<u>281,597</u>
Current Liabilities	86,306	83,293	181	156	86,487	83,449
Noncurrent Liabilities	154,004	140,115	142	126	154,146	140,241
Total Liabilities	<u>240,310</u>	<u>223,408</u>	<u>323</u>	<u>282</u>	<u>240,633</u>	<u>223,690</u>
Investment in Capital Assets, Net of Related Debt	19,762	15,044	667	677	20,429	15,721
Restricted for:						
Debt Service	7,927	6,997	-	-	7,927	6,997
Capital Projects	1,250	1,248	-	-	1,250	1,248
Teachers Salaries and Benefits	8,219	9,946	-	-	8,219	9,946
Other	1,407	1,371	-	-	1,407	1,371
Unrestricted	<u>23,998</u>	<u>21,263</u>	<u>1,808</u>	<u>1,361</u>	<u>25,806</u>	<u>22,624</u>
Total Net Assets	<u>\$ 62,563</u>	<u>\$ 55,869</u>	<u>\$ 2,475</u>	<u>\$ 2,038</u>	<u>\$ 65,038</u>	<u>\$ 57,907</u>

As shown in Table 2, the District's total net assets were \$62.6 million, as of June 30, 2004. Of this amount, \$23.9 million is unrestricted. The net assets of the District's business-type activities were \$2.5 million as of June 30, 2004, with \$1.8 million in unrestricted net assets.

Total net assets increased by \$7.1 million for the year ended June 30, 2004 (Table 2) representing an increase of 12.3%. Governmental activities were responsible for this improvement in the District's

**COLUMBIA PUBLIC SCHOOL DISTRICT
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FOR THE YEAR ENDED JUNE 30, 2004**

financial position with an increase in net assets of \$6.7 million, or 10.7% growth for the year. Business-type activities increased in net assets \$437,000, or 21.4% during fiscal year 2004.

Table 3 provides a summary of the changes in net assets for the year ended June 30, 2004.

Table 3 Changes In Net Assets from Operating Results Year Ended June 30, 2004 With Comparative Totals for Year Ended June 30, 2003 (In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,281	\$ 1,368	\$ 3,661	\$ 3,861	\$ 4,942	\$ 5,229
Operating Grants and Contributions	27,553	26,148	3,411	3,148	30,965	29,296
Capital Grants and Contributions	639	805	-	-	639	805
General Revenues:						
Property Taxes	68,391	63,124	-	-	68,391	63,124
Federal and State Aid	26,407	29,465	-	-	26,407	29,465
Other	15,486	14,785	-	-	15,486	14,785
Total Revenues	<u>139,757</u>	<u>135,695</u>	<u>7,072</u>	<u>7,009</u>	<u>146,830</u>	<u>142,704</u>
Expenses:						
Instruction	75,656	75,297	-	-	75,656	75,297
Support Services						
Pupil/Instructional Support	15,368	15,384	-	-	15,368	15,384
Administration	10,430	10,684	-	-	10,430	10,684
Operation of plant	14,748	14,420	-	-	14,748	14,420
Pupil Transportation	5,864	5,353	-	-	5,864	5,353
Other	3,872	3,799	-	-	3,872	3,799
Interest Payments	7,125	6,542	-	-	7,125	6,542
Food Services	-	-	4,782	4,666	4,782	4,666
Adult Education	-	-	1,853	2,019	1,853	2,019
Total Expenses	<u>133,063</u>	<u>131,479</u>	<u>6,635</u>	<u>6,685</u>	<u>139,698</u>	<u>138,164</u>
Increase (decrease) in net assets	<u>\$ 6,694</u>	<u>\$ 4,216</u>	<u>\$ 437</u>	<u>\$ 324</u>	<u>\$ 7,132</u>	<u>\$ 4,540</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental and Business-Type Activities

As shown in Table 3, general revenues provide 82.9% of the funding for governmental activities but 0% of the funding for business-type activities. The Columbia Public School District relies on property taxes for funding its governmental activities with 62.0% of general revenues coming from local property taxes.

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

- The District received \$2,571,390 more in state aid than budgeted due to the release in April of state funds previously withheld. The District had budgeted using a proration factor of 89.5 in the state aid formula, however with the release of funds in April the final factor for the formula was 91.9, contributing to the additional funds received by the District.
- Current property tax collections exceeded the budgeted amount for fiscal year 2004 by a total of approximately \$679,850. The collection ratio for current property taxes exceeded the three year collection average by .79% (96.20% for 2004 versus 95.41% average for the preceding three years).
- The District budgets each year for special maintenance projects and contingencies. This past year, the budget was not entirely used in this area, creating a positive variance of \$426,340.
- Several departments did not spend the amount budgeted for contracted services and supplies, creating a positive budget variance of \$1,193,343.
- In March 2004, the District sold the second, and final installment, \$8.8 million, of the \$23.8 million general obligation bond authorization approved by the voters in April 2002. The bonds will be used for various building additions and renovation projects and to purchase furniture and equipment.
- In August 2003, the District issued \$32,640,000 in refunding bonds for the purpose of refunding six outstanding general obligation bond issues of the District. The refunding included three advance refunded bonds and three crossover refunded bonds. This refunding resulted in a net present value savings of \$1,493,079.
- The District's business-type activities contributed to the overall financial improvement of the District, increasing its Net Assets for the year by \$437,000.

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

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Table 4 Net Cost of Governmental and Business-Type Activities For Year Ended June 30, 2004 With Comparative Totals for Year Ended June 30, 2003 (In Thousands)				
	Total Cost of Services		Net Cost of Services	
	2004	2003	2004	2003
Governmental Activities				
Instruction	\$ 75,656	\$ 75,297	\$ 51,372	\$ 52,536
Pupil/Instructional Support	15,368	15,384	14,978	14,513
Administration	10,430	10,684	10,351	10,684
Operation of plant	14,748	14,420	14,747	14,285
Pupil Transportation	5,864	5,353	3,353	2,823
Other	3,872	3,799	1,665	1,775
Interest Payments	7,125	6,542	7,125	6,542
Total Governmental Activities	133,063	131,479	103,591	103,158
Business-Type Activities				
Food Services Program	4,782	4,666	(498)	(215)
Adult Education	1,853	2,019	60	(109)
Total	\$ 139,698	\$ 138,164	\$ 103,153	\$ 102,834

Table 4 provides the following highlights:

- The total cost of all governmental activities for fiscal year 2004 was \$139.7 million, as compared to \$138.2 million for 2003.
- Instruction represents 56.9% of the total cost in 2004 of all governmental activities of the District versus 57.3% in 2003.
- Pupil/Instructional Support Services (this area includes Guidance, Media Services – Library, Health/Psychology/Speech services and attendance services) represents 11.5% of the total cost of all governmental activities of the District.
- Administration (includes Board of Education, District, Building and Business Services) represents 7.8% of the total cost of all governmental activities for 2004 as compared to 8.1% in 2003.
- The net cost of all governmental activities was \$103.6 million, because \$29.5 million of the total cost was financed by revenues generated by the governmental activities.
- For business-type activities, the food services and adult education programs, revenues exceeded expenses by approximately \$437,000.
- Charges for services in the food services program represent \$2.8 million, or 57.6% of the total expenses of the program.
- Operating grants and contributions for the food services program, which includes federal and state aid, including payment for free and reduced meals and commodities totaled \$2.5 million, or 52.8% of the total expenses of the program.

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- Charges for services in the adult education program represent \$910,000, or 49% of the total expenses of the program.
- Operating grants and contributions for the adult education program, which includes federal and state aid, totaled \$885,488, or 47.8% of the total expenses of the program.

Financial Analysis of the District's Funds

The District completed the year with a total governmental fund balance of \$85,334,581. This is an increase of \$12,909,011 from the previous year. This increase was primarily related to activities in the Debt Services Fund.

The fund balance increased in the Debt Services by \$10,938,342, with a positive variance of \$256,231 from the final budget. The increase in the fund balance was primarily the result of the District refunding six general obligation issues in August 2003 and establishing an irrevocable escrow account for the refunding. The District issued \$32,640,000 in refunding bonds to advance refund three issues (1997a, 1998 and 1999b) totaling \$21,550,000 and to crossover refund three issues (1993, 1994a and 1995a) totaling \$10,500,000. This refunding resulted in a net present value savings of \$1,493,079.

The District budgeted a surplus in the General Fund of \$2,835,006, but ended the year with a surplus of \$6,732,702, or a positive variance of \$3,897,696. This variance (positive) from the final budget was the result of expenditures being significantly under budget and by revenues exceeding budget as well. Explanations for significant variances from budget, both revenues and expenditures, include:

- The District received additional state aid funds due to the release of previously withheld funds in April driving the proration factor to 91.9 in the state aid formula. The District budget used a proration factor of 89.5 for the 2003-04 budget. For the General Fund this amounted to \$938,811 in additional funds.
- Current property taxes exceeded the budgeted amount for fiscal year 2004 due to the collection ratio exceeding the three year average by .79%. Additional funds received in the General Fund amounted to \$216,468.
- The District experienced a favorable variance in the area of maintenance including utilities, special projects, rental and insurance expenditures with a positive budget variance for 2004 of \$628,981.
- Departments not spending the amount budgeted and creating a positive variance in the amount of \$1,193,343, which by policy, appropriations lapse at year-end.
- Salaries and benefits also contributed to the overall variance in the General Fund with a positive variance from budget of \$733,586.

The District had budgeted a deficit in the Teachers Fund of \$5,514,070 but ended the year with a deficit of \$1,716,677, representing a positive variance of \$3,797,393. This variance from the final budget was the result of revenues being significantly over budget and expenditures being under budget as well. The increase in the revenues involved the release of funds for the Basic State Aid Formula program that occurred at the end of the year that resulted in an increase in revenues of \$1,525,226 for the District in the Teachers Fund. The District also had a positive variance in the Teachers Fund for current property taxes received due to the collection ratio exceeding the three year average. Current property taxes exceeded the budget by \$351,718 for fiscal year 2004. This positive variance in the revenues in the Teachers Fund was further supplemented by a reduction in expenditures, or a positive variance in the

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004**

expenditures budget. This variance was in salaries and benefits (\$1,067,594) in the Teachers Fund and the result of turnover in staff from 2002-03 to 2003-04 (replacement staff hired at a lower salary base).

The District had budgeted a deficit of \$9,720,048 in the Capital Projects Fund but ended the year with a deficit of \$3,126,789, representing a positive variance of \$6,593,259. This variance from the final budget was the result of major building projects being under contract and scheduled to be completed later in 2004 and 2005.

General Fund Budgetary Highlights

The District adopts a "final" budget in June each year for the following fiscal year. However, it is anticipated that budget amendments will be made periodically as additional information becomes available. Generally, the original budget is amended two or three times a year. For fiscal year 2004, the budget for the General Fund was amended on two occasions for the following reasons:

- Increased revenues \$88,811 for current property tax revenues due to preliminary assessed valuation more than budgeted amount.
- Increased expenditures \$261,962 for projected transportation expenses.
- Increased revenues and expenditures for various grant programs to recognize final grant approvals.

The above items were the more significant items amended in the General Fund budget for fiscal year 2004. The original budget, as approved in June 2003, projected a surplus of \$2,991,088. The final budget, as amended, projected a surplus of \$2,835,006. However, as explained previously, the General Fund ended the year with a surplus of \$6,732,702.

Capital Assets

As of June 30, 2004, the District had \$129,971,274, net of depreciation, in governmental activities invested in land, buildings and equipment and \$666,820, net of depreciation, in business-type activities invested in furniture and equipment. This also includes construction in progress of \$4,820,928 as of year-end. (More detailed information regarding capital assets can be found in the notes to the financial statements, Note 10).

The District completed capital improvements projects totaling \$9.6 million. This included \$5.5 million for the Hickman High School addition, \$2.3 million for the West Junior High School addition and renovations, and \$900,000 for the Ridgeway Media Center Addition. Other improvements included renovations to various schools throughout the District, including roofing and boiler repairs.

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

Table 5 provides a summary of the District's capital assets as of June 30, 2004.

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004**

Table 5
Capital Assets
June 30, 2004
With Comparative Totals for June 30, 2003
(Net of Depreciation, In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Land	\$ 3,861	\$ 3,861	\$ 38	\$ 38	\$ 3,899	\$ 3,899
Construction in Progress	4,803	5,530	-	-	4,803	5,530
Buildings	116,793	108,578	198	201	116,991	108,779
Mobile Classrooms	1,287	1,376	-	-	1,287	1,376
Equipment and Furniture	3,227	2,573	431	438	3,658	3,011
Total	<u>\$ 129,971</u>	<u>\$ 121,918</u>	<u>\$ 667</u>	<u>\$ 677</u>	<u>\$ 130,638</u>	<u>\$ 122,595</u>

Debt Administration

As of June 30, 2004, the District had \$152,720,000 in general obligation bonds outstanding. The District issued \$8.8 million in general obligation bonds, dated March 1, 2004, which was the second and last issue of a \$23.8 million authorization approved by the voters in April 2002. (More detailed information regarding long-term debt can be found in the notes to the financial statements, Note 9).

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

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

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COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2004

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 6,382,563	\$ 1,740	\$ 6,384,303
Investments	65,983,635	1,551,951	67,535,586
Receivables (Net of Allowance for Uncollectibles)			
Local	74,342,219	802	74,343,021
State	1,036,247	-	1,036,247
Federal	157,324	369,733	527,057
Other	3,149	-	3,149
Inventories	299,723	187,466	487,189
Prepaid Expenses	208,409	19,723	228,132
Restricted Assets			
Investment with Fiscal Agent - Refunding Escrow	24,488,668	-	24,488,668
Capital Assets (Net of Accumulated Depreciation)			
Land	3,861,080	37,763	3,898,843
Construction in Progress	4,802,928	-	4,802,928
Buildings	116,792,936	198,277	116,991,213
Mobile Classrooms	1,287,006	-	1,287,006
Furniture and Equipment	3,227,324	430,780	3,658,104
Total Assets	<u>302,873,211</u>	<u>2,798,235</u>	<u>305,671,446</u>
LIABILITIES			
Accounts Payable	5,481,756	13,032	5,494,788
Accrued Salaries and Payroll Taxes	7,360,846	26,102	7,386,948
Accrued Interest Payable	1,949,856	-	1,949,856
Deferred Revenue	71,514,349	141,382	71,655,731
Noncurrent Liabilities			
Due within One Year	17,945,000	26,210	17,971,210
Due in More than One Year	111,753,886	116,184	111,870,070
Liabilities Payable from Restricted Assets	24,305,000	-	24,305,000
Total Liabilities	<u>240,310,693</u>	<u>322,910</u>	<u>240,633,603</u>
NET ASSETS			
Investment in Capital Assets, Net of Related Debt	19,762,223	666,820	20,429,043
Restricted for:			
Debt Service	7,926,571	-	7,926,571
Capital Projects	1,250,314	-	1,250,314
Teachers Salaries and Benefits	8,218,693	-	8,218,693
Other	1,407,282	-	1,407,282
Unrestricted	23,997,435	1,808,505	25,805,940
Total Net Assets	<u>\$ 62,562,518</u>	<u>\$ 2,475,325</u>	<u>\$ 65,037,843</u>

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>
Governmental Activities		
Instruction		
Regular Instruction	\$ 51,943,685	\$ 159,635
Special Education	18,902,996	-
Vocational Instruction	3,662,831	85,000
Student Activities - Athletics	750,410	113,525
Tuition to Other Districts	396,470	-
Total Instruction	<u>75,656,392</u>	<u>358,160</u>
Support Services		
Attendance	146,083	-
Guidance and Counseling	4,830,688	-
Health and Ancillary Services	2,633,925	22,500
Improvement of Instruction	1,986,066	-
Media Services	5,771,286	10,132
Board Services	242,897	-
General Administration	1,595,475	-
Building Administration	7,828,216	-
Business, Central Services	763,309	-
Operation of Plant	14,747,806	-
Pupil Transportation	5,864,266	-
Adult Literacy	426,265	-
Community Services	3,445,418	889,800
Total Support Services	<u>50,281,700</u>	<u>922,432</u>
Non-Instruction/Support Services		
Interest Payments, Bonds	7,125,149	-
Total Non-Instruction/Support Services	<u>7,125,149</u>	<u>-</u>
Total Governmental Activities	<u>133,063,241</u>	<u>1,280,592</u>
Business-Type Activities		
Food Services	4,782,168	2,753,623
Adult Education	1,852,542	907,133
Total Business-Type Activities	<u>6,634,710</u>	<u>3,660,756</u>
Totals	<u>\$ 139,697,951</u>	<u>\$ 4,941,348</u>

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

Program Revenues		Net (Expenses) Revenues and Changes in Net Assets		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
\$ 10,321,342	\$ 4,196	\$ (41,458,512)	\$ -	\$ (41,458,512)
12,112,908	27,146	(6,762,942)	-	(6,762,942)
852,840	607,961	(2,117,030)	-	(2,117,030)
-	-	(636,885)	-	(636,885)
-	-	(396,470)	-	(396,470)
<u>23,287,090</u>	<u>639,303</u>	<u>(51,371,839)</u>		<u>(51,371,839)</u>
-	-	(146,083)	-	(146,083)
-	-	(4,830,688)	-	(4,830,688)
85,500	-	(2,525,925)	-	(2,525,925)
271,868	-	(1,714,198)	-	(1,714,198)
-	-	(5,761,154)	-	(5,761,154)
64,774	-	(178,123)	-	(178,123)
14,500	-	(1,580,975)	-	(1,580,975)
-	-	(7,828,216)	-	(7,828,216)
-	-	(763,309)	-	(763,309)
-	-	(14,747,806)	-	(14,747,806)
2,511,833	-	(3,352,433)	-	(3,352,433)
314,583	-	(111,682)	-	(111,682)
<u>1,002,573</u>	<u>-</u>	<u>(1,553,045)</u>	<u>-</u>	<u>(1,553,045)</u>
<u>4,265,631</u>	<u>-</u>	<u>(45,093,637)</u>	<u>-</u>	<u>(45,093,637)</u>
-	-	(7,125,149)	-	(7,125,149)
-	-	(7,125,149)	-	(7,125,149)
<u>27,552,721</u>	<u>639,303</u>	<u>(103,590,625)</u>	<u>-</u>	<u>(103,590,625)</u>
2,526,175	-	-	497,630	497,630
<u>885,488</u>	<u>-</u>	<u>-</u>	<u>(59,921)</u>	<u>(59,921)</u>
<u>3,411,663</u>	<u>-</u>	<u>-</u>	<u>437,709</u>	<u>437,709</u>
\$ <u>30,964,384</u>	\$ <u>639,303</u>	<u>(103,590,625)</u>	<u>437,709</u>	<u>(103,152,916)</u>
General Revenues				
Taxes				
Property Taxes, Levied for General Purposes		57,161,094	-	57,161,094
Property Taxes, Levied for Debt Services		11,091,950	-	11,091,950
Property Taxes, Levied for Capital Projects		138,321	-	138,321
Other Taxes		13,562,164	-	13,562,164
Federal and State Aid Not Restricted to Specific Purposes				
General		26,407,425	-	26,407,425
Interest and Investment Earnings		1,414,390	-	1,414,390
Miscellaneous		509,289	-	509,289
Total, General Revenues		<u>110,284,633</u>	<u>-</u>	<u>110,284,633</u>
Changes in Net Assets		6,694,008	437,709	7,131,717
Net Assets, July 1		<u>55,868,510</u>	<u>2,037,616</u>	<u>57,906,126</u>
Net Assets, June 30		\$ <u>62,562,518</u>	\$ <u>2,475,325</u>	\$ <u>65,037,843</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004**

	<u>General</u>	<u>Teachers</u>	<u>Debt Service</u>
ASSETS			
Cash and Cash Equivalents	\$ 17,782	\$ -	\$ 3,705,909
Investments	30,713,110	7,829,612	5,763,947
Receivables (Net of Allowance for Uncollectibles)			
Local	24,235,933	38,278,887	11,665,377
State	391,789	636,583	-
Federal	43,469	98,965	-
Other	3,149	-	-
Inventories	299,723	-	-
Prepaid Expenditures	192,261	1,581	-
Restricted Assets			
Investments with Fiscal Agent - Refunding Escrow	-	-	24,488,668
Total Assets	<u>\$ 55,897,216</u>	<u>\$ 46,845,628</u>	<u>\$ 45,623,901</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 1,295,224	\$ 82,381	\$ 15,476
Accrued Salaries and Payroll Taxes	6,004,062	1,341,135	-
Deferred Revenue	22,885,443	37,592,108	11,603,840
Total Liabilities	<u>30,184,729</u>	<u>39,015,624</u>	<u>11,619,316</u>
Fund Balances			
Reserved for			
Debt Service	-	-	24,488,668
Inventories	299,723	-	-
Prepaid Expenditures	192,261	1,581	-
Unreserved Reported in			
General Fund	25,220,503	-	-
Special Revenue Funds	-	7,828,423	-
Debt Service Fund	-	-	9,515,917
Capital Projects Fund	-	-	-
Total Fund Balances	<u>25,712,487</u>	<u>7,830,004</u>	<u>34,004,585</u>
Total Liabilities and Fund Balances	<u>\$ 55,897,216</u>	<u>\$ 46,845,628</u>	<u>\$ 45,623,901</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>
\$ -	\$ 450	\$ 3,724,141
19,030,775	1,457,019	64,794,463
145,296	16,726	74,342,219
-	7,875	1,036,247
-	14,890	157,324
-	-	3,149
-	-	299,723
-	14,567	208,409
-	-	24,488,668
<u>\$ 19,176,071</u>	<u>\$ 1,511,527</u>	<u>\$ 169,054,343</u>
\$ 2,651,319	\$ 48,888	\$ 4,093,288
-	15,649	7,360,846
144,529	39,708	72,265,628
<u>2,795,848</u>	<u>104,245</u>	<u>83,719,762</u>
-	-	24,488,668
-	-	299,723
-	-	193,842
-	-	25,220,503
-	1,407,282	9,235,705
-	-	9,515,917
16,380,223	-	16,380,223
<u>16,380,223</u>	<u>1,407,282</u>	<u>85,334,581</u>
<u>\$ 19,176,071</u>	<u>\$ 1,511,527</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	129,971,274
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds	751,279
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	2,459,126
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>(155,953,742)</u>
Net assets of governmental activities	<u>\$ 62,562,518</u>

COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	General	Teachers
REVENUES		
Local	\$ 31,261,175	\$ 40,227,726
County	829,199	772,945
State	16,391,560	25,068,632
Federal	2,806,145	4,427,415
Tuition From Other Districts	42,500	67,911
Total Revenues	51,330,579	70,564,629
EXPENDITURES		
Current		
Instruction		
Regular Instruction	8,052,261	42,516,633
Special Instruction	4,505,754	13,972,288
Vocational Instruction	716,244	2,254,529
Student Activities - Athletics	264,818	420,888
Tuition To Other Districts	-	396,470
Total Instruction	13,539,077	59,560,808
Pupil Support Services		
Attendance	144,355	-
Guidance and Counseling	1,836,244	2,873,804
Health and Ancillary Services	1,755,845	743,387
Improvement of Instruction	957,714	1,016,206
Media Services	2,457,804	1,668,911
Total Support Services	7,151,962	6,302,308
Administration		
Board Services	242,897	-
General Administration	766,988	786,641
Building Administration	2,788,834	4,834,330
Business, Central Services	785,021	-
Total Administration	4,583,740	5,620,971
Other		
Operation of Plant	12,226,149	-
Pupil Transportation	5,845,461	-
Adult Literacy	7,927	48,571
Community Services	1,185,048	807,161
Total Other	19,264,585	855,732
Debt Service		
Principal	-	-
Interest and Fees	-	-
Total Debt Service	-	-
Capital Outlay and Construction		
Furniture and Equipment	-	-
Vehicles	-	-
Land and Site Improvements	-	-
Building Additions and Renovations	-	-
Total Capital Outlay and Construction	-	-
Total Expenditures	44,539,364	72,339,819
REVENUES OVER (UNDER) EXPENDITURES	6,791,215	(1,775,190)
OTHER FINANCING SOURCES (USES)		
General Obligation Bonds Issued	-	-
Refunding Bonds Issued	-	-
Transfers In	-	58,513
Transfers Out	(58,513)	-
NET CHANGES IN FUND BALANCES	6,732,702	(1,716,677)
FUND BALANCES, JULY 1	18,979,785	9,546,681
FUND BALANCES, JUNE 30	\$ 25,712,487	\$ 7,830,004

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
\$	12,246,961	\$ 521,837	\$ 959,046	\$ 85,216,745
	271,305	5,052	-	1,878,501
	1,193,316	70,231	1,823,840	44,547,579
	-	-	842,963	8,076,523
	-	-	-	110,411
	<u>13,711,582</u>	<u>597,120</u>	<u>3,625,849</u>	<u>139,829,759</u>
	-	-	610,312	51,179,206
	-	-	224,383	18,702,425
	-	-	611,432	3,582,205
	-	-	-	685,706
	-	-	-	396,470
	-	-	<u>1,446,127</u>	<u>74,546,012</u>
	-	-	-	144,355
	-	-	86,870	4,796,918
	-	-	115,130	2,614,362
	-	-	-	1,973,920
	-	-	167,122	4,293,837
	-	-	<u>369,122</u>	<u>13,823,392</u>
	-	-	-	242,897
	-	-	-	1,553,629
	-	-	-	7,623,164
	-	-	-	785,021
	-	-	-	<u>10,204,711</u>
	-	-	-	12,226,149
	-	-	18,529	5,863,990
	-	-	314,379	370,877
	-	-	1,441,259	3,433,468
	-	-	<u>1,774,167</u>	<u>21,894,484</u>
	27,660,000	-	-	27,660,000
	7,708,240	77,515	-	7,785,755
	<u>35,368,240</u>	<u>77,515</u>	<u>-</u>	<u>35,445,755</u>
	-	3,022,282	-	3,022,282
	-	38,700	-	38,700
	-	262,996	-	262,996
	-	9,122,416	-	9,122,416
	-	12,446,394	-	12,446,394
	<u>35,368,240</u>	<u>12,523,909</u>	<u>3,589,416</u>	<u>168,360,748</u>
	(21,656,658)	(11,926,789)	36,433	(28,530,989)
	-	8,800,000	-	8,800,000
	32,640,000	-	-	32,640,000
	-	-	-	58,513
	-	-	-	<u>(58,513)</u>
	10,983,342	(3,126,789)	36,433	12,909,011
	<u>23,021,243</u>	<u>19,507,012</u>	<u>1,370,849</u>	<u>72,425,570</u>
\$	<u><u>34,004,585</u></u>	\$ <u><u>16,380,223</u></u>	\$ <u><u>1,407,282</u></u>	\$ <u><u>85,334,581</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, 2004**

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

Net changes in fund balances of total governmental funds	\$	12,909,011
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		8,053,158
Revenues in the Statement of Activities that do not provide current financial resources are not reported in the funds		8,311
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		(13,780,000)
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		394,900
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		184,885
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		(293,476)
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		(782,781)
Change in net assets of governmental activities	\$	<u><u>6,694,008</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, 2004**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local	\$ 30,849,843	\$ 30,938,654	\$ 31,261,175	\$ 322,521
County	725,229	725,229	829,199	103,970
State	15,281,211	14,953,624	16,391,560	1,437,936
Federal	3,183,436	3,351,963	2,806,145	(545,818)
Tuition From Other Districts	58,375	58,375	42,500	(15,875)
Total Revenues	<u>50,098,094</u>	<u>50,027,845</u>	<u>51,330,579</u>	<u>1,302,734</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	8,679,530	8,503,945	8,052,261	451,684
Special Instruction	4,838,047	4,925,556	4,505,754	419,802
Vocational Instruction	742,979	761,832	716,244	45,588
Student Activities - Athletics	453,147	455,227	264,818	190,409
Total Instruction	<u>14,713,703</u>	<u>14,646,560</u>	<u>13,539,077</u>	<u>1,107,483</u>
Pupil Support Services				
Attendance	159,453	159,453	144,355	15,098
Guidance and Counseling	2,098,367	2,097,798	1,836,244	261,554
Health and Ancillary Services	1,721,386	1,797,942	1,755,845	42,097
Improvement of Instruction	1,214,064	1,184,697	957,714	226,983
Media Services	2,110,017	2,505,881	2,457,804	48,077
Total Support Services	<u>7,303,287</u>	<u>7,745,771</u>	<u>7,151,962</u>	<u>593,809</u>
Administration				
Board Services	320,000	320,000	242,897	77,103
General Administration	785,715	796,375	766,988	29,387
Building Administration	2,902,446	2,826,120	2,788,834	37,286
Business, Central Services	907,842	907,842	785,021	122,821
Total Administration	<u>4,916,003</u>	<u>4,850,337</u>	<u>4,583,740</u>	<u>266,597</u>
Other				
Operation of Plant	13,577,980	12,906,574	12,226,149	680,425
Pupil Transportation	5,502,535	5,750,298	5,845,461	(95,163)
Adult Literacy	8,384	8,384	7,927	457
Community Services	1,085,114	1,284,915	1,185,048	99,867
Total Other	<u>20,174,013</u>	<u>19,950,171</u>	<u>19,264,585</u>	<u>685,586</u>
Total Expenditures	<u>47,107,006</u>	<u>47,192,839</u>	<u>44,539,364</u>	<u>2,653,475</u>
REVENUES OVER EXPENDITURES	2,991,088	2,835,006	6,791,215	3,956,209
OTHER FINANCING USES				
Transfers Out	-	-	(58,513)	(58,513)
NET CHANGE IN FUND BALANCE	2,991,088	2,835,006	6,732,702	3,897,696
FUND BALANCE, JULY 1	<u>18,979,785</u>	<u>18,979,785</u>	<u>18,979,785</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 21,970,873</u>	<u>\$ 21,814,791</u>	<u>\$ 25,712,487</u>	<u>\$ 3,897,696</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, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local	\$ 39,748,619	\$ 39,892,919	\$ 40,227,726	\$ 334,807
County	900,212	900,212	772,945	(127,267)
State	22,687,519	22,656,306	25,068,632	2,412,326
Federal	4,268,877	4,299,114	4,427,415	128,301
Tuition From Other Districts	73,375	73,375	67,911	(5,464)
Total Revenues	<u>67,678,602</u>	<u>67,821,926</u>	<u>70,564,629</u>	<u>2,742,703</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	43,826,278	43,826,278	42,516,633	1,309,645
Special Instruction	13,970,432	14,046,397	13,972,288	74,109
Vocational Instruction	2,125,123	2,085,525	2,254,529	(169,004)
Student Activities - Athletics	336,241	336,241	420,888	(84,647)
Tuition To Other Districts	325,000	325,000	396,470	(71,470)
Total Instruction	<u>60,583,074</u>	<u>60,619,441</u>	<u>59,560,808</u>	<u>1,058,633</u>
Pupil Support Services				
Guidance and Counseling	2,712,027	2,712,027	2,873,804	(161,777)
Health and Ancillary Services	888,075	800,579	743,387	57,192
Improvement of Instruction	1,070,551	1,208,201	1,016,206	191,995
Media Services	1,666,003	1,666,003	1,668,911	(2,908)
Total Support Services	<u>6,336,656</u>	<u>6,386,810</u>	<u>6,302,308</u>	<u>84,502</u>
Administration				
General Administration	886,199	827,466	786,641	40,825
Building Administration	4,724,750	4,726,102	4,834,330	(108,228)
Total Administration	<u>5,610,949</u>	<u>5,553,568</u>	<u>5,620,971</u>	<u>(67,403)</u>
Other				
Adult Literacy	48,571	48,571	48,571	-
Community Services	727,606	727,606	807,161	(79,555)
Total Other	<u>776,177</u>	<u>776,177</u>	<u>855,732</u>	<u>(79,555)</u>
Total Expenditures	<u>73,306,856</u>	<u>73,335,996</u>	<u>72,339,819</u>	<u>996,177</u>
REVENUES UNDER EXPENDITURES	(5,628,254)	(5,514,070)	(1,775,190)	3,738,880
OTHER FINANCING USES				
Transfers In	-	-	58,513	58,513
NET CHANGE IN FUND BALANCE	(5,628,254)	(5,514,070)	(1,716,677)	3,797,393
FUND BALANCE, JULY 1	<u>9,546,681</u>	<u>9,546,681</u>	<u>9,546,681</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 3,918,427</u>	<u>\$ 4,032,611</u>	<u>\$ 7,830,004</u>	<u>\$ 3,797,393</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, 2004**

	<u>Business-Type Activities- Nonmajor Enterprise Funds</u>	<u>Governmental Activities- Internal Service Funds</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,740	\$ 2,658,422
Investments	1,551,951	1,189,172
Receivables (Net of Allowance for Uncollectibles)		
Local	802	-
Federal	369,733	-
Inventories	187,466	-
Prepaid Expenses	19,723	-
Total Current Assets	<u>2,131,415</u>	<u>3,847,594</u>
Noncurrent Assets		
Capital Assets (Net of Accumulated Depreciation)		
Land	37,763	-
Buildings	198,277	-
Furniture and Equipment	430,780	-
Total Noncurrent Assets	<u>666,820</u>	<u>-</u>
Total Assets	<u>2,798,235</u>	<u>3,847,594</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	13,032	1,388,468
Accrued Salaries and Payroll Taxes	26,102	-
Deferred Revenue	141,382	-
Total Current Liabilities	<u>180,516</u>	<u>1,388,468</u>
Noncurrent Liabilities		
Liability for Long - Term		
Compensated Absences	142,394	-
Total Liabilities	<u>322,910</u>	<u>1,388,468</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	666,820	-
Unrestricted	1,808,505	2,459,126
Total Net Assets	<u>\$ 2,475,325</u>	<u>\$ 2,459,126</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, 2004**

	Business-Type Activities- Nonmajor <u>Enterprise Funds</u>	Governmental Activities- Internal <u>Service Funds</u>
OPERATING REVENUES		
Food Sales	\$ 2,753,623	\$ -
Tuition	907,133	-
Insurance Premiums	-	11,721,914
Total Operating Revenues	3,660,756	11,721,914
OPERATING EXPENSES		
Food Purchased	1,827,432	-
Salaries and Wages	2,634,283	65,898
Fringe Benefits	756,149	15,197
Supplies	431,506	1,655
Purchased Services	230,915	4,781
Travel	24,271	-
Repairs	104,238	-
Donated Commodities Used	295,762	-
Financial Aid	239,325	-
Excess Loss Insurance	-	261,843
Administration Fees	-	295,882
Benefits Paid/Accrued	-	11,898,494
Depreciation	90,829	-
Total Operating Expenses	6,634,710	12,543,750
OPERATING LOSS	(2,973,954)	(821,836)
NONOPERATING REVENUES		
State Assistance	323,454	-
Federal Assistance	2,725,084	-
Earnings on Investments	-	39,055
Donated Commodities	295,762	-
Other	67,363	-
Total Nonoperating Revenues	3,411,663	39,055
CHANGES IN NET ASSETS	437,709	(782,781)
NET ASSETS, JULY 1	2,037,616	3,241,907
NET ASSETS, JUNE 30	\$ 2,475,325	\$ 2,459,126

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, 2004**

	Business-Type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Sales/Tuition/Premiums	\$ 3,663,530	\$ 11,721,914
Cash Payments for Supplies and Services	(2,897,335)	(564,161)
Cash Payments to Employees for Services	(3,360,617)	(81,095)
Cash Payments for Claims/Benefits	-	(11,405,654)
Net Cash From Operating Activities	<u>(2,594,422)</u>	<u>(328,996)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal/State Assistance	3,031,482	-
Other	67,363	-
Advances From Claims Administrator	-	24,857
Net Cash From Noncapital Financing Activities	<u>3,098,845</u>	<u>24,857</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(80,794)	-
Net Cash From Capital and Related Financing Activities	<u>(80,794)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	-	39,055
Investments Purchased	(1,551,951)	(3,379,756)
Investments Matured or Sold	-	4,464,670
Net Cash From Investing Activities	<u>(1,551,951)</u>	<u>1,123,969</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,128,322)	819,830
CASH AND CASH EQUIVALENTS, JULY 1	<u>1,130,062</u>	<u>1,838,592</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 1,740</u>	<u>\$ 2,658,422</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES		
Operating Loss	\$ (2,973,954)	\$ (821,836)
Adjustments to Reconcile Operating Loss to Net Cash From Operating Activities		
Depreciation	90,829	-
Donated Commodities Used	295,762	-
Change in Assets and Liabilities		
Increase in Receivables	(802)	-
Increase in Inventories	(29,027)	-
Increase in Prepaid Expenses	(17,803)	-
Increase in Accounts Payable and Accrued Liabilities	12,856	492,840
Increase in Deferred Revenue	11,961	-
Increase in Compensated Absences Payable	15,756	-
Net Cash From Operating Activities	<u>\$ (2,594,422)</u>	<u>\$ (328,996)</u>
SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES		
Donated commodities received	\$ 304,147	\$ -
Donated commodities used	\$ 295,762	\$ -

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, 2004**

ASSETS

Investments	\$ 528,164
Accounts Receivable	619
Total Assets	<u>\$ 528,783</u>

LIABILITIES

Accounts Payable	\$ 14,201
Due to Student Groups	<u>514,582</u>
Total Liabilities	<u>\$ 528,783</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, 2004**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The District is governed by an elected seven-member board. The Columbia School District Board (the Board) is the basic level of government that has financial accountability and control over all activities related to public school education in the District. The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity.

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

District-wide and Fund Financial Statements

District-wide Statements:

The Statement of Net Assets and the Statement of Activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the district. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by 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, 2004**

Fund Accounting

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

Governmental Funds

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

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

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

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

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

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

Proprietary Funds

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

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

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004**

Fiduciary Fund

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

Basis of Accounting, Measurement Focus, and Financial Statement Presentation

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

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

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

Property and sales taxes, 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.

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

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004**

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

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

Deposits and Investments

Cash balances from all funds, except the Debt Service Fund and Internal Service Funds, are combined and invested to the extent available in short-term securities. Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Separate accounts are maintained for the Debt Service Fund and internal service funds. Interest is deposited directly into these accounts. Investments are stated at amortized cost, which approximates fair value. State statutes authorize the District to invest in U.S. Government Securities.

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

Receivables

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

Inventories and Prepaid Items

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

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

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

Restricted Assets

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

Capital Assets

Capital assets, which include Land, Buildings, 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

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004**

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.

Compensated Absences

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

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

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004**

Net Assets

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

Fund Equity

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

Use of Estimates

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

Budgets

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

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

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

Once the budget is adopted and approved by the Board, the budget may be amended at the function and fund level, only by approval of a majority of the members of the Board of Education. The administration may amend the budget only at the object and location (school or building) level without seeking the approval of the Board. The Board of Education approved budget amendments for the year ended June 30, 2004, at its August 21, 2003, and April 12, 2004, meetings.

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

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004**

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 \$751,279 difference are as follows:

Deferred property tax related to prior year	\$	112,065
Deferred remainder of property tax unearned		639,214
		639,214
Net adjustment to increase fund balance of total governmental funds to arrive at net assets of governmental activities	\$	751,279

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 \$155,953,742 difference are as follows:

Compensated Absences	\$	1,604,450
Liabilities Payable from Restricted Assets		24,305,000
Accrued Interest Payable		1,949,856
General Obligation Bonds Due within One Year		17,505,000
General Obligation Bonds Due in More than One Year		110,589,436
		110,589,436
Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of governmental activities	\$	155,953,742

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 \$8,053,158 difference are as follows:

Construction in Progress	\$	7,902,134
Buildings		995,642
Equipment		1,137,809
Less: Depreciation Expense		(1,982,427)
		(1,982,427)
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	\$	8,053,158

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004**

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 \$8,311 difference are as follows:

Earned but unavailable property tax	\$	639,214
Prior years' property tax		<u>(630,903)</u>
 Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	 \$	 <u><u>8,311</u></u>

Another element of that reconciliation states that "The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." The details of this \$13,780,000 difference are as follows:

General obligation bonds issued	\$	(8,800,000)
Refunding bonds issued		(32,640,000)
Bond payments		<u>27,660,000</u>
 Net adjustment to decrease net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	 \$	 <u><u>(13,780,000)</u></u>

Another element of that reconciliation states that "Additional expenses for bond interest payable reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds." The details of this \$394,900 difference are as follows.

Current bond interest payable	\$	(1,949,856)
Prior year's bond interest payable		<u>2,344,756</u>
 Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	 \$	 <u><u>394,900</u></u>

Another element of that reconciliation states that "Expenses for issuance costs, premiums, discounts, and similar items related to the issuance of debt are reported in the governmental funds as expenditures at the time of issuance, and are deferred and amortized in the Statement of Activities. The details of this \$184,885 difference are as follows:

Current year debt issuance related costs:		
Premium	\$	(80,821)
Discount		294,015
Prior year's bond interest		<u>(28,309)</u>
 Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	 \$	 <u><u>184,885</u></u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004**

Note 3 PROPERTY TAX REVENUE RECOGNITION

In the district-wide and fund financial statements, property tax revenues are recognized in accordance with GASB Statement No. 33. In the State of Missouri, January 1 is the lien date since property owners are required to pay property taxes as of that date. However, revenues collected are used to fund the operations of the subsequent school year. Property taxes are collected starting in November and are due by December 31. Property tax revenues are recognized in the district-wide financial statements in the year that the property taxes are used to fund the operation of the school district.

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

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

Note 4 CASH & INVESTMENTS

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

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

Deposits

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

The bank balances of the District's deposits with financial institutions are entirely insured by the FDIC, or collateralized with U.S. Government Securities whose fair values exceed the amount of the bank balances of the deposit and that are held by an independent third party agent of the District in the District's name. At June 30, 2004, the aggregate carrying amount of the District's deposit balance was \$3,756,206 and the related bank balances totaled \$7,407,800.

Investments

For the year ended June 30, 2004, the District invested only in U.S. Government Securities held by the District's agent at the Federal Reserve Bank of St. Louis in the District's name. All interest revenues related to investment activities are allocated to the General Fund, Teachers Fund, and the Capital Projects Fund according to the average monthly cash balance of the fund. The District records interest revenue related to investment activities of the Debt Service Fund and Internal Service Funds in each respective fund since the securities are owned by those funds. All investments are short-term and are stated at amortized cost, which approximates fair value.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004**

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

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

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

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

	Category			Total
	1	2	3	
U.S. Government Securities	\$ 93,300,330	\$ -	\$ -	\$ 93,300,330
Total	\$ 93,300,330	\$ -	\$ -	93,300,330
Investments not subject to categorization - Missouri Health and Education Facilities Authority Direct Deposit Program Trust				1,860,703
Total Investments				\$ 95,161,033

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

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

Balance sheet:

Assets:

Cash and cash equivalents	
Governmental Funds	\$ 3,724,141
Cash and cash equivalents	
Proprietary Funds	1,740
Cash and cash equivalents	
Internal Service Funds	2,658,422
Investments – Governmental Funds	64,794,463
Investments - Debt Service Fund - with Fiscal Agent	24,488,668
Investments – Proprietary Funds	1,551,951
Investments - Internal Service Funds	1,189,172
Investments – Fiduciary Funds	528,164
Total	\$ 98,936,721

Note disclosure:

Cash on Hand	\$ 19,482
Carrying Amount of Deposits	3,756,206
Investments	95,161,033
Total	\$ 98,936,721

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004**

Note 5 PROPERTY TAXES RECEIVABLE

The amount of prior years' taxes due at June 30, 2004, 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 (03-04)	\$ 23,003,914	\$ 37,375,671	\$ 11,716,154	\$ 145,928	\$ 72,241,667
Less: Allowance	(99,698)	(161,984)	(50,777)	(632)	(313,091)
Net Property Taxes Receivable	<u>\$ 22,904,216</u>	<u>\$ 37,213,687</u>	<u>\$ 11,665,377</u>	<u>\$ 145,296</u>	<u>\$ 71,928,576</u>
Deferred Revenue	<u>\$ 22,783,393</u>	<u>\$ 37,017,379</u>	<u>\$ 11,603,840</u>	<u>\$ 144,529</u>	<u>\$ 71,549,141</u>

The allowance for doubtful collections was computed by multiplying 0.79% times the total amount of personal property taxes assessed for 2002 through 2004 taxes. The 0.79% is the average uncollected percentage of personal property taxes for 1997 through 2001 taxes. All real property taxes prior to 2002 have been collected and the District assumes all real property taxes will eventually be collected.

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

Note 6 INVENTORIES

Physical inventories of goods on hand were taken as of June 30, 2004. Inventories on hand, stated at cost or average cost, at June 30, 2004, are as follows:

General Fund:	
Consumable supplies	\$ 283,926
Gasoline, fuel oil	15,797
Total	<u>\$ 299,723</u>
Food Service Fund:	
Food supplies - purchased	\$ 49,660
Donated commodities	137,806
Total	<u>\$ 187,466</u>

Note 7 RETIREMENT PLANS

The Columbia Public School District contributes to the Public School Retirement System of Missouri (PSRS), a cost-sharing multiple-employer defined benefit pension plan. PSRS provides retirement and disability benefits to full-time (and certain part-time) certificated employees and death benefits to members and beneficiaries. Benefit provisions are set forth in Chapter 169.010-.141 of the Revised Statutes of Missouri (2000). The statutes assign responsibility for the administration of the system to a seven-member Board of Trustees. PSRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Public School Retirement System of Missouri, P. O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004**

PSRS members are required to contribute 10.5% of their annual covered salary and the Columbia Public School District is required to contribute a matching amount. The contribution requirements of members and the Columbia Public School District are established and may be amended by the PSRS Board of Trustees. The District's contributions to PSRS for the year ending June 30, 2004, were \$14,583,420 which was equal to the required contributions, which were made up of \$7,291,710 in employee contributions and \$7,291,710 in employer contributions. For the years ended June 30, 2004, 2003, and 2002, the district contributed 100% of the required contributions. The contributions for the last three fiscal years were as follows:

<u>Year Ended June 30,</u>	<u>Amount of Employer Contribution</u>	<u>Contribution as a Percentage of Covered Salaries</u>
2004	\$ 7,291,710	10.5%
2003	7,305,973	10.5%
2002	7,024,435	10.5%

The Columbia Public School District also contributes to the Non-Teacher School Employee Retirement System of Missouri (NTRS), a cost-sharing multiple-employer defined benefit pension plan. NTRS provides retirement and disability benefits to employees of the district who work twenty or more hours per week and who do not contribute to the Public School Retirement System of Missouri. Benefit provisions are set forth in Chapter 169.600-.715 of the Revised Statutes of Missouri (2000). The statutes assign responsibility for the administration of the system to the Board of Trustees of the Public School Retirement System. NTRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Non-Teacher School Employee Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

NTRS members are required to contribute 5.0% of their annual covered salary and the Columbia Public School District is required to contribute a matching amount. The contribution requirements of members and the Columbia Public School District are established and may be amended by the Board of Trustees. The District's contributions to NTRS for the year ending June 30, 2004, were \$1,809,074, which was equal to the required contributions, which were made up of \$904,537 in employee contributions and \$904,537 in employer contributions. For the years ended June 30, 2004, 2003, and 2002, the district contributed 100% of the required contributions. The contributions for the last three fiscal years were as follows:

<u>Year Ended June 30,</u>	<u>Amount of Employer Contribution</u>	<u>Contribution as a Percentage of Covered Salaries</u>
2004	\$ 904,537	5.0%
2003	902,226	5.0%
2002	885,245	5.0%

The District contributed to the Teacher Retirement System on total salaries and benefits of \$69,444,857 and to the Non-Teacher Retirement System on total salaries and benefits of \$18,090,740 for the year ended June 30, 2004. The overall payroll (salaries and benefits) for the District was \$91,848,609 which includes payroll of \$4,313,012 not subject to either retirement system.

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004**

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, 2004, were \$1,076,661. Future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2005	\$ 627,975
2006	83,406
Total	<u>\$ 711,381</u>

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

Note 9 LONG-TERM DEBT

Bonds Payable

All District bonds are general obligation bonds with maturities from 2005 to 2018 and average net interest rates at issue from 2.83% to 7.23%. General obligation bonds outstanding at June 30, 2004, were \$152,720,000. Scheduled bond retirement and interest payable in the next fiscal year are \$17,705,000 and \$6,680,378, respectively.

The District issued \$8,800,000 of general obligation bonds, dated March 1, 2004. 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, 2004, bond issue was the second and last issue of \$23,800,000 that was authorized by the voters at the April 2002 election.

On August 15, 2003, the District issued \$32,640,000 of general obligation refunding bonds. The net proceeds of \$32,596,071 plus an equity contribution by the District of \$766,819 were placed in an irrevocable escrow account to provide resources to purchase U.S. Government State and Local Government Series securities which will be used to provide resources to refund the following six general obligation bond issues of the District:

<u>Refunded Bond Issue</u>	<u>Original Issue Date</u>	<u>Maturities Refunded</u>	<u>Amount Refunded</u>	<u>Refunding Date</u>
Advance refunded bonds:				
1997a	January 1, 1997	2005-2008	\$ 4,750,000	March 1, 2004
1998	June 1, 1998	2005-2010	\$ 8,300,000	March 1, 2004
1999b	June 1, 1999	2006-2011	\$ 8,500,000	March 1, 2005
Crossover refunded bonds:				
1993	March 1, 1993	2008-2013	\$ 3,575,000	March 1, 2007
1994a	June 1, 1994	2008-2013	\$ 2,825,000	March 1, 2007
1995a	June 1, 1995	2009-2015	\$ 4,100,000	March 1, 2008

For the advance refunded bonds, the amounts placed in the escrow account related to the advance refunded bonds will be used to provide resources for all of the remaining debt service payments for the advance refunded bonds. As a result, the advance refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the Statement of Net Assets. For the crossover refunded bonds, the District remains obligated for the outstanding principal and interest on the crossover refunded bonds until the bonds are refunded; and, investment income from amounts placed in the escrow account related to the crossover refunded bonds may be used to offset the interest due on the August 15, 2003, bond issue. The assets in the escrow account related

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004**

to the crossover refunded bonds are included in the Statement of Net Assets, as are the liabilities for the crossover refunded bonds. This refunding was undertaken to reduce the District's obligation under long term debt by \$2,526,106, which resulted in an economic gain of \$1,493,079 (the difference between the present value of debt service payments on the August 15, 2003, bond issue and the advance and crossover refunded issues after the refunding date). Bond issuance costs of \$216,500 were paid from the Debt Service Fund out of the bond proceeds, and along with the bond issue premium, will be amortized over the life of the refunding bonds in the district-wide financial statements.

All principal and interest requirements are funded in accordance with Missouri law by the annual tax levy on the District's assessed valuation and allocated state aid. In addition, at June 30, 2004, the District had accumulated \$34,004,585 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>
2005	\$ 17,505,000	\$ 6,680,378	\$ 24,185,378
2006	8,470,000	5,801,209	14,271,209
2007	19,655,000	5,414,821	25,069,821
2008	14,795,000	4,411,314	19,206,314
2009	11,285,000	3,766,684	15,051,684
2010-2014	61,480,000	11,857,532	73,337,532
2015-2018	19,530,000	1,761,322	21,291,322
	<u>\$ 152,720,000</u>	<u>\$ 39,693,260</u>	<u>\$ 192,413,260</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, 2004, was:

Constitutional Debt Limit (Excluding State Assessed Utilities)	\$ 208,772,033
General Obligation Bonds Payable	<u>(152,720,000)</u>
Total Estimated Legal Debt Margin	<u>\$ 56,052,033</u>

Changes in Long-Term Debt

Changes in long-term debt for the District for the year ended June 30, 2004, 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, 2003	\$ 138,940,000	\$ (135,679)	\$ 1,310,974	\$ 140,115,295	\$ 126,638
Additions	41,440,000	109,130	733,370	42,282,500	41,967
Reductions	(27,660,000)	(294,015)	(439,894)	(28,393,909)	(26,211)
Balance, June 30, 2004	<u>\$ 152,720,000</u>	<u>\$ (320,564)</u>	<u>\$ 1,604,450</u>	<u>\$ 154,003,886</u>	<u>\$ 142,394</u>
Due in one year	<u>\$ 17,505,000</u>	<u>\$ -</u>	<u>\$ 440,000</u>	<u>\$ 17,945,000</u>	<u>\$ 26,210</u>

The district-wide financial statements include \$24,488,668 in Restricted Assets and \$24,305,000 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.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004**

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

Note 10 CHANGES IN CAPITAL ASSETS

Capital Assets activity for the year ended June 30, 2004, 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	5,530,271	7,902,134	(8,629,477)	4,802,928
Capital assets that are depreciated:				
Buildings	132,821,455	9,625,119	-	142,446,574
Mobile classroom trailers	2,218,976	-	-	2,218,976
Furniture and equipment	5,428,134	1,137,809	-	6,565,943
Total capital assets, governmental activities	<u>149,859,916</u>	<u>18,665,062</u>	<u>(8,629,477)</u>	<u>159,895,501</u>
Accumulated depreciation, governmental activities:				
Buildings	(24,243,507)	(1,410,131)	-	(25,653,638)
Mobile classroom trailers	(843,211)	(88,759)	-	(931,970)
Furniture and equipment	(2,855,082)	(483,537)	-	(3,338,619)
Total accumulated depreciation, governmental activities	<u>(27,941,800)</u>	<u>(1,982,427)</u>	<u>-</u>	<u>(29,924,227)</u>
Total capital assets, governmental activities, net	<u>\$ 121,918,116</u>	<u>\$ 16,682,635</u>	<u>\$ (8,629,477)</u>	<u>\$ 129,971,274</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	989,976	80,794	-	1,070,770
Total capital assets, business-type activities	<u>1,317,715</u>	<u>80,794</u>	<u>-</u>	<u>1,398,509</u>
Accumulated depreciation, business-type activities:				
Buildings	(88,799)	(2,900)	-	(91,699)
Furniture and equipment	(552,061)	(87,929)	-	(639,990)
Total accumulated depreciation, business-type activities	<u>(640,860)</u>	<u>(90,829)</u>	<u>-</u>	<u>(731,689)</u>
Total capital assets, business-type activities, net	<u>\$ 676,855</u>	<u>\$ (10,035)</u>	<u>\$ -</u>	<u>\$ 666,820</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, 2004, the District had the following commitments with respect to unfinished capital projects:

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004**

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
<u>Capital Projects Fund</u>		
Hickman High Renovations and Improvements	\$ 7,032,205	8/15/05
Paving and Drainage Improvements	498,939	8/13/04
Renovations at Jefferson and Oakland Jr. High Schools	891,188	8/15/04
Summer Additions and Renovations	837,069	8/15/04
	<u>\$ 9,259,401</u>	

Note 12 CONTINGENT LIABILITIES

Litigation

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

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

Consistent with the requirements of GASB Statement No. 10 Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, some of the District's risk management activities are reported in Internal Service Funds, and the claims liabilities associated with the fund are reported therein. The District has established a self-insured benefits program, which are medical, dental, and workers compensation programs in the Internal Service Funds. The purpose of these funds is to pay the medical and dental claims of the District's employees and their covered dependents and to pay workers compensation claims from accumulated assets of the fund.

The District is covered by an excess loss contract on its medical benefits program 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 175% 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 \$2,459,126 as of June 30, 2004. The claims liability of \$1,388,468 reported in the funds at June 30, 2004 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004**

financial statements and the amount of the loss can be reasonably estimated. Changes in the funds' claims liability amount for the past three fiscal years were:

<u>Year Ended June 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payment</u>	<u>Administrative Cost</u>	<u>Balance at Fiscal Year-End</u>
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
2002	807,692	9,301,944	(8,610,178)	(598,381)	901,077

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, 2004, 2003, and 2002, 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.

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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, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local	\$ 12,370,499	\$ 12,228,940	\$ 12,246,961	\$ 18,021
County	232,561	232,561	271,305	38,744
State	1,091,960	1,091,960	1,193,316	101,356
Total Revenues	<u>13,695,020</u>	<u>13,553,461</u>	<u>13,711,582</u>	<u>158,121</u>
EXPENDITURES				
Debt Service				
Principal	6,110,000	27,660,000	27,660,000	-
Interest and Fees	7,041,350	7,806,350	7,708,240	98,110
Total Expenditures	<u>13,151,350</u>	<u>35,466,350</u>	<u>35,368,240</u>	<u>98,110</u>
REVENUES OVER (UNDER) EXPENDITURES	543,670	(21,912,889)	(21,656,658)	256,231
OTHER FINANCING SOURCES				
Refunding Bonds Issued	-	32,640,000	32,640,000	-
NET CHANGE IN FUND BALANCE	543,670	10,727,111	10,983,342	256,231
FUND BALANCE, JULY 1	<u>23,021,243</u>	<u>23,021,243</u>	<u>23,021,243</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 23,564,913</u>	<u>\$ 33,748,354</u>	<u>\$ 34,004,585</u>	<u>\$ 256,231</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, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local	\$ 409,650	\$ 410,214	\$ 521,837	\$ 111,623
County	5,505	5,505	5,052	(453)
State	64,233	64,233	70,231	5,998
Total Revenues	<u>479,388</u>	<u>479,952</u>	<u>597,120</u>	<u>117,168</u>
EXPENDITURES				
Debt Service				
Interest and Fees	-	141,800	77,515	64,285
Capital Outlay and Construction				
Furniture and Equipment	4,613,655	4,579,220	3,022,282	1,556,938
Vehicles	59,080	58,640	38,700	19,940
Land and Site Improvements	401,475	398,480	262,996	135,484
Building Additions and Renovations	13,925,790	13,821,860	9,122,416	4,699,444
Total Capital Outlay and Construction	<u>19,000,000</u>	<u>18,858,200</u>	<u>12,446,394</u>	<u>6,411,806</u>
Total Expenditures	<u>19,000,000</u>	<u>19,000,000</u>	<u>12,523,909</u>	<u>6,476,091</u>
REVENUES UNDER EXPENDITURES	(18,520,612)	(18,520,048)	(11,926,789)	6,593,259
OTHER FINANCING SOURCES				
General Obligation Bonds Issued	<u>8,800,000</u>	<u>8,800,000</u>	<u>8,800,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(9,720,612)	(9,720,048)	(3,126,789)	6,593,259
FUND BALANCE, JULY 1	<u>19,507,012</u>	<u>19,507,012</u>	<u>19,507,012</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 9,786,400</u>	<u>\$ 9,786,964</u>	<u>\$ 16,380,223</u>	<u>\$ 6,593,259</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, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local	\$ 1,335,600	\$ 1,333,737	\$ 959,046	\$ (374,691)
State	2,567,695	2,456,691	1,823,840	(632,851)
Federal	743,678	804,457	842,963	38,506
Total Revenues	<u>4,646,973</u>	<u>4,594,885</u>	<u>3,625,849</u>	<u>(969,036)</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	864,195	764,953	610,312	154,641
Special Instruction	188,020	205,633	224,383	(18,750)
Vocational Instruction	1,288,212	1,133,500	611,432	522,068
Total Instruction	<u>2,340,427</u>	<u>2,104,086</u>	<u>1,446,127</u>	<u>657,959</u>
Pupil Support Services				
Guidance and Counseling	89,422	109,574	86,870	22,704
Health and Ancillary Services	102,000	102,000	115,130	(13,130)
Media Services	122,000	227,732	167,122	60,610
Total Support Services	<u>313,422</u>	<u>439,306</u>	<u>369,122</u>	<u>70,184</u>
Other				
Pupil Transportation	-	-	18,529	(18,529)
Adult Literacy	322,441	321,027	314,379	6,648
Community Services	1,670,683	1,730,166	1,441,259	288,907
Total Other	<u>1,993,124</u>	<u>2,051,193</u>	<u>1,774,167</u>	<u>277,026</u>
Total Expenditures	<u>4,646,973</u>	<u>4,594,585</u>	<u>3,589,416</u>	<u>1,005,169</u>
NET CHANGE IN FUND BALANCE	-	300	36,433	(36,133)
FUND BALANCE, JULY 1	<u>1,370,849</u>	<u>1,370,849</u>	<u>1,370,849</u>	-
FUND BALANCE, JUNE 30	<u>\$ 1,370,849</u>	<u>\$ 1,371,149</u>	<u>\$ 1,407,282</u>	<u>\$ (36,133)</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, 2004**

	<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	\$ 740	\$ 1,000	\$ 1,740
Investments	1,129,974	421,977	1,551,951
Receivables (Net of Allowance for Uncollectibles)			
Local	-	802	802
Federal	344,187	25,546	369,733
Inventories	187,466	-	187,466
Prepaid Expenditures	19,723	-	19,723
Total Current Assets	<u>1,682,090</u>	<u>449,325</u>	<u>2,131,415</u>
Noncurrent Assets			
Capital Assets (Net of Accumulated Depreciation)			
Land	-	37,763	37,763
Buildings	-	198,277	198,277
Furniture and Equipment	405,124	25,656	430,780
Total Noncurrent Assets	<u>405,124</u>	<u>261,696</u>	<u>666,820</u>
Total Assets	<u>2,087,214</u>	<u>711,021</u>	<u>2,798,235</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	589	12,443	13,032
Accrued Salaries and Payroll Taxes	5,714	20,388	26,102
Deferred Revenue	137,806	3,576	141,382
Total Current Liabilities	<u>144,109</u>	<u>36,407</u>	<u>180,516</u>
Noncurrent Liabilities			
Liability for Long-Term			
Compensated Absences	115,755	26,639	142,394
Total Liabilities	<u>259,864</u>	<u>63,046</u>	<u>322,910</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	405,124	261,696	666,820
Unrestricted	1,422,226	386,279	1,808,505
Total Net Assets	<u>\$ 1,827,350</u>	<u>\$ 647,975</u>	<u>\$ 2,475,325</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Enterprise Funds</u>		<u>Total Nonmajor Enterprise Funds</u>
	<u>Food Services</u>	<u>Adult Education</u>	
OPERATING REVENUES			
Food Sales	\$ 2,753,623	\$ -	\$ 2,753,623
Tuition	-	907,133	907,133
Total Operating Revenues	<u>2,753,623</u>	<u>907,133</u>	<u>3,660,756</u>
OPERATING EXPENSES			
Food Purchased	1,827,432	-	1,827,432
Salaries and Wages	1,615,873	1,018,410	2,634,283
Fringe Benefits	537,638	218,511	756,149
Supplies	237,849	193,657	431,506
Purchased Services	80,100	150,815	230,915
Travel	8,097	16,174	24,271
Repairs	94,506	9,732	104,238
Donated Commodities Used	295,762	-	295,762
Financial Aid	-	239,325	239,325
Depreciation	84,911	5,918	90,829
Total Operating Expenses	<u>4,782,168</u>	<u>1,852,542</u>	<u>6,634,710</u>
OPERATING LOSS	<u>(2,028,545)</u>	<u>(945,409)</u>	<u>(2,973,954)</u>
NONOPERATING REVENUES			
State Assistance	44,231	279,223	323,454
Federal Assistance	2,186,182	538,902	2,725,084
Donated Commodities	295,762	-	295,762
Other	-	67,363	67,363
Total Nonoperating Revenues	<u>2,526,175</u>	<u>885,488</u>	<u>3,411,663</u>
CHANGES IN NET ASSETS	497,630	(59,921)	437,709
NET ASSETS, JULY 1	<u>1,329,720</u>	<u>707,896</u>	<u>2,037,616</u>
NET ASSETS, JUNE 30	<u>\$ 1,827,350</u>	<u>\$ 647,975</u>	<u>\$ 2,475,325</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004**

	Enterprise Funds		Total Nonmajor Enterprise Funds
	Food Services	Adult Education	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Sales/Tuition	\$ 2,753,623	\$ 909,907	\$ 3,663,530
Cash Payments for Supplies and Services	(2,288,490)	(608,845)	(2,897,335)
Cash Payments to Employees for Services	(2,129,968)	(1,230,649)	(3,360,617)
Net Cash From Operating Activities	<u>(1,664,835)</u>	<u>(929,587)</u>	<u>(2,594,422)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal/State Assistance	2,180,141	851,341	3,031,482
Other	-	67,363	67,363
Net Cash From Noncapital Financing Activities	<u>2,180,141</u>	<u>918,704</u>	<u>3,098,845</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(80,794)	-	(80,794)
Net Cash From Capital and Related Financing Activities	<u>(80,794)</u>	<u>-</u>	<u>(80,794)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments Purchased	(1,129,974)	(421,977)	(1,551,951)
Net Cash From Investing Activities	<u>(1,129,974)</u>	<u>(421,977)</u>	<u>(1,551,951)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(695,462)	(432,860)	(1,128,322)
CASH AND CASH EQUIVALENTS, JULY 1	<u>696,202</u>	<u>433,860</u>	<u>1,130,062</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 740</u>	<u>\$ 1,000</u>	<u>\$ 1,740</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES			
Operating Loss	\$ (2,028,545)	\$ (945,409)	\$ (2,973,954)
Adjustments to Reconcile Operating Loss to Net Cash From Operating Activities			
Depreciation	84,911	5,918	90,829
Donated Commodities Used	295,762	-	295,762
Change in Assets and Liabilities			
Increase in Receivables	-	(802)	(802)
Increase in Inventories	(29,027)	-	(29,027)
Increase in Prepaid Expenses	(17,803)	-	(17,803)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(3,218)	16,074	12,856
Increase in Deferred Revenue	8,385	3,576	11,961
Increase (Decrease) in Compensated Absences Payable	24,700	(8,944)	15,756
Net Cash From Operating Activities	<u>\$ (1,664,835)</u>	<u>\$ (929,587)</u>	<u>\$ (2,594,422)</u>
SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES			
Donated commodities received	\$ 304,147	\$ -	\$ 304,147
Donated commodities used	\$ 295,762	\$ -	\$ 295,762

INTERNAL SERVICE FUNDS

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS
JUNE 30, 2004**

	<u>Workers Compensation</u>	<u>Medical Insurance</u>	<u>Dental Insurance</u>	<u>Total</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 236,452	\$ 2,161,601	\$ 260,369	\$ 2,658,422
Investments	-	1,175,862	13,310	1,189,172
Total Assets	<u>236,452</u>	<u>3,337,463</u>	<u>273,679</u>	<u>3,847,594</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	<u>18,682</u>	<u>1,369,786</u>	<u>-</u>	<u>1,388,468</u>
NET ASSETS				
Unrestricted	217,770	1,967,677	273,679	2,459,126
Total Net Assets	<u>\$ 217,770</u>	<u>\$ 1,967,677</u>	<u>\$ 273,679</u>	<u>\$ 2,459,126</u>

COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Workers Compensation</u>	<u>Medical Insurance</u>	<u>Dental Insurance</u>	<u>Total</u>
OPERATING REVENUES				
Insurance Premiums	\$ 758,023	\$ 10,078,698	\$ 885,193	\$ 11,721,914
OPERATING EXPENSES				
Salaries and Wages	-	65,898	-	65,898
Fringe Benefits	-	15,197	-	15,197
Supplies	-	1,655	-	1,655
Purchased Services	127	4,526	128	4,781
Excess Loss Insurance	93,590	168,253	-	261,843
Administration Fees	165,889	42,522	87,471	295,882
Benefits Paid/Accrued	629,614	10,490,698	778,182	11,898,494
Total Operating Expenses	<u>889,220</u>	<u>10,788,749</u>	<u>865,781</u>	<u>12,543,750</u>
OPERATING INCOME (LOSS)	(131,197)	(710,051)	19,412	(821,836)
NONOPERATING REVENUES				
Earnings on Investments	<u>6,114</u>	<u>30,761</u>	<u>2,180</u>	<u>39,055</u>
CHANGES IN NET ASSETS	(125,083)	(679,290)	21,592	(782,781)
NET ASSETS, JULY 1	<u>342,853</u>	<u>2,646,967</u>	<u>252,087</u>	<u>3,241,907</u>
NET ASSETS, JUNE 30	<u>\$ 217,770</u>	<u>\$ 1,967,677</u>	<u>\$ 273,679</u>	<u>\$ 2,459,126</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Workers Compensation</u>	<u>Medical Insurance</u>	<u>Dental Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Premiums	\$ 758,023	\$ 10,078,698	\$ 885,193	\$ 11,721,914
Cash Payments for Supplies and Services	(259,606)	(216,956)	(87,599)	(564,161)
Cash Payments to Employees for Services	-	(81,095)	-	(81,095)
Cash Payments for Claims/Benefits	(610,932)	(10,016,540)	(778,182)	(11,405,654)
Net Cash From Operating Activities	<u>(112,515)</u>	<u>(235,893)</u>	<u>19,412</u>	<u>(328,996)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances From Claims Administrator	24,857	-	-	24,857
	<u>24,857</u>	<u>-</u>	<u>-</u>	<u>24,857</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	6,114	30,761	2,180	39,055
Investments Purchased	(447,934)	(2,918,512)	(13,310)	(3,379,756)
Investments Matured or Sold	729,902	3,734,768	-	4,464,670
Net Cash From Investing Activities	<u>288,082</u>	<u>847,017</u>	<u>(11,130)</u>	<u>1,123,969</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	200,424	611,124	8,282	- 819,830
CASH AND CASH EQUIVALENTS, JULY 1	<u>36,028</u>	<u>1,550,477</u>	<u>252,087</u>	<u>1,838,592</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 236,452</u>	<u>\$ 2,161,601</u>	<u>\$ 260,369</u>	<u>\$ 2,658,422</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (131,197)	\$ (710,051)	\$ 19,412	\$ (821,836)
Change in Assets and Liabilities				
Increase in Accounts Payable	18,682	474,158	-	492,840
Net Cash From Operating Activities	<u>\$ (112,515)</u>	<u>\$ (235,893)</u>	<u>\$ 19,412</u>	<u>\$ (328,996)</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, 2004**

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2004</u>
ASSETS				
Cash and Cash Equivalents	\$ 579,478	\$ 1,339,830	\$ 1,919,308	\$ -
Investments	-	528,164	-	528,164
Accounts Receivable	-	619	-	619
Total Assets	<u>\$ 579,478</u>	<u>\$ 1,868,613</u>	<u>\$ 1,919,308</u>	<u>\$ 528,783</u>
LIABILITIES				
Accounts Payable	\$ 43,170	\$ 1,319,005	\$ 1,347,974	\$ 14,201
Due to Student Groups	536,308	1,340,449	1,362,175	514,582
Total Liabilities	<u>\$ 579,478</u>	<u>\$ 2,659,454</u>	<u>\$ 2,710,149</u>	<u>\$ 528,783</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF CHANGES IN DUE TO STUDENT GROUPS
STUDENT ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2004</u>
Hickman High	\$ 264,211	\$ 437,667	\$ 476,483	\$ 225,395
Rock Bridge High	85,717	317,871	318,697	84,891
Douglass High	6,536	5,757	6,200	6,093
Jefferson Junior High	28,839	78,863	75,249	32,453
Oakland Junior High	24,967	80,859	79,044	26,782
West Junior High	22,048	99,556	94,611	26,993
Gentry Middle	49,303	85,730	98,853	36,180
Lange Middle	17,326	35,143	28,804	23,665
Smithton Middle	20,333	35,128	34,361	21,100
Columbia Area Career Center	<u>17,028</u>	<u>163,875</u>	<u>149,873</u>	<u>31,030</u>
TOTAL	<u>\$ 536,308</u>	<u>\$ 1,340,449</u>	<u>\$ 1,362,175</u>	<u>\$ 514,582</u>

Statistical Section

**COLUMBIA PUBLIC SCHOOL DISTRICT
Demographic Statistics**

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

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

Source: 2000 Missouri Census Data Center

**COLUMBIA PUBLIC SCHOOL DISTRICT
GENERAL SCHOOL SYSTEM EXPENDITURES AND EXPENSES BY FUNCTION
1995 - 2004**

<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>
1995	\$ 6,567,144	\$ 33,782,207	\$ 8,216,039	\$ 1,454,676	\$ 3,034,073	\$ 6,817,372
1996	6,849,902	35,046,838	8,996,860	1,835,241	3,537,025	7,352,127
1997	6,983,169	37,761,501	9,843,083	2,256,787	3,703,053	7,893,577
1998	7,757,757	39,993,655	10,943,459	2,158,415	3,939,475	7,961,864
1999	7,976,282	41,375,742	11,790,921	2,460,320	4,209,018	7,660,866
2000	8,437,173	43,917,038	13,545,494	2,371,675	4,569,807	8,400,593
2001	9,569,488	49,004,439	15,677,072	3,239,948	4,650,642	11,216,438
2002	10,550,750	52,286,130	18,160,565	3,425,062	4,921,314	11,058,835
2003	10,357,435	52,877,919	18,388,595	3,571,360	5,353,642	12,556,216
2004	10,204,711	51,179,206	18,702,425	3,582,205	5,863,990	12,226,149

Expenditures reported are for all Governmental Funds.

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

<u>Pupil Support Services</u>	<u>Food Services*</u>	<u>Adult Education*</u>	<u>Community Services and Student Activities</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Payments Between Districts</u>	<u>Total Expenditures and Expenses</u>
\$ 7,422,327	\$ 3,456,916	\$ -	\$ 4,237,052	\$ 12,377,985	\$ 6,534,364	\$ 131,280	\$ 94,031,435
7,886,884	3,480,583	-	4,400,326	6,117,855	7,053,894	120,739	92,678,274
8,563,376	3,642,603	-	4,528,677	8,892,076	7,466,996	146,119	101,681,017
9,587,588	4,026,182	-	5,705,928	2,406,351	8,013,451	142,859	102,636,984
10,221,630	4,024,313	-	5,871,671	6,687,123	8,781,757	178,125	111,237,768
11,466,273	3,972,516	-	4,716,422	11,195,975	8,846,174	251,329	121,690,469
12,540,962	4,428,065	-	6,400,434	14,266,787	9,830,371	264,226	141,088,872
13,789,836	4,566,258	-	6,330,929	15,333,410	10,598,260	325,486	151,346,835
13,759,092	4,665,802	2,019,107	4,601,659	10,756,450	15,967,844	349,088	155,224,209
13,823,392	4,782,168	1,852,542	4,490,051	12,446,394	35,445,755	396,470	174,995,458

**COLUMBIA PUBLIC SCHOOL DISTRICT
GENERAL SCHOOL SYSTEM REVENUES BY SOURCE
1995 - 2004**

Year Ended June 30	Local Revenue	County Revenue	State Revenue	Federal Revenue	Tuition Other Districts	Total Revenue
1995	\$ 48,299,373	\$ 1,265,074	\$ 25,842,466	\$ 4,527,205	\$ 62,185	\$ 79,996,303
1996	51,734,905	1,404,843	30,217,831	4,800,748	87,927	88,246,254
1997	54,819,056	1,362,494	35,357,025	4,828,177	110,612	96,477,364
1998	59,633,685	1,316,562	38,587,948	5,414,788	106,460	105,059,443
1999	62,595,407	1,473,372	33,296,403	5,944,924	89,036	103,399,142
2000	71,158,375	1,937,035	39,719,367	7,334,192	52,480	120,201,449
2001	79,186,268	2,372,190	49,032,229	8,284,997	114,497	138,990,181
2002	81,562,584	1,645,944	47,490,879	9,335,511	122,820	140,157,738
2003	83,129,096	1,822,429	47,842,627	9,965,196	86,969	142,846,317
2004	88,944,864	1,878,501	44,871,033	11,097,369	110,411	146,902,178

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
PROPERTY TAX LEVIES AND REVENUES
TAX RATE PER \$100 ASSESSED VALUATION
1995 - 2004**

Year Ended June 30	Tax Rate	Assessed Valuation*	Total Property Tax Levied	Current Property Tax Revenue	Delinquent Property Tax Revenue
1995	\$ 4.45	\$ 763,909,133	\$ 33,993,956	\$ 32,326,860	\$ 1,206,270
1996	4.55	810,703,075	36,886,990	35,276,616	1,137,794
1997	4.56	873,346,561	39,824,603	38,127,804	1,314,272
1998	4.12	1,042,836,063	42,964,846	41,254,836	1,498,400
1999	4.12	1,090,964,765	44,947,748	42,694,136	1,879,827
2000	4.70	1,141,693,888	53,659,613	50,513,940	1,606,350
2001	4.79	1,195,928,843	57,284,992	54,465,792	2,584,862
2002	4.7544	1,284,272,994	61,059,475	58,210,710	2,350,881
2003	4.7544	1,337,034,886	63,567,987	60,944,362	2,219,589
2004	4.9444	1,391,813,552	68,816,829	66,226,894	2,156,160

*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 (2004 tax revenue is based on the assessed valuation as of January 1, 2003).

**COLUMBIA PUBLIC SCHOOL DISTRICT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 1995 - 2004**

<u>Year Ended June 30</u>	<u>Assessed Valuation*</u>	<u>Assessment Ratio*</u>	<u>Estimated Actual Valuation</u>
1995	\$ 763,909,133	23.8%	\$ 3,214,945,048
1996	810,703,075	22.3%	3,643,181,105
1997	873,346,561	22.6%	3,872,861,996
1998	1,042,836,063	22.4%	4,647,153,807
1999	1,090,964,765	23.6%	4,627,911,072
2000	1,141,693,888	22.8%	5,000,366,659
2001	1,195,928,843	22.9%	5,232,589,843
2002	1,284,272,994	23.1%	5,548,816,924
2003	1,337,034,886	23.3%	5,750,633,083
2004	1,391,813,552	23.2%	6,007,051,194

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
PROPERTY TAX RATES PER \$100 ASSESSED VALUATION
DIRECT AND OVERLAPPING GOVERNMENTS
1995 - 2004**

Year Ended June 30	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<u>City Residents:</u>										
City of Columbia	\$.48	\$.48	\$.48	\$.41	\$.41	\$.41	\$.4100	\$.4100	\$.4100	\$.4100
State of Missouri	.03	.03	.03	.03	.03	.03	.0300	.0300	.0300	.0300
County of Boone	.12	.12	.12	.12	.12	.13	.1300	.1300	.1300	.1300
Road and Bridge	.05	.05	.05	.05	.05	.05	.0500	.0500	.0500	.0500
Library	.30	.30	.30	.28	.29	.65	.6500	.6441	.6391	.6341
Group Home	.12	.12	.12	.11	.12	.12	.1200	.1189	.1194	.1194
School District	4.45	4.55	4.56	4.12	4.12	4.70	4.7900	4.7544	4.7544	4.9444
Subtotal City Residents	<u>5.55</u>	<u>5.65</u>	<u>5.66</u>	<u>5.12</u>	<u>5.14</u>	<u>6.09</u>	<u>6.1800</u>	<u>6.1374</u>	<u>6.1329</u>	<u>6.3179</u>
<u>County Residents:</u>										
Fire District	.66	.66	.66	.60	.60	.60	.6000	.6000	.6000	.6000
Fire Dispatch Fund	.03	.03	.03	.03	.03	.03	.0300	.0295	.0295	.0295
Fire Bond	.19	.19	.19	.25	.22	.22	.2200	.2200	.2200	.2084
Less:										
City of Columbia (above)	(.48)	(.48)	(.48)	(.41)	(.41)	(.41)	(.4100)	(.4100)	(.4100)	(.4100)
Differential Library Tax	<u>(.05)</u>	<u>(.05)</u>	<u>(.05)</u>	<u>(.05)</u>	<u>(.05)</u>	<u>(.41)</u>	<u>(.3300)</u>	<u>(.3241)</u>	<u>(.3191)</u>	<u>(.3191)</u>
Total County Residents	<u>\$ 5.90</u>	<u>\$ 6.00</u>	<u>\$ 6.01</u>	<u>\$ 5.54</u>	<u>\$ 5.53</u>	<u>\$ 6.12</u>	<u>\$ 6.2900</u>	<u>\$ 6.2528</u>	<u>\$ 6.2533</u>	<u>\$ 6.4267</u>

Tax rates are reported on a calendar year basis. The 2003 calendar year tax levy was the rate levied to produce tax revenues for fiscal 2004.

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
1995 - 2004**

<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>
1995	99,175	\$ 763,909,133	\$ 68,320,000	\$ 2,386,901	\$ 65,933,099	.086	\$ 665
1996	101,900	810,703,075	73,625,000	2,700,912	70,924,088	.087	696
1997	104,625	873,346,561	79,000,000	3,130,218	75,869,782	.087	725
1998	107,350	1,042,836,063	86,375,000	3,749,382	82,625,618	.079	770
1999	110,075	1,090,964,765	93,125,000	4,014,717	89,110,283	.082	810
2000	112,800	1,141,693,888	99,485,000	4,049,751	95,435,249	.084	846
2001	113,800	1,195,928,843	113,970,000	9,749,306	104,220,694	.087	916
2002	115,000	1,284,272,994	119,225,000	11,764,547	107,460,453	.084	934
2003	116,800	1,337,034,886	138,940,000	23,021,243	115,918,757	.087	992
2004	118,600	1,391,813,552	152,720,000	34,004,585	118,715,415	.085	1,001

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
LEGAL DEBT MARGIN
1995 - 2004**

<u>Year Ended June 30</u>	<u>Assessed Value</u>	<u>Legal Debt Limit*</u>	<u>Indebtedness</u>	<u>Legal Debt Margin</u>
1995	\$ 763,909,133	\$ 76,390,913	\$ 68,320,000	\$ 8,070,913
1996	810,703,075	81,070,308	73,625,000	7,445,308
1997	873,346,561	87,334,656	79,000,000	8,334,656
1998	1,042,836,063	156,425,409	86,375,000	70,050,409
1999	1,090,964,765	163,644,715	93,125,000	70,519,715
2000	1,141,693,888	171,254,083	99,458,000	71,769,083
2001	1,195,928,843	179,389,326	113,970,000	65,419,326
2002	1,284,272,994	192,640,949	119,225,000	73,415,949
2003	1,337,034,886	200,555,233	138,940,000	61,615,233
2004	1,391,813,552	208,772,033	152,720,000	56,052,033

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
DIRECT AND OVERLAPPING GENERAL INDEBTEDNESS
1995 - 2004**

<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>
1995	\$ 68,320,000	\$ 14,185,000	\$ 1,645,000	\$ 2,015,000	\$ -
1996	73,625,000	17,805,000	535,000	1,525,000	-
1997	79,000,000	10,570,000	685,000	1,500,000	-
1998	86,375,000	8,650,000	535,000	7,750,000	-
1999	93,125,000	6,040,000	700,000	6,655,000	22,000,000
2000	99,485,000	4,795,000	895,000	6,655,000	21,470,000
2001	113,970,000	3,490,000	955,000	6,500,000	20,755,000
2002	119,225,000	3,490,000	1,260,000	6,330,000	20,010,000
2003	138,940,000	700,000	1,125,000	5,915,000	20,010,000
2004	152,720,000	700,000	959,000	5,915,000	20,010,000

Overlapping Debt

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

The overlapping debt (as of December 31, 2003) is as follows:

	<u>Assessed Valuation</u>	<u>Percent Overlapping</u>	<u>Dollar Value of Overlapping Debt</u>
City of Columbia	\$ 1,115,649,375	100%	\$ 700,000
County of Boone	1,626,462,881	86%	820,645
Boone County Fire Protection District	398,295,780	69%	4,101,251
Columbia Library District	561,832,299	100%	<u>20,010,000</u>
Total			\$ 25,631,896

Source: Boone County Clerk

**COLUMBIA PUBLIC SCHOOL DISTRICT
RATIO OF ANNUAL DEBT SERVICE FOR
GENERAL BONDED DEBT TO TOTAL EXPENDITURES/EXPENSES
1995 - 2004**

<u>Year Ended June 30</u>	<u>Debt Service Expenditures</u>	<u>Total Expenditures/Expenses</u>	<u>Ratio</u>
1995	\$ 6,534,364	\$ 94,031,435	.070
1996	7,053,894	92,678,274	.076
1997	7,466,996	101,681,017	.073
1998	8,013,451	102,636,984	.078
1999	8,781,757	111,237,768	.079
2000	8,846,174	121,690,469	.073
2001	9,830,371	141,088,872	.070
2002	10,598,260	151,346,835	.070
2003	15,967,844	155,224,209	.103
2004	35,445,755	174,995,458	.203

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
1995 - 2004**

<u>Year Ended June 30</u>	<u>Property Value*</u>	<u>Construction Estimated Value City of Columbia</u>	<u>Columbia Commercial Bank Deposits</u>
1995	\$ 3,214,945,048	\$ 148,756,680	\$ 1,077,290,286
1996	3,643,181,105	151,073,831	1,039,977,453
1997	3,872,861,996	143,186,205	1,316,069,688
1998	4,647,153,807	147,481,791	1,395,673,747
1999	4,627,911,072	151,106,324	1,304,961,337
2000	5,000,366,659	111,599,076	1,472,770,840
2001	5,436,040,195	160,403,932	1,528,308,544
2002	5,548,816,924	157,494,400	1,563,308,000
2003	5,750,633,083	266,026,017	1,641,677,000
2004	6,007,051,194	282,150,639	1,735,236,000

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

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
MAJOR TAXPAYERS**

	<u>Assessed Valuation*</u>	<u>Percentage of Total Assessed Valuation</u>
Minnesota Mining & Mfg. Co. (3M)	27,800,031	2.00%
City of Columbia	22,594,188	1.62%
Columbia Mall LLC	8,268,325	0.59%
State Farm Mutual Automobile Ins. Co.	7,916,766	0.57%
Shelter Mutual Insurance Companies	7,603,028	0.55%
Columbia Foods	6,336,834	0.46%
Boone Electric Cooperative	5,167,936	0.37%
Dan Hagan	4,131,339	0.30%
Rusk Rehabilitation Center LLC	3,783,072	0.27%
Rayman Columbia Center Trust	3,777,439	0.27%
APAC-Missouri Inc.	3,409,424	0.24%
Spicer Axle Inc.	3,327,938	0.24%
Forum Shopping Center LLC	3,320,340	0.24%
Square D	2,926,307	0.21%
	<u>\$ 82,562,936</u>	<u>8.14%</u>

*Major taxpayers are reported for the District's 2004 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
1995 - 2004**

<u>School Year</u>	<u>Average Daily Attendance*</u>	<u>Average Membership</u>	<u>Percentage of ADA to Average Membership</u>
1994-95	13,128	14,036	.935
1995-96	13,411	14,422	.930
1996-97	13,811	14,812	.932
1997-98	13,992	15,166	.923
1998-99	14,127	15,253	.926
1999-00	14,378	15,355	.936
2000-01	14,624	15,701	.931
2001-02	14,838	15,706	.945
2002-03	14,813	15,888	.932
2003-04	14,746	15,847	.931

*Regular School Session Only

**COLUMBIA PUBLIC SCHOOL DISTRICT
PER PUPIL COSTS
GOVERNMENTAL FUNDS
1995 - 2004**

<u>School Year</u>	<u>Total Expenditures</u>	<u>Average Daily Attendance*</u>	<u>Average Per Pupil Cost</u>
1994-95	\$ 90,574,519	13,128	\$ 6,899
1995-96	89,197,691	13,411	6,651
1996-97	98,038,414	13,811	7,099
1997-98	98,610,802	13,992	7,048
1998-99	107,213,455	14,127	7,589
1999-00	117,717,953	14,378	8,187
2000-01	136,660,807	14,624	9,345
2001-02	146,780,577	14,838	9,892
2002-03	148,539,300	14,813	10,028
2003-04	168,360,748	14,746	11,417

*Regular School Session Only (does not include Food Services and Adult 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 2003-04, 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>
2003-04	\$ 7,726.77	Not available	\$ 7,394.00
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 2003-04, 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				
	1999-00	2000-01	2001-02	2002-03	2003-04	1999-00	2000-01	2001-02	2002-03	2003-04
Students per Teacher	13	13	13	13	13	14	14	14	13	14
Students per Classroom Teacher	18	18	18	17	19	18	18	18	18	19
Average Teacher Salary (Total)	\$37,788	\$39,244	\$40,772	\$41,387	\$41,869	\$35,656	\$36,714	\$37,992	\$39,293	\$39,827
Students per Administrator	245	251	238	231	240	219	213	209	205	207
Average Administrator Salary	\$65,648	\$69,181	\$70,551	\$72,784	\$73,925	\$63,020	\$65,475	\$67,558	\$70,128	\$71,470
Students Eligible for Free/Reduced Lunch	26.37%	27.22%	28.88%	29.62%	30.80%	36.33%	36.82%	38.20%	38.28%	40.70%

Source: Missouri Department of Elementary and Secondary Education

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF INSURANCE COVERAGE
JUNE 30, 2004**

Insurance	Policy Number	Policy Period		Coverage
		From	To	
Blanket Building and Contents	CBP9762083	09/15/03	09/15/04	Statement of Values, \$301,828,744 \$5,000 Deductible Except Flood and Earthquake, \$25,000 All Risk, Replacement Cost
Boiler and Machinery	BES 265 66 18	09/01/03	09/01/04	\$1,000,000 per Accident \$5,000 Deductible
Vehicles	FOO-1061-C12-25	09/12/03	09/12/04	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	07/01/03	07/01/04	
Bodily Injury & Property Damage Liability	CBP9762083	09/15/03	09/15/04	\$1,000,000 per Person \$1,000,000 per Occurrence
Commercial Umbrella	CU9765185	09/15/03	09/15/04	\$2,000,000 per Occurrence \$2,000,000 General Aggregate Limit
Bodily Injury & Property Damage Liability Umbrella	CTDV11936	09/15/03	09/15/04	\$1,000,000 General Aggregate Limit
School Leaders Errors and Omissions	299-44-81	07/01/03	07/01/04	\$2,000,000 Liability Per Occurrence \$50,000 Deductible Each Wrongful Act
Fidelity Bonds	POBO8203412 CCP0056421 CCP0005917	07/15/03 03/01/04 12/11/03	07/15/04 03/01/05 12/11/04	Treasurer, \$400,000 Secretary, \$25,000 Selected Personnel, Blanket Coverage: \$250,000
Liability – Rock Climbing Wall (RBHS)	CLS1016960	04/03/04	04/03/05	\$3,000,000 Annual Aggregate \$2,000,000 Each Occurrence \$500 Deductible
Liability – Underground Storage Tank	7514232	07/12/03	07/12/04	\$2,000,000 Annual Aggregate \$2,000,000 Each Occurrence \$5,000 Deductible

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State Compliance Section



GERDING, KORTE & CHITWOOD

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

**INDEPENDENT AUDITORS' REPORT -
STATE COMPLIANCE REPORTS**

Board of Education
Columbia Public School District
Columbia, Missouri

We have audited the basic financial statements of Columbia Public School District, Columbia, Missouri, as of and for the year ended June 30, 2004, and have issued our report thereon dated October 8, 2004. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards 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 financial statements and, in our opinion, are fairly presented in all material respects in relation to the financial statements taken as a whole.

October 8, 2004


Certified Public Accountants



GERDING, KORTE & CHITWOOD

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

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

Board of Education
Columbia Public School District
Columbia, Missouri

We have examined management's assertions that Columbia Public School District, Columbia, Missouri, complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January; and accurate disclosure by pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2004. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

In our opinion, Columbia Public School District, Columbia, Missouri, complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2004.

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.

October 8, 2004

Certified Public Accountants

SCHEDULES FOR STATE COMPLIANCE

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2004**

	General Fund			
	General	Food Service	Student Activities	Adult Education
REVENUES				
Local	\$ 31,261,175	\$ 2,753,623	\$ 1,339,301	\$ 1,008,570
County	829,199	-	-	-
State	16,391,560	44,231	-	279,223
Federal	2,803,817	2,186,182	-	531,354
Tuition Other Districts	42,500	-	-	-
Total Revenues	<u>51,328,251</u>	<u>4,984,036</u>	<u>1,339,301</u>	<u>1,819,147</u>
EXPENDITURES				
Regular Instruction	8,052,261	-	-	-
Special Instruction	4,505,754	-	-	-
Vocational Instruction	680,742	-	-	-
Student Activities	264,818	-	1,281,701	-
Tuition Other Districts	-	-	-	-
Total Instruction	<u>13,503,575</u>	<u>-</u>	<u>1,281,701</u>	<u>-</u>
Attendance	144,355	-	-	-
Guidance and Counseling	1,836,244	-	-	-
Health and Ancillary Services	1,755,845	-	-	-
Improvement of Instruction	955,386	-	-	-
Media Services	2,457,804	-	-	-
Board Services	242,897	-	-	-
General Administration	766,988	-	-	-
Building Administration	2,788,834	-	-	-
Business, Central Services	785,021	-	-	-
Operation of Plant	12,226,149	-	-	-
Pupil Transportation	5,845,461	-	46,789	-
Food Services	-	4,392,500	-	-
Total Pupil Support Services	<u>29,804,984</u>	<u>4,392,500</u>	<u>46,789</u>	<u>-</u>
Adult Education	7,927	-	-	1,647,438
Community Services	1,185,048	-	-	225,713
Debt Services	-	-	-	-
Capital Outlay and Construction	-	-	-	-
Total Other	<u>1,192,975</u>	<u>-</u>	<u>-</u>	<u>1,873,151</u>
Total Expenditures	<u>44,501,534</u>	<u>4,392,500</u>	<u>1,328,490</u>	<u>1,873,151</u>
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	6,826,717	591,536	10,811	(54,004)
OTHER FINANCING SOURCES (USES)				
General Obligation Bonds Issued	-	-	-	-
Refunding Bonds Issued	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(94,015)	(89,789)	(32,537)	-
NET CHANGES IN FUND BALANCES	6,732,702	501,747	(21,726)	(54,004)
FUND BALANCE, JULY 1	<u>18,979,785</u>	<u>920,480</u>	<u>536,308</u>	<u>440,281</u>
FUND BALANCE, JUNE 30	<u>\$ 25,712,487</u>	<u>\$ 1,422,227</u>	<u>\$ 514,582</u>	<u>\$ 386,277</u>

<u>Grants and Donations</u>	<u>Total</u>	<u>Special Revenue Teachers Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
\$ 959,046	\$ 37,321,715	\$ 40,227,726	\$ 12,246,961	\$ 521,837	\$ 90,318,239
-	829,199	772,945	271,305	5,052	1,878,501
1,821,556	18,536,570	25,068,632	1,193,316	72,515	44,871,033
841,249	6,362,602	4,427,415	-	11,590	10,801,607
-	42,500	67,911	-	-	110,411
<u>3,621,851</u>	<u>63,092,586</u>	<u>70,564,629</u>	<u>13,711,582</u>	<u>610,994</u>	<u>147,979,791</u>
610,312	8,662,573	42,516,633	-	-	51,179,206
224,383	4,730,137	13,972,288	-	-	18,702,425
353,825	1,034,567	2,254,529	-	293,108	3,582,204
-	1,546,519	420,888	-	32,537	1,999,944
-	-	396,470	-	-	396,470
<u>1,188,520</u>	<u>15,973,796</u>	<u>59,560,808</u>	<u>-</u>	<u>325,645</u>	<u>75,860,249</u>
-	144,355	-	-	-	144,355
85,156	1,921,400	2,873,804	-	1,714	4,796,918
115,130	1,870,975	743,387	-	-	2,614,362
-	955,386	1,016,206	-	2,328	1,973,920
164,838	2,622,642	1,668,911	-	2,285	4,293,838
-	242,897	-	-	-	242,897
-	766,988	786,641	-	-	1,553,629
-	2,788,834	4,834,330	-	-	7,623,164
-	785,021	-	-	-	785,021
-	12,226,149	-	-	-	12,226,149
18,529	5,910,779	-	-	-	5,910,779
-	4,392,500	-	-	89,789	4,482,289
<u>383,653</u>	<u>34,627,926</u>	<u>11,923,279</u>	<u>-</u>	<u>96,116</u>	<u>46,647,321</u>
314,379	1,969,744	48,571	-	7,548	2,025,863
1,441,259	2,852,020	807,161	-	-	3,659,181
-	-	-	35,368,240	-	35,368,240
-	-	-	-	12,523,909	12,523,909
<u>1,755,638</u>	<u>4,821,764</u>	<u>855,732</u>	<u>35,368,240</u>	<u>12,531,457</u>	<u>53,577,193</u>
<u>3,327,811</u>	<u>55,423,486</u>	<u>72,339,819</u>	<u>35,368,240</u>	<u>12,953,218</u>	<u>176,084,763</u>
294,040	7,669,100	(1,775,190)	(21,656,658)	(12,342,224)	(28,104,972)
-	-	-	-	8,800,000	8,800,000
-	-	-	32,640,000	-	32,640,000
-	-	58,513	-	415,435	473,948
<u>(257,607)</u>	<u>(473,948)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(473,948)</u>
36,433	7,195,152	(1,716,677)	10,983,342	(3,126,789)	13,335,028
1,370,849	22,247,703	9,546,681	23,021,243	19,507,012	74,322,639
<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>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF REVENUES CLASSIFIED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2004**

	<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	\$ 21,088,012	\$ 34,264,000	\$ 10,740,904	\$ 133,977	\$ 66,226,893
Delinquent Tax	657,266	1,136,582	357,213	5,098	2,156,159
Sales Tax	8,251,546	3,698,730	-	-	11,950,276
In Lieu of Tax	-	-	28,589	28,589	57,178
Intangible Tax	57,026	92,653	29,044	362	179,085
Surtax	438,040	711,707	223,099	2,779	1,375,625
Tuition, K-12	117,291	136,695	-	-	253,986
Tuition, Post Secondary	941,207	-	-	-	941,207
Earnings on Investments	225,183	124,435	218,854	175,601	744,073
Other Interest Earned	38,711	62,924	649,258	246	751,139
Food Service Sales	2,750,558	-	-	-	2,750,558
Student Activities	1,452,826	-	-	-	1,452,826
Community Services	7,654	-	-	-	7,654
Rentals	88,448	-	-	-	88,448
Offset Printing	102,892	-	-	-	102,892
Donations	281,257	-	-	-	281,257
Food Service Catering	70,620	-	-	-	70,620
Project Construct	320,107	-	-	-	320,107
Fund Raising	10,346	-	-	-	10,346
Other Local Sources	422,725	-	-	175,185	597,910
Total Local Sources	<u>37,321,715</u>	<u>40,227,726</u>	<u>12,246,961</u>	<u>521,837</u>	<u>90,318,239</u>
COUNTY SOURCES:					
Fines & Forfeitures	-	561,719	-	4,646	566,365
State Assessed Utilities	765,278	107,367	238,748	406	1,111,799
County Stock Insurance Fund	63,921	103,859	32,557	-	200,337
Total County Sources	<u>829,199</u>	<u>772,945</u>	<u>271,305</u>	<u>5,052</u>	<u>1,878,501</u>
STATE SOURCES:					
Basic Formula	8,804,406	14,305,350	950,667	55,950	24,116,373
Transportation	956,958	1,554,875	-	-	2,511,833
Exceptional Pupil Aid	1,236,943	2,009,797	-	-	3,246,740
Free and Reduced/At Risk	2,247,240	3,651,303	242,649	14,280	6,155,472
Foreign Insurance, Free Textbook	1,188,540	-	-	-	1,188,540
Vocational, Technical	428,879	366,365	-	-	795,244
Adult Basic Education	109,126	-	-	-	109,126
Food Service	44,231	-	-	-	44,231
Literacy Grant	67,993	-	-	-	67,993
Fair Share, Cigarette Tax	-	412,552	-	-	412,552
Early Childhood	589,216	957,369	-	-	1,546,585
Remedial Reading	78,672	127,827	-	-	206,499
Career Ladder	391,789	636,583	-	-	1,028,372
Parents as Teachers	287,837	467,679	-	-	755,516
Safe Schools Grant	71,028	-	-	-	71,028
School Health Grant	85,500	-	-	-	85,500
Readers for the Blind	6,000	-	-	-	6,000
Vocational Enhancement	607,961	-	-	-	607,961

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF REVENUES CLASSIFIED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2004
(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	\$ 16,381	\$ -	\$ -	\$ -	\$ 16,381
Missouri Preschool	57,635	-	-	-	57,635
Child Care Consortium	43,427	-	-	-	43,427
Excess Cost	40,172	65,271	-	-	105,443
Extraordinary Costs	107,690	174,976	-	-	282,666
Gifted Center	208,446	338,685	-	-	547,131
Reading Recovery	33,000	-	-	-	33,000
Project Construct	801,290	-	-	-	801,290
Other State Sources	26,210	-	-	2,285	28,495
Total State Sources	<u>18,536,570</u>	<u>25,068,632</u>	<u>1,193,316</u>	<u>72,515</u>	<u>44,871,033</u>
FEDERAL SOURCES:					
Pell Grants	225,646	-	-	-	225,646
Voc Ed Act - Title I, Basic Grant	164,469	130,497	-	-	294,966
Title I - ESEA	859,664	1,799,525	-	2,328	2,661,517
Title V - ESEA	81,284	12,614	-	-	93,898
Ind With Disabilities Ed Act	1,207,449	1,944,275	-	-	3,151,724
Early Childhood	154,240	143,433	-	-	297,673
J.T.P.A.	6,999	-	-	-	6,999
Adult Basic Education	313,926	-	-	7,548	321,474
School Lunch Program	1,735,203	-	-	-	1,735,203
School Breakfast Program	448,457	-	-	-	448,457
After School Snack Program	2,522	-	-	-	2,522
Childcare Development	20,000	-	-	-	20,000
Title IV, Drug Free Schools	82,875	-	-	1,714	84,589
Title II, Part A	286,265	397,071	-	-	683,336
Title II, Part D	64,774	-	-	-	64,774
Title III - ESEA	57,003	-	-	-	57,003
Learn & Serve America	14,500	-	-	-	14,500
Medicaid	296,893	-	-	-	296,893
Goals 2000	1,200	-	-	-	1,200
Even Start Family Literacy	155,555	-	-	-	155,555
Comprehensive School Reform	141,832	-	-	-	141,832
Other Federal Sources	41,846	-	-	-	41,846
Total Federal Sources	<u>6,362,602</u>	<u>4,427,415</u>	<u>-</u>	<u>11,590</u>	<u>10,801,607</u>
OTHER SOURCES:					
Sale of Bonds	-	-	-	8,800,000	8,800,000
Refunding of Bonds	-	-	32,640,000	-	32,640,000
Total Other Sources	<u>-</u>	<u>-</u>	<u>32,640,000</u>	<u>8,800,000</u>	<u>41,440,000</u>
TUITION OTHER DISTRICTS:					
Tuition Other Districts	-	25,411	-	-	25,411
Area Vocational School Fees	42,500	42,500	-	-	85,000
Total Tuition Other Districts	<u>42,500</u>	<u>67,911</u>	<u>-</u>	<u>-</u>	<u>110,411</u>
Total Revenues	<u>\$ 63,092,586</u>	<u>\$ 70,564,629</u>	<u>\$ 46,351,582</u>	<u>\$ 9,410,994</u>	<u>\$ 189,419,791</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES BY OBJECT
FOR THE YEAR ENDED JUNE 30, 2004**

	<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	\$ 1,793,041	\$ 66,916,656	\$ -	\$ -	\$ 68,709,697
Non-Certificated Salaries	15,778,747	-	-	-	15,778,747
Total Salaries	<u>17,571,788</u>	<u>66,916,656</u>	<u>-</u>	<u>-</u>	<u>84,488,444</u>
FRINGE BENEFITS:					
Teacher Retirement	7,292,505	-	-	-	7,292,505
Non-Teacher Retirement	889,697	-	-	-	889,697
Social Security	2,142,439	-	-	-	2,142,439
Medical and Dental Benefits	2,371,897	5,026,693	-	-	7,398,590
Workers Compensation	856,804	-	-	-	856,804
Total Fringe Benefits	<u>13,553,342</u>	<u>5,026,693</u>	<u>-</u>	<u>-</u>	<u>18,580,035</u>
PURCHASED SERVICES:					
Instructional Services	-	396,470	-	-	396,470
Professional Services	1,775,727	-	-	-	1,775,727
Property Services	3,019,854	-	-	-	3,019,854
Contracted Transportation	5,290,742	-	-	-	5,290,742
Other Transportation, Non-Route	345,395	-	-	-	345,395
Travel	655,942	-	-	-	655,942
Insurance	530,999	-	-	-	530,999
Communications and Printing	790,925	-	-	-	790,925
Dues and Fees	306,855	-	-	-	306,855
Service Charges	30,384	-	-	-	30,384
Financial Aid Adult Ed.	239,325	-	-	-	239,325
Total Purchased Services	<u>12,986,148</u>	<u>396,470</u>	<u>-</u>	<u>-</u>	<u>13,382,618</u>
SUPPLIES:					
General Supplies	5,433,497	-	-	-	5,433,497
Free Textbooks	1,130,027	-	-	-	1,130,027
Library Books	594	-	-	-	594
Food Supplies	1,827,432	-	-	-	1,827,432
Gasoline	289,069	-	-	-	289,069
Utilities	2,475,774	-	-	-	2,475,774
Total Supplies	<u>11,156,393</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,156,393</u>
CAPITAL OUTLAY:					
Buildings and Additions	-	-	-	2,567,135	2,567,135
Improvements to Buildings	-	-	-	6,895,792	6,895,792
Equipment and Vehicles	155,815	-	-	3,490,291	3,646,106
Total Capital Outlay	<u>155,815</u>	<u>-</u>	<u>-</u>	<u>12,953,218</u>	<u>13,109,033</u>
DEBT SERVICE:					
Principal	-	-	27,660,000	-	27,660,000
Interest	-	-	7,476,646	-	7,476,646
Professional Fees	-	-	231,594	-	231,594
Total Debt Service	<u>-</u>	<u>-</u>	<u>35,368,240</u>	<u>-</u>	<u>35,368,240</u>
Total Expenditures	<u>\$ 55,423,486</u>	<u>\$ 72,339,819</u>	<u>\$ 35,368,240</u>	<u>\$ 12,953,218</u>	<u>\$ 176,084,763</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
 ASSESSED VALUATION AND TAX LEVY
 JUNE 30, 2004**

The assessed valuation of the tangible taxable property for the calendar years 2003 and 2002 for purposes of local taxation was as follows:

	<u>Current Year</u>	<u>Prior Year</u>
Real Estate:		
Residential.....	\$ 763,382,762	\$ 733,217,332
Agriculture	11,659,508	11,541,728
Commercial	333,491,169	320,806,701
Personal Property.....	<u>283,280,229</u>	<u>271,469,125</u>
TOTAL	<u>\$ 1,391,813,668</u>	<u>\$ 1,337,034,886</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2003 for purposes of local taxation was as follows:

	<u>Adjusted</u>	<u>Unadjusted</u>
Operating Fund.....	\$ 1.5744	\$ 1.9480
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>\$ 5.3180</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2004**

1. Calendar

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

Kindergarten – Full-day	1,057.68 hours	Grades 10-12 (Rock Bridge)	1,124.62 hours
Grades 1-5	1,057.68 hours	Grades 6-12 (Douglass)	1,105.26 hours
Grades 6-7	1,108.50 hours	Grades 6-12 (Juvenile Justice)	1,077.50 hours
Grades 8-12	1,077.50 hours		

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

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

2. Students

The number of eligible pupils (EP) for this school year was 15,137.55 (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	1,137.01	-	1,137.01
Grades 1-5	5,629.59	.97	5,630.56
Grades 6-12	<u>7,977.94</u>	<u>-</u>	<u>7,977.94</u>
Subtotal Regular Year	<u>14,744.54</u>	<u>.97</u>	14,745.51

SUMMER SCHOOL AVERAGE DAILY ATTENDANCE 196.02

TOTAL AVERAGE DAILY ATTENDANCE 14,941.53

DETERMINATION OF RESIDENT ELIGIBLE PUPILS FOR STATE AID

Total Average Daily Attendance (ADA) (above)	14,941.53
Summer School Average Daily Attendance	<u>196.02</u>

RESIDENT ELIBIGLE PUPILS FOR STATE AID (EP) 15,137.55

SEPTEMBER RESIDENT MEMBERSHIP 15,846.64

(This is a calculated number adjusted for less than full-day kindergarten as of the last Wednesday of September, 2003.)

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2004**

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, 2004.)

	<u>2004</u>
Free	4,109.45
Reduced	695.01
Total	4,804.46

3. Transportation (Section 163.161, RSMo)

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

If no, has corrective action been recommended? Yes No

B. The District's pupil transportation ridership records are so maintained as to accurately disclose in all material respects the average number of regular riders transported. X 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 8,512.00 and the average number of students transported on a regular basis (ADT) ineligible to be counted for state transportation aid was 0.

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

If no, has corrective action been recommended? Yes No

Based on the actual odometer records, the total mileage for the year was 2,290,336. Of this total, the eligible non-handicapped and handicapped miles was 1,810,374 and the ineligible non-route and disapproved miles (combined) was 479,962.

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

4. Adult Education and Literacy

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

If yes, check the appropriate programs.

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2004**

4. Adult Education and Literacy (Continued)

- B. The number of contact hours eligible for core funding reimbursement in AEL for this year was 91,807.98.
- No AEL teacher generated more than fifteen contact hours per teacher paid hour. _X_ Yes _____ No
 - No AEL teacher generated more than eight contact hours for special needs participants. _X_ Yes _____ No
- C. Teachers who are paid with AEL funds:
- are AEL certified. _X_ Yes _____ No
 - if employed as a substitute, have obtained 60 college credit hours from an accredited institution. _X_ Yes _____ No
 - have been designated as employed on the class schedule submitted to the state director. _X_ Yes _____ No
- D. The District has adequate procedures to maintain student record of enrollment, test scores, and attendance hours. _X_ Yes _____ No

5. Career Ladder (Section 168.500, RSMo)

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

6. Finance

- A. Bond as required by Section 162.401, RSMo, has been purchased for the District's treasurer in the total amount of \$400,000.
- B. The District's deposits were secured during the year as required by Sections 110.010 and 100.020, RSMo. _X_ Yes _____ No
- Details of the security agreement are located on page 48 of the report in Note 4 to the financial statements.
- C. The District maintained a separate bank account for its Debt Service Fund in accordance with Section 165.011, RSMo. _X_ Yes _____ No _____ N/A

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2004**

6. Finance (Continued)

D. The District's Free & Reduced/At-Risk (Line 14) expenditures are in accordance with DESE and/or statutory requirements. X Yes No

E. The District's expenditures for At-Risk activities were \$6,155,473.

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 \$24,342,380.

The District's 75% of 1% of the Basic Formula Apportionment amount was \$182,568.

The amount spent for approved professional development committee plan activities was \$637,004.

H. Did the District use state-funded grant monies to supplant existing salaries? Yes X No

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

I. Did the District use federal monies to supplant state expenditures? Yes X No

If yes, please explain. _____

J. Lease purchase obligations entered into after November 1, 1993, and prior to January 1, 1997, for which the principal and interest payments are being made from the GTB/Line 1 transfer amount are in accordance with Section 165.011.5 (5), RSMo. Yes No X N/A

K. Did the District make a GTB/Line 1 transfer? Yes X No

If a GTB/Line 1 transfer was made in excess of adjusted expenditures, did the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken? Yes No

L. The District issued general obligation refunding bonds in the current year. X Yes No

If yes, identify the type of refunding: X Current Advance-Defeased X Advance-Crossover

M. The District has appropriately included all current and prior year crossover refunding bonds in its financial statements. X Yes No N/A

N. The District took action prior to October 31 to cause the 2003-04 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 2002-03 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, 2004**

7. Missouri School Improvement Program (MSIP)

- A. The District has adequate procedures that allow for the proper recording and reporting of hours of absence. 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. 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. 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? Yes No
If no, has corrective action been recommended? Yes No

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF TRANSPORTATION COSTS
YEAR ENDED JUNE 30, 2004**

	<u>Regular</u>		<u>Handicapped Contracted</u>
	<u>District Owned</u>	<u>Contracted</u>	
Salary and Benefits	\$ 48,091	\$ -	\$ -
Purchased Services	-	4,125,629	1,445,023
Supplies	-	181,780	44,938
Total	<u>\$ 48,091</u>	<u>\$ 4,307,409</u>	<u>\$ 1,489,961</u>

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Single Audit Section



GERDING, KORTE & CHITWOOD

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

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

Board of Education
Columbia Public School District
Columbia, Missouri

We have audited the basic financial statements of the Columbia Public School District, Columbia, Missouri, as of and for the year ended June 30, 2004, and have issued our report thereon dated October 8, 2004. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

October 8, 2004

Certified Public Accountants

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004**

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Major Federal Assist. Program	Program or Award Amount	Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>					
Direct Programs:					
Pell Grant	84.063	N/A		(1)	\$ 225,546
Federal Family Education Loans	84.032	N/A		(1)	65,113
Total					<u>290,659</u>
Passed Through State Department of Education:					
Title I, Regular and Summer School	84.010A	010-093	X	\$ 2,718,729	2,502,396
Title II.A	84.281A	010-093	X	759,156	683,336
Title II.D	84.318X	010-093		64,774	64,774
Education of Handicapped:					
Entitlement	84.027A	010-093-EN	X	2,898,754	2,898,754
Early Childhood	84.173A	010-093-EC	X	295,082	295,082
Vocational Education	84.048A	010-093		294,966	294,966
Adult Basic Education	84.002A	010-093	X	321,474	321,474
Title III	84.365A	010-093		57,754	57,003
Drug-Free Schools & Communities (Title IV.A)	84.186A	010-093		104,674	84,589
Title V	84.340A	010-093		138,119	81,284
Lift	84.317O	010-093		1,200	1,200
Improvement Grants for Children with Disabilities	84.323A	010-093		6,975	2,572
Leveraging Educational Assistance Partnership	84.069A	010-093		15,750	15,750
Even Start	84.213C	010-093		155,555	155,555
Comprehensive School Reform	84.332A	010-093		150,000	141,832
Project Construct:					
Title I	84.010A	010-093		126,777	124,031
Total					<u>7,724,598</u>
Passed Through Missouri Assistive Technology Advisory Council:					
Special Education	84.027A	N/A		(1)	8,259
Total					<u>8,259</u>
TOTAL U.S. DEPARTMENT OF EDUCATION					\$ <u>8,023,516</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004
(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)	\$ 1,695,368
National School Breakfast	10.553	010-093	X	(1)	440,543
Food Distribution	10.550	010-093	X	\$ 304,147	295,762
Total					<u>2,431,673</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE					\$ <u>2,431,673</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		\$ 6,999	\$ <u>6,999</u>
Total					<u>6,999</u>
TOTAL U.S. DEPARTMENT OF LABOR					\$ <u>6,999</u>
 <u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
Passed Through Advent Enterprises:					
Youth Build	14.243	N/A		\$ 47,000	\$ <u>26,035</u>
Total					<u>26,035</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					\$ <u>26,035</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004
(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	\$ 20,000
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		\$ 14,500	\$ 14,500
Total					<u>14,500</u>
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					\$ <u>14,500</u>
 <u>U.S. GENERAL SERVICES ADMINISTRATION</u>					
Passed Through The State Agency for Surplus Property:					
Surplus Property	39.003	010-093		(1) \$ 1,042	\$ 1,042
Total					<u>1,042</u>
TOTAL U.S. GENERAL SERVICES ADMINISTRATION					\$ <u>1,042</u>
 TOTAL FEDERAL ASSISTANCE					\$ <u>10,523,765</u>

(1) No specific award amount

COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2004

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 \$4,471 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 \$295,762, valued at the cost assigned to those commodities by the U.S. Department of Agriculture.



GERDING, KORTE & CHITWOOD

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

**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, 2004, and have issued our report thereon dated October 8, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

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

We noted certain matters that we have reported to the management of Columbia Public School District in a separate letter dated October 8, 2004.

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

October 8, 2004

Certified Public Accountants



GERDING, KORTE & CHITWOOD

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20 South Fifth Street ♦ Columbia, Missouri 65201
573-449-1599 ♦ FAX 573-443-8603

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, 2004. 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, 2004.

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

October 8, 2004

Deering, Korte & Clutwood
Certified Public Accountants

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AND SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2004**

Section I: Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010A	Title 1.A - 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, 2004**

Section II: Findings

None

Section III: Questioned Costs

None