

# COLUMBIA SCHOOL DISTRICT

Audited Financial Statements  
For the Year Ended June 30, 2008

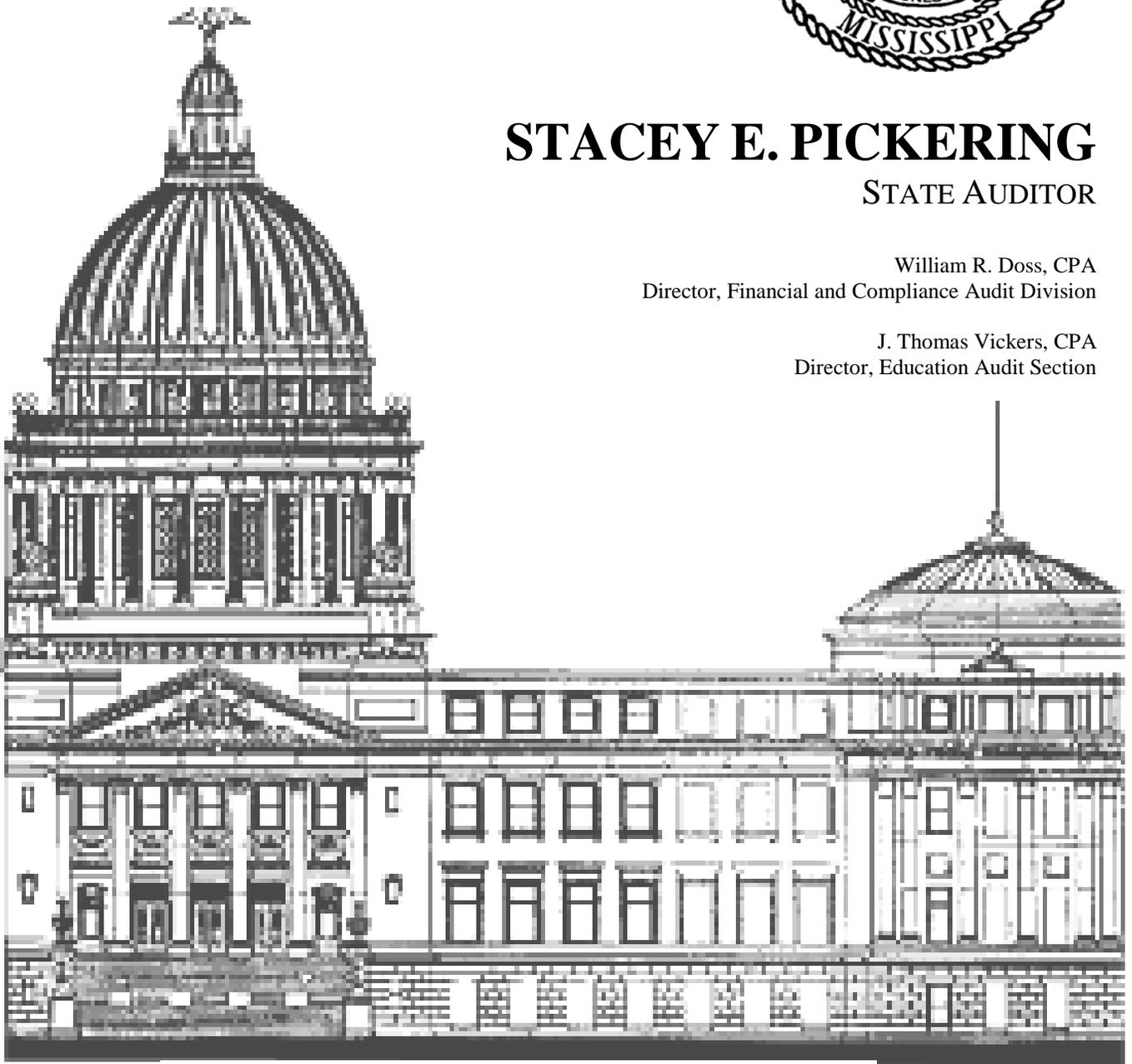


## STACEY E. PICKERING

STATE AUDITOR

William R. Doss, CPA  
Director, Financial and Compliance Audit Division

J. Thomas Vickers, CPA  
Director, Education Audit Section



A Report from the Education Audit Section

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**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

January 19, 2011

Members of the School Board  
Columbia School District

Dear Board Members:

I am pleased to submit to you the 2008 financial and compliance audit report for the Columbia School District. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed 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.

I appreciate the cooperation and courtesy extended by the Superintendent and other employees of the Columbia School District throughout the audit. Thank you for working to move Mississippi forward by serving as a board member for the Columbia School District. If I or this office can be of any further assistance, please contact me or Tommy Vickers of my staff at (601) 576-2666.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stacey E. Pickering", is written in a cursive style.

Stacey E. Pickering  
State Auditor

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COLUMBIA SCHOOL DISTRICT

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COLUMBIA SCHOOL DISTRICT

FINANCIAL AUDIT REPORT

COLUMBIA SCHOOL DISTRICT

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**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

INDEPENDENT AUDITOR'S REPORT  
ON  
THE BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Superintendent and School Board  
Columbia School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbia School District as of and for the year ended June 30, 2008, which collectively comprise the Columbia School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Columbia 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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbia School District, as of June 30, 2008, and the respective changes in financial position, thereof 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 our report dated January 19, 2011, on our consideration of the Columbia 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 on pages 7 through 13 and the Budgetary Comparison Schedule and corresponding notes on pages 43 and 44 are not a required part of the basic financial statements but are supplemental 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 required supplemental 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 School District's basic financial statements. 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. In addition, the Schedule of Instructional, Administrative and Other Expenditures - Governmental Funds is presented for purposes of additional analysis 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.

The other supplemental information section, which includes the Statement of Revenues, Expenditures and Changes in Fund Balances, General Fund, Last Four Years and the Statement of Revenues, Expenditures and Changes in Fund Balances, All Governmental Funds, Last Four Years, is presented for purposes of additional analysis as required by the Mississippi Department of Education and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in black ink that reads "Will. R. Dooss". The signature is written in a cursive, slightly slanted style.

WILLIAM R. DOSS, CPA  
Director, Financial and Compliance Audit Division

January 19, 2011

COLUMBIA SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

COLUMBIA SCHOOL DISTRICT

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

The discussion and analysis of Columbia School District's financial performance provides an overall narrative review of the School District's financial activities for the year ended June 30, 2008. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the School District's financial performance. Information contained in this section is qualified by the more detailed information contained elsewhere in this District's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the District's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

### FINANCIAL HIGHLIGHTS

- Total net assets for 2008 increased \$982,048, including a prior period adjustment of (\$76,756), which represents a 7.41% increase from fiscal year 2007. Total net assets for 2007 increased \$233,886, including a prior period adjustment of \$174,034, which represents a 1.80% increase from fiscal year 2006.
- General revenues amounted to \$14,017,502 and \$12,509,601, or 80.94% and 81.68% of all revenues for fiscal years 2008 and 2007, respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$3,300,789, or 19.06% of total revenues for 2008, and \$2,805,129, or 18.32% of total revenues for 2007.
- The District had \$16,259,487 and \$15,254,878 in expenses for fiscal years 2008 and 2007; only \$3,300,789 for 2008 and \$2,805,129 for 2007 of these expenses was offset by program specific charges for services, grants and contributions. General revenues of \$14,017,502 for 2008 and \$12,509,601 for 2007 were adequate to provide for these programs.
- Among major funds, the General Fund had \$12,632,120 in revenues and \$12,488,416 in expenditures for 2008, and \$11,100,312 in revenues and \$12,236,786 in expenditures in 2007. The General Fund's fund balance increased by \$956,218 including a prior period adjustment of (\$57,050) from 2007 to 2008, and decreased by \$597,166 from 2006 to 2007.
- Capital assets, net of accumulated depreciation, increased by \$14,419 for 2008 and increased by \$165,734 for 2007. The increase for 2008 was due to the increase in leased property under capital leases.
- Long-term debt decreased by \$384,556 for 2008 and decreased by \$450,110 for 2007. This decrease was due to the principal payments on outstanding long-term debt. In addition, the liability for compensated absences increased by \$31,041 for 2008 and increased \$3,234 for 2007.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities.

The statement of net assets presents information on all the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result

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

in cash flows in future fiscal years.

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, non-instructional and interest on long-term liabilities.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's current financing requirements. Governmental Funds are reported using modified accrual accounting. This method of accounting measures cash and other assets that can be easily converted to cash. The Governmental Funds Statements provide a detailed short-term view of the School District's operations.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's current financing decisions. The governmental funds' Balance Sheet is reconciled to the Statement of Net Assets, and the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balances is reconciled to the Statement of Activities to facilitate this comparison between governmental funds and governmental activities.

The District maintains individual governmental funds in accordance with the *Financial Accounting Manual for Mississippi Public School Districts*. Information is presented separately in the governmental funds' Balance Sheet and in the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. All other non-major funds are combined and presented in these reports as other governmental funds.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the District's own programs. The accrual basis of accounting is used for fiduciary funds. The school district is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the District's budget process.

The District adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund.

Additionally, a Schedule of Expenditures of Federal Awards as required by OMB Circular A-133 and a Schedule of Instructional, Administrative and Other Expenditures for governmental funds can be found in this report.

Also, included in the other supplemental information section are the Statement of Revenues, Expenditures and Changes in Fund Balances, General Fund, Last Four Years and the Statement of Revenues, Expenditures and Changes in Fund Balances, All Governmental Funds, Last Four Years.

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net assets.** Net assets may serve over time as a useful indicator of government's financial position. In the case of the District, assets exceeded liabilities by \$14,236,968 as of June 30, 2008.

The District's financial position is a product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

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

Table 1 presents a summary of the District's net assets at June 30, 2008 and June 30, 2007.

Table 1  
Condensed Statement of Net Assets

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>Percentage Change</u>
Current assets	\$ 3,028,499	3,489,186	(13.20) %
Restricted assets	7,720,054	7,348,741	5.05 %
Capital assets, net	<u>8,942,443</u>	<u>8,928,024</u>	0.16 %
<b>Total assets</b>	<u>19,690,996</u>	<u>19,765,951</u>	(0.38) %
Current liabilities	208,552	912,040	(77.13) %
Long-term debt outstanding	<u>5,245,476</u>	<u>5,598,991</u>	(6.31) %
<b>Total liabilities</b>	<u>5,454,028</u>	<u>6,511,031</u>	(16.23) %
<b>Net assets:</b>			
Invested in capital assets, net of related debt	3,925,180	3,563,024	10.16 %
Restricted	10,016,176	10,128,175	(1.11) %
Unrestricted	<u>295,612</u>	<u>(436,279)</u>	167.76 %
<b>Total Net Assets</b>	<u>\$ 14,236,968</u>	<u>13,254,920</u>	7.41 %

The following are significant current year transactions that had an impact on the Statement of Net Assets.

- Decrease in current liabilities due primarily to a decrease in accounts payable and accrued liabilities.
- The principal retirement of \$507,326 of long-term debt.
- Net assets invested in capital assets, net of related debt, increased from the previous fiscal year due primarily to the reduction of long-term debt related to capital assets.
- Unrestricted net assets increased from the previous fiscal year due primarily to the increase in the fund balance of the General Fund.

**Changes in net assets.** The District's total revenues for the fiscal years ended June 30, 2008 and June 30, 2007 were \$17,318,291 and \$15,314,730, respectively. The total cost of all programs and services was \$16,259,487 for 2008 and \$15,254,878 for 2007. Table 2 presents a summary of the changes in net assets for the fiscal years ended June 30, 2008 and June 30, 2007.

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

Table 2  
Changes in Net Assets

	Year Ended June 30, 2008	Year Ended June 30, 2007	Percentage Change
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 410,191	400,067	2.53 %
Operating grants and contributions	2,890,598	2,405,062	20.19 %
General revenues:			
Property taxes	3,851,706	3,755,564	2.56 %
Grants and contributions not restricted	9,281,912	8,091,860	14.71 %
Other	883,884	662,177	33.48 %
<b>Total Revenues</b>	<u>17,318,291</u>	<u>15,314,730</u>	13.08 %
<b>Expenses:</b>			
Instruction	9,543,559	8,963,871	6.47 %
Support services	5,426,501	5,133,272	5.71 %
Non-instructional	972,589	904,817	7.49 %
Interest and other expense on long-term liabilities	316,838	252,918	25.27 %
<b>Total Expenses</b>	<u>16,259,487</u>	<u>15,254,878</u>	6.59 %
<b>Increase (Decrease) in net assets</b>	<u>1,058,804</u>	<u>59,852</u>	1,669.04 %
<b>Net Assets, July 1</b>	13,254,920	13,021,034	1.80 %
<b>Prior Period Adjustment(s)</b>	(76,756)	174,034	(144.10) %
<b>Net Assets Restated, July 1</b>	<u>13,178,164</u>	<u>13,195,068</u>	(0.13) %
<b>Net Assets, June 30</b>	<u>\$ 14,236,968</u>	<u>13,254,920</u>	7.41 %

**Governmental activities.** The following table presents the cost of four major District functional activities: instruction, support services, non-instructional and interest on long-term debt. The table also shows each functional activity's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

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

Table 3  
Net Cost of Governmental Activities

	Total Expenses		Percentage Change
	2008	2007	
Instruction	\$ 9,543,559	8,963,871	6.47 %
Support services	5,426,501	5,133,272	5.71 %
Non-instructional	972,589	904,817	7.49 %
Interest on long-term liabilities	316,838	252,918	25.27 %
<b>Total Expenses</b>	<b>\$ 16,259,487</b>	<b>15,254,878</b>	<b>6.59 %</b>

	Total (Expense) Revenue		Percentage Change
	2008	2007	
Instruction	\$ (7,961,100)	(7,633,802)	(4.29) %
Support services	(4,688,621)	(4,634,784)	(1.16) %
Non-instructional	7,861	71,755	(89.04) %
Interest on long-term debt	(316,838)	(252,918)	(25.27) %
<b>Total Net (Expense) Revenue</b>	<b>\$ (12,958,698)</b>	<b>(12,449,749)</b>	<b>(4.09) %</b>

- Net cost of governmental activities, \$12,958,698 and \$12,449,749 was financed by general revenue, which is made up of primarily property taxes of \$3,851,706 for 2008 and \$3,755,564 for 2007 and state and federal revenues of (\$9,281,912 for 2008 and \$8,091,860 for 2007). In addition, there was \$432,465 and \$351,289 in Sixteenth Section sources for 2008 and 2007, respectively.
- Investment earnings amounted to \$431,369 for 2008 and \$250,750 for 2007.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$10,609,212, an increase of \$604,566, which includes a prior period adjustment of (\$57,050) and an increase in inventory of \$1,992. \$647,218 or 6.10% of the fund balance represents unreserved and undesignated fund balance, which is available for spending at the District's discretion. The remaining fund balance of \$9,961,994 or 93.90% is reserved or designated to indicate that it is not available for spending because it has already been committed.

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

The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was \$956,218, including a prior period adjustment of (\$57,050). The fund balance of Other Governmental Funds showed a decrease in the amount of \$312,679, which includes an increase in reserve for inventory of \$1,992. The increase (decrease) in the fund balances for the other major funds were as follows:

<u>Major Fund</u>	<u>Increase (Decrease)</u>
16 <sup>th</sup> Section Principal Fund	(\$38,973)

**BUDGETARY HIGHLIGHTS**

During the year, the District revised the annual operating budget. Budget revisions were made to address and correct the original budgets to reflect more accurately the sources and uses of funding for the School District. Significant budget revisions during the fiscal year are as follows:

- Budget amounts for revenue from state sources in the General Fund were increased to reflect the increase in Mississippi Adequate Education Program funds received during the fiscal year. The original budgeted amounts were understated.
- Budgeted amounts for revenue from federal sources in the General Fund were increased primarily to reflect the increase in Medical reimbursements.
- Budgeted amounts for instructional expenditures in the General Fund were increased primarily to reflect the increase in salaries and benefits of district employees. The original budgeted amounts were understated.
- The budget of the General Fund was amended to reflect facilities acquisition and construction expenditures incurred during the fiscal year related to the Primary School Office suite and the Columbia High School sports complex. The expenditures were not included in the original budget.

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplemental information.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** As of June 30, 2008, the District's total capital assets were \$13,470,655, including land, school buildings, improvements other than buildings, buses, other school vehicles and furniture and equipment. This amount represents an increase of \$353,471 from 2007. Total accumulated depreciation as of June 30, 2008, was \$4,528,212, and total depreciation expense for the year was \$322,075, resulting in total net capital assets of \$8,942,443.

Table 4  
Capital Assets, Net of Depreciation

	<u>Capital Assets, Net of Depreciation</u>		<u>Percentage</u>
	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>Change</u>
Land	\$ 826,960	826,960	(0.00) %
Construction in Progress	194,885	-	
Buildings	7,115,831	7,285,571	(2.33) %
Improvements other than buildings	61,075	65,040	(6.10) %
Mobile equipment	581,582	664,084	(12.42) %
Furniture and equipment	76,023	86,369	(11.98) %
Leased property under capital leases	86,087	-	
<b>Total</b>	<u>\$ 8,942,443</u>	<u>8,928,024</u>	(0.16) %

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

**Debt Administration.** At June 30, 2008, the District had \$5,245,476 in outstanding long-term debt, of which \$519,415 is due within one year. In addition, the liability for compensated absences increased from the prior year.

Table 5  
Outstanding Long-Term Debt

	June 30, 2008	June 30, 2007	Percentage Change
General obligation bonds payable	\$ 3,735,000	4,090,000	(8.68) %
Limited obligation bonds payable	1,185,000	1,275,000	(7.06) %
Shortfall notes payable	21,568	58,387	(63.06) %
Obligations under capital leases	97,263	-	
Compensated absences payable	206,645	175,604	17.68 %
Total	<u>\$ 5,245,476</u>	<u>5,598,991</u>	(6.31) %

**CURRENT ISSUES**

The Columbia School District is financially stable. The District is proud of its community support of the public schools.

The District has committed itself to financial excellence for many years. The District's system of financial planning, budgeting and internal financial controls is well regarded. The District plans to continue its sound fiscal management to meet the challenges of the future.

The District actively pursues grant funding to supplement the local, state and federal revenues.

Enrollment for the 2007-2008 year decreased by 1.83% to 1,657 students.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

If you have questions about this report, contact the Superintendent's Office of the Columbia School District, 613 Bryan Avenue, Columbia, MS 39429.

COLUMBIA SCHOOL DISTRICT

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COLUMBIA SCHOOL DISTRICT

FINANCIAL STATEMENTS

COLUMBIA SCHOOL DISTRICT

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COLUMBIA SCHOOL DISTRICT  
Statement of Net Assets  
June 30, 2008

Exhibit A

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 2,398,267
Due from other governments	581,625
Inventories	48,607
Restricted assets	7,720,054
Capital assets, non-depreciable:	
Land	826,960
Construction in progress	194,885
Capital assets, net of accumulated depreciation:	
Buildings	7,115,831
Improvements other than buildings	61,075
Mobile equipment	581,582
Furniture and equipment	76,023
Leased property under capital leases	86,087
	<hr/>
Total Assets	19,690,996
	<hr/>
Liabilities	
Accounts payable and accrued liabilities	139,341
Interest payable on long-term liabilities	69,211
Long-term liabilities, due within one year	
Capital related liabilities	497,847
Non-capital related liabilities	21,568
Long-term liabilities, due beyond one year	
Capital related liabilities	4,519,416
Non-capital related liabilities	206,645
	<hr/>
Total Liabilities	5,454,028
	<hr/>
Net Assets	
Invested in capital assets, net of related debt	3,925,180
Restricted net assets:	
Expendable:	
School-based activities	172,000
Debt service	537,192
Unemployment benefits	103,313
Non-expendable:	
Sixteenth section	9,203,671
Unrestricted	295,612
	<hr/>
Total Net Assets	\$ 14,236,968
	<hr/> <hr/>

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

COLUMBIA SCHOOL DISTRICT  
Statement of Activities  
For the Year Ended June 30, 2008

Exhibit B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 9,543,559	141,946	1,440,513		(7,961,100)
Support services	5,426,501		737,880		(4,688,621)
Non-instructional	972,589	268,245	712,205		7,861
Interest on long-term liabilities	316,838				(316,838)
Total Governmental Activities	\$ 16,259,487	410,191	2,890,598	0	(12,958,698)
General Revenues:					
Taxes:					
General purpose levies 3,232,541					
Debt purpose levies 619,165					
Unrestricted grants and contributions:					
State 9,252,147					
Federal 29,765					
Unrestricted investment earnings 431,369					
Sixteenth section sources 432,465					
Other 20,050					
Total General Revenues 14,017,502					
Change in Net Assets 1,058,804					
Net Assets - Beginning, as originally reported 13,254,920					
Prior Period Adjustments (76,756)					
Net Assets - Beginning - Restated 13,178,164					
Net Assets - Ending \$ 14,236,968					

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

COLUMBIA SCHOOL DISTRICT  
Balance Sheet - Governmental Funds  
June 30, 2008

Exhibit C

	Major Funds			Total Governmental Funds
	General Fund	16th Section Principal Fund	Other Governmental Funds	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,800,533	7,666,526	597,734	10,064,793
Investments			53,528	53,528
Due from other governments	185,523		393,102	578,625
Due from other funds	313,320			313,320
Advances to other funds		1,645,193		1,645,193
Inventories			48,607	48,607
<b>Total Assets</b>	<b>\$ 2,299,376</b>	<b>9,311,719</b>	<b>1,092,971</b>	<b>12,704,066</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 130,358		8,983	139,341
Due to other funds			310,320	310,320
Advances from other funds	1,645,193			1,645,193
<b>Total Liabilities</b>	<b>1,775,551</b>	<b>0</b>	<b>319,303</b>	<b>2,094,854</b>
<b>Fund Balances:</b>				
<b>Reserved for:</b>				
Advances		1,645,193		1,645,193
Inventory			48,607	48,607
Debt service			606,403	606,403
Unemployment benefits			103,313	103,313
Permanent fund purposes		7,558,478		7,558,478
<b>Unreserved:</b>				
<b>Undesignated, reported in:</b>				
General Fund	523,825			523,825
Special Revenue Funds			15,345	15,345
Permanent Funds		108,048		108,048
<b>Total Fund Balances</b>	<b>523,825</b>	<b>9,311,719</b>	<b>773,668</b>	<b>10,609,212</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,299,376</b>	<b>9,311,719</b>	<b>1,092,971</b>	<b>12,704,066</b>

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

COLUMBIA SCHOOL DISTRICT  
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets  
June 30, 2008

Exhibit C-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 10,609,212
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
1. Capital assets are used in governmental activities and are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$4,528,212.	8,942,443
2. The issuance of long-term debt 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.	(5,245,476)
3. Governmental funds recognize interest on long-term debt when it becomes due, however the Statement of Net Assets recognizes interest as it accrues.	<u>(69,211)</u>
Total Net Assets - Governmental Activities	<u>\$ 14,236,968</u>

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

COLUMBIA SCHOOL DISTRICT  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2008

Exhibit D

	Major Funds			Total Governmental Funds
	General Fund	16th Section Principal Fund	Other Governmental Funds	
Revenues:				
Local sources	\$ 3,214,090		1,172,157	4,386,247
State sources	9,207,289		300,594	9,507,883
Federal sources	210,741		2,453,886	2,664,627
Sixteenth section sources		759,534		759,534
Total Revenues	<u>12,632,120</u>	<u>759,534</u>	<u>3,926,637</u>	<u>17,318,291</u>
Expenditures:				
Instruction	7,590,001		1,761,041	9,351,042
Support services	4,783,027		540,587	5,323,614
Noninstructional services			955,414	955,414
Facilities acquisition and construction			194,885	194,885
Debt service:				
Principal	25,507		481,819	507,326
Interest	89,881		233,292	323,173
Other			3,213	3,213
Total Expenditures	<u>12,488,416</u>	<u>0</u>	<u>4,170,251</u>	<u>16,658,667</u>
Excess (Deficiency) of Revenues over Expenditures				
	<u>143,704</u>	<u>759,534</u>	<u>(243,614)</u>	<u>659,624</u>
Other Financing Sources (Uses):				
Operating transfers in	1,015,225		947,257	1,962,482
Operating transfers out	(145,661)	(798,507)	(1,018,314)	(1,962,482)
Total Other Financing Sources (Uses)	<u>869,564</u>	<u>(798,507)</u>	<u>(71,057)</u>	<u>0</u>
Net Change in Fund Balances	<u>1,013,268</u>	<u>(38,973)</u>	<u>(314,671)</u>	<u>659,624</u>
Fund Balances:				
July 1, 2007, as originally reported	(432,393)	9,350,692	1,086,347	10,004,646
Prior Period Adjustments	<u>(57,050)</u>			<u>(57,050)</u>
July 1, 2007, as restated	<u>(489,443)</u>	<u>9,350,692</u>	<u>1,086,347</u>	<u>9,947,596</u>
Increase in reserve for inventory			1,992	1,992
June 30, 2008	<u>\$ 523,825</u>	<u>9,311,719</u>	<u>773,668</u>	<u>10,609,212</u>

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

COLUMBIA SCHOOL DISTRICT  
 Reconciliation of the Governmental Funds Statement of Revenues,  
 Expenditures and Changes in Fund Balances to the Statement of Activities  
 For the Year Ended June 30, 2008

Exhibit D-1

	<u>Amount</u>
Net Change in Fund Balances - Governmental Funds	\$ 659,624
Amounts reported for governmental activities in the Statement of Activities are different because:	
1. Governmental funds report capital outlays as expenditures while governmental activities report depreciation to allocate those expenditures over the life of the assets. Capital assets purchased amounted to \$233,430 and the depreciation expense amounted to \$322,075.	(88,645)
2. Payment of principal on long-term liabilities is reported as an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Activities.	507,326
3. Governmental funds recognize interest on long-term debt when it becomes due, however, the Statement of Activities recognizes interest as it accrues regardless of when it becomes due.	9,548
4. Increase in the inventory is reported as an adjustment to fund balance in the governmental funds, but noninstructional expenditures are decreased in the Statement of Activities.	1,992
5. Expenses in the Statement of Activities not normally paid with expendable available financial resources are not reported as expenditures in the governmental funds:	
Compensated absences	<u>(31,041)</u>
Change in Net Assets of Governmental Activities	<u>\$ 1,058,804</u>

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

COLUMBIA SCHOOL DISTRICT  
Statement of Fiduciary Assets and Liabilities  
June 30, 2008

Exhibit E

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ <u>637,123</u>
Total Assets	\$ <u><u>637,123</u></u>
Liabilities	
Accounts payable and accrued liabilities	\$ 592,092
Due to other funds	3,000
Due to student clubs	<u>42,031</u>
Total Liabilities	\$ <u><u>637,123</u></u>

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

COLUMBIA SCHOOL DISTRICT

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COLUMBIA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2008

(1) Summary of Significant Accounting Policies.

The accompanying financial statements of the school district have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the school district's accounting policies are described below.

A. Financial Reporting Entity.

As defined by accounting principles generally accepted in the United States of America, the school district is considered an "other stand-alone government." The school district is a related organization of, but not a component unit of, the city of Columbia since the governing authority of the city selects a majority of the school district's board but does not have financial accountability for the school district.

For financial reporting purposes, Columbia School District has included all funds and organizations. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District.

B. Basis of Presentation.

Government-wide Financial Statements:

The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Assets presents the District's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

1. Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.
2. Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted net assets consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

COLUMBIA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2008

Fund Financial Statements:

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other governmental funds.

The school district reports the following major governmental funds:

General Fund - This is the school district's primary operating fund. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support, and other costs.

16<sup>th</sup> Section Principal Fund – This fund is used to account for the non-expendable resources generated from the sale of nonrenewable resources on sixteenth section lands.

All other governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements.

The District's fiduciary funds include the following:

Payroll Clearing Fund – This fund serves as a clearing fund for payroll type transactions.

Student Club Funds – These various funds account for the monies raised through school club activities and fund raisers and club related expenditures approved by the individual clubs.

Accounts Payable Clearing Fund – This fund serves as a clearing fund for accounts payable type transactions.

Additionally, the school district reports the following fund types:

GOVERNMENTAL FUND TYPES

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specific expenditure purposes.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Permanent Funds - Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, and not the principal, may be used for purposes that support the district's programs.

FIDUCIARY FUNDS

Agency Funds - Agency Funds are used to report resources held by the district in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

## COLUMBIA SCHOOL DISTRICT

### Notes to the Financial Statements For the Year Ended June 30, 2008

#### C. Measurement Focus and Basis of Accounting.

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the economic resources measurement focus and the accrual basis of accounting as are the Fiduciary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred or economic asset used, regardless of the timing of the related cash flows. 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. Measurable means knowing or being able to reasonably estimate the amount. 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 government considers revenues to be available if they are collected within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and judgments, are recorded only when payment is due.

Federal grants and assistance awards made on the basis of entitlement periods are recorded as receivables and revenues when entitlement occurs. Federal reimbursement type grants are recorded as revenues when the related expenditures are recognized. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations, which include subjecting grants to financial and compliance audits.

Property taxes, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual.

Ad valorem property taxes are levied by the governing authority of the city on behalf of the school district based upon an order adopted by the school board of the school district requesting an ad valorem tax effort in dollars. Since the taxes are not levied and collected by the school district, the revenues to be generated by the annual levies are not recognized until the taxes are actually collected by the tax levying authority.

Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

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

Revenues from the Mississippi Adequate Education Program are appropriated on a fiscal year basis and are recorded at the time the revenues are received from the State of Mississippi.

#### D. Account Classifications.

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing, and Financial Reporting* as issued in 2005 by the Government Finance Officers Association and are consistent with the broad classifications recommended in *Financial Accounting for Local and State School Systems, 2003* issued by the U.S. Department of Education.

COLUMBIA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2008

E. Encumbrances.

An encumbrance system is not maintained to account for commitments resulting from approved purchase orders, work orders and contracts.

F. Assets, liabilities, and net assets or equity

1. Cash, cash equivalents and investments

Cash and cash equivalents.

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. The school district deposits excess funds in the financial institutions selected by the school board. State statutes specify how these depositories are to be selected.

Investments.

The school district can invest its excess funds, as permitted by Section 29-3-113, Miss. Code Ann. (1972), in interest-bearing deposits or other obligations of the types described in Section 27-105-33, Miss. Code Ann. (1972), or in any other type investment in which any other agency, instrumentality or subdivision of the State of Mississippi may invest, except that 100% of said funds are authorized to be so invested.

For accounting purposes, certificates of deposit are classified as investments if they have an original maturity greater than three months when acquired.

Investments for the district are reported at fair market value.

2. Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Due from Other Governments

Due from other governments represents amounts due from the State of Mississippi, and various grants and reimbursements from other governments.

4. Inventories and Prepaid Items.

Donated commodities are received from the USDA and are valued at USDA cost. Other inventories are valued at cost (calculated on the first-in, first-out basis). The costs of governmental fund type inventories are reported as expenditures when purchased.

Prepaid items, such as prepaid insurance, are not reported for governmental fund types since the costs of such items are accounted for as expenditures in the period of acquisition.

COLUMBIA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2008

5. Restricted Assets

Certain resources set aside for repayment of debt are classified as restricted assets on the Statement of Net Assets because their use is limited by applicable debt statutes. Also, the nonexpendable portion of the Permanent Fund, if applicable, is classified as restricted assets because the 16<sup>th</sup> Section Principal fund is not available for use by the district except as provided for under state statute for loans from this account.

6. Capital Assets.

Capital assets, which include property, plant, furniture and equipment, are reported in the governmental activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost or estimated historical cost based on appraisals or deflated current replacement cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the thresholds in the following table and estimated useful lives in excess of two years.

Capital acquisition and construction are reflected as expenditures in the Governmental Fund statements and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements.

Depreciation is calculated on the straight-line basis for all assets, except land. The following schedule details those thresholds.

	Capitalization Policy	Estimated Useful Life
Land	\$ 0	0
Buildings	50,000	40 years
Building improvements	25,000	20 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5-10 years
Furniture and equipment	5,000	3-7 years
Leased property under capital leases	*	*

(\*) The threshold amount will correspond with the amounts for the asset classifications, as listed. See Note 5 for details.

7. Compensated Absences.

Employees of the school district accumulate sick leave at a minimum amount as required by state law. A greater amount may be provided by school district policy provided that it does not exceed the provisions for leave as provided in Sections 25-3-93 and 25-3-95. Some employees are allowed personal leave and/or vacation leave in accordance with school district policy. The district pays for unused leave for employees as required by Section 37-7-307(5), Miss. Code Ann. (1972).

The liability for these compensated absences is recorded as long-term liabilities in the government-wide statements. The current portion of this liability is estimated based on historical trends. In the fund financial statements, governmental funds report the compensated absence liability payable from expendable available financial resources only if the payable has matured, for example, an employee retires.

COLUMBIA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2008

8. Long-term Liabilities, Deferred Debt Expense, and Bond Discounts/Premiums.

In the government-wide financial statements, outstanding debt is reported as liabilities. Bond issue cost, bond discounts or premiums, and the difference between reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures. See Note 6 for details.

9. 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.

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved classified as designated and undesignated.

Fund reserves are portions of fund equity that are legally segregated for a specific future use or are not available for current operations. Following is a description of fund reserves used by the district:

Reserved for advances - An account used to offset advances recorded in the asset accounts since they do not constitute available spendable resources and are not a component of net current assets.

Reserved for inventory - An account that represents a portion of the fund balance which indicates that inventories do not represent available spendable resources even though they are a component of net current assets.

Reserved for debt service - An account that represents that portion of fund balance in the Debt Service Fund which is legally restricted and not available for spending for any other purpose than that for which it is restricted.

Reserved for unemployment benefits - An account that represents a portion of the fund balance that is legally restricted for the payment of unemployment benefits.

Reserved for permanent fund purposes - An account that represents a portion of the fund balance that is legally restricted for investment purposes or borrowing by the school board for capital purposes.

Unreserved, undesignated - An account that represents the portion of fund balance that is expendable available financial resources.

COLUMBIA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2008

(2) Cash and Cash Equivalents and Investments.

The district follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Restrictions on deposits and investments are imposed by statutes as follows:

**Deposits.** The school board must advertise and accept bids for depositories no less than once every three years as required by Section 37-7-333, Miss. Code Ann. (1972). The collateral pledged for the school districts' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation.

**Investments.** Section 29-3-113 and 37-59-43, Miss. Code Ann. (1972), authorizes the school board to invest surplus funds in the types of investments authorized by Section 27-105-33(d) and (e), Miss. Code Ann. (1972). This section permits the following types of investments: (a) certificates of deposits and interest bearing accounts with qualified state depositories; (b) direct United States Treasury obligations; (c) United States Government agency, United States Government instrumentality or United States Government sponsored enterprise obligations, the principal and interest of which are fully guaranteed by the government or enumerated agency of the United States; (d) direct security repurchase agreements and reverse direct security repurchase agreements of any federal book entry of only those securities enumerated in (b) and (c) above; (e) direct obligations issued by the United States of America that are deemed to include securities of, or interest in, and open-end or closed-end any management type investment company or investment trust approved by the State Treasurer and the Executive Director of the Department of Finance and Administration. Investment income on bond funds (Capital Projects), bond sinking funds (Debt Service Funds) and sixteenth section principal funds (Permanent Funds) must be credited to those funds. Investment income of \$100 or more of any fund must be credited to that fund. Amounts less than \$100 can be credited to the General Fund.

Cash and Cash Equivalents.

The carrying amount of the school district's deposits with financial institutions reported in the governmental funds and fiduciary funds was \$10,064,793 and \$637,123, respectively. The carrying amount of deposits reported in the government-wide financial statements was: cash and cash equivalents of \$2,398,267. The bank balance was \$11,407,987.

*Custodial Credit Risk - Deposits.* Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the district will not be able to recover deposits or collateral securities that are in the possession of an outside party. The district does not have a deposit policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the district. Deposits above FDIC coverage are collateralized by the pledging financial institutions trust department or agent in the name of the Mississippi State Treasurer on behalf of the district. As of June 30, 2008, none of the district's bank balance of \$11,407,987 was exposed to custodial credit risk.

Investments.

As of June 30, 2008, the district had the following investments.

<u>Investment Type</u>	<u>Maturities (in years)</u>	<u>Fair Value</u>	<u>Rating</u>
Hancock Horizon Treasury Securities Money Market Mutual Fund	less than 1	\$ 53,528	AAAm
Total Investments		\$ 53,528	

COLUMBIA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2008

*Interest Rate Risk.* The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* State law limits investments to those prescribed in Sections 27-105-33(d) and 27-105-33(e), Miss. Code Ann. (1972). The district does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

*Custodial Credit Risk - Investments.* Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The district does not have a formal investment policy that addresses custodial credit risk. The investment in the Hancock Horizon Treasury Securities Money Market Mutual Fund is uninsured and unregistered and is not backed by the full faith and credit of the federal government.

(3) Interfund Receivables, Payables and Transfers.

The following is a summary of interfund transactions and balances:

A. Due From/To Other Funds.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Other governmental funds	\$ 310,320
General fund	Fiduciary funds	<u>3,000</u>
Total		<u>\$ 313,320</u>

The primary reason for the interfund loans was to eliminate deficit cash balances in certain federal programs as part of normal year end closing entries.

B. Advances To/From Other Funds.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
16 <sup>th</sup> section principal fund	General fund	\$ <u>\$1,645,193</u>
Total		<u>\$ <u>\$1,645,193</u></u>

Sixteenth section principal loans payable.

Note: The sixteenth section principal loans payable is not reflected on the Statement of Net Assets because these funds were borrowed by the General Fund from the Sixteenth Section Trust Fund (Permanent Trust) in accordance with Section 29-3-113, Miss. Code Ann. (1972).

COLUMBIA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2008

The following is a schedule by years of the total payments due on this debt:

Year Ending June 30	Principal	Interest	Total
2009	\$ 251,924	65,688	317,612
2010	258,881	55,731	314,612
2011	161,348	45,375	206,723
2012	167,801	38,922	206,723
2013	174,514	32,210	206,724
2014 – 2017	630,725	61,637	692,362
<b>Total</b>	<b>\$ 1,645,193</b>	<b>299,563</b>	<b>1,944,756</b>

C. Interfund Transfers.

Transfer Out	Transfer In	Amount
General Fund	Other governmental funds	\$ 145,661
16 <sup>th</sup> section principal fund	Other governmental funds	798,507
Other governmental funds	General fund	1,015,225
Other governmental funds	Other governmental funds	3,089
<b>Total</b>		<b>\$ 1,962,482</b>

The purpose of the interfund transfers out of the General Fund was primarily to finance basic operations of the district that are not directly funded (i.e., vocational program). The transfer out of 16<sup>th</sup> Section Principal Fund represents accumulated interest income that was transferred to the 16<sup>th</sup> Section Interest Fund. The transfer out of the other governmental funds was primarily to transfer funds from the 16<sup>th</sup> Section Interest Fund to the General Fund and to transfer indirect costs on federal programs to the General Fund.

(4) Restricted

The restricted assets represent the cash balance, totaling \$7,666,526, of the Sixteenth Section Principal Fund (Permanent Fund) which is legally restricted and may not be used for purposes that support the district's programs. In addition, the restricted assets represent the investment balance in the amount of \$53,528 of the MAEP Retirement Fund.

COLUMBIA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2008

(5) Capital Assets.

The following is a summary of changes in capital assets for governmental activities:

	Balance 7-1-2007	Additions	Retirements	Completed Construction	Adjustments*	Balance 6-30-2008
<u>Governmental Activities:</u>						
<u>Non-depreciable capital assets:</u>						
Land	\$ 826,960					826,960
Construction in progress		194,885				194,885
Total non-depreciable capital assets	826,960	194,885	0	0	0	1,021,845
<u>Depreciable capital assets:</u>						
Buildings	10,346,768					10,346,768
Improvements other than buildings	99,118					99,118
Mobile equipment	1,399,521	15,495				1,415,016
Furniture and equipment	444,817	23,050				467,867
Leased property under capital leases					120,041	120,041
Total depreciable capital Assets	12,290,224	38,545	0	0	120,041	12,448,810
<u>Less accumulated depreciation for:</u>						
Buildings	3,061,197	169,740				3,230,937
Improvements other than buildings	34,078	3,965				38,043
Mobile equipment	735,437	97,997				833,434
Furniture and equipment	358,448	33,396				391,844
Leased property under capital leases		16,977			16,977	33,954
Total accumulated depreciation	4,189,160	322,075	0	0	16,977	4,528,212
Total depreciable capital assets, net	8,101,064	(283,530)	0	0	103,064	7,920,598
Governmental activities capital assets, net	\$ 8,928,024	(88,645)			103,064	8,942,443

\*Adjustments were made to record prior years additions to leased property under capital leases and the associated depreciation.

Depreciation expense was charged to the following governmental functions:

	Amount
<u>Governmental activities:</u>	
Instruction	\$ 170,788
Support services	133,672
Non-instructional	17,615
Total Depreciation Expense	\$ 322,075

COLUMBIA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2008

Commitments under construction contracts at June 30, 2008, are summarized as follows:

	Spent to June 30, 2008	Remaining Commitment
Governmental Activities:		
Primary School Office Suite	\$ 127,385	1,148,736
Columbia High Sports Complex	67,500	2,253,797
Total	<u>\$ 194,885</u>	<u>3,402,533</u>

Construction projects included in governmental activities are funded by the General Fund in the District Improvement Fund. See Note 14 for additional information.

(6) Long-term Liabilities.

The following is a summary of changes in long-term liabilities and other obligations for governmental activities:

	Balance 7-1-2007	Additions	Reductions	Adjustments	Balance 6-30-2008	Amounts due within one year
A. General obligation bonds payable	\$ 4,090,000		355,000		3,735,000	375,000
B. Limited obligation bonds Payable	1,275,000		90,000		1,185,000	95,000
C. Shortfall notes payable	58,387		36,819		21,568	21,568
D. Obligations under capital lease			25,507	122,770	97,263	27,847
E. Compensated absences payable	175,604	31,041			206,645	0
Total	<u>\$ 5,598,991</u>	<u>31,041</u>	<u>507,326</u>	<u>122,770</u>	<u>5,245,476</u>	<u>519,415</u>

A. General obligation bonds payable.

General obligation bonds are direct obligations and pledge the full faith and credit of the school district. General obligation bonds currently outstanding are as follows:

Description	Interest Rate(s)	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General obligation bonds, Series 1999	4.00-5.70%	03-15-1999	03-15-2017	\$ 6,000,000	3,735,000
Total				<u>\$ 6,000,000</u>	<u>3,735,000</u>

COLUMBIA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2008

Details of the district's general obligation bonded indebtedness are as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 375,000	151,650	526,650
2010	395,000	134,400	529,400
2011	415,000	118,600	533,600
2012	440,000	102,000	542,000
2013	465,000	84,400	549,400
2014 – 2018	<u>1,645,000</u>	<u>142,800</u>	<u>1,787,800</u>
Total	<u>\$ 3,735,000</u>	<u>733,850</u>	<u>4,468,850</u>

This debt will be retired from the Bond Issue Fund (Debt Service Fund).

The amount of bonded indebtedness that can be incurred by the school district is limited by Sections 37-59-5 and 37-59-7, Miss. Code Ann. (1972). Total outstanding bonded indebtedness during a year can be no greater than 15% of the assessed value of the taxable property within such district, according to the then last completed assessment for taxation, unless certain conditions, as set forth in Section 37-59-7, Miss. Code Ann. (1972) have been met. As of June 30, 2008, the amount of outstanding bonded indebtedness was equal to 5% of property assessments as of October 1, 2007.

B. Limited obligation bonds payable.

Limited obligation bonds are direct obligations and pledge the full faith and credit of the school district. Limited obligation bonds currently outstanding are as follows:

Description	Interest Rate (s)	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
State aid capital improvement bonds	4.25-6.00%	06-01-1998	02-18-2018	\$ 1,830,000	1,185,000
Total				<u>\$ 1,830,000</u>	<u>1,185,000</u>

Details of the district's limited obligation bonds indebtedness are as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 95,000	53,818	148,818
2010	100,000	49,380	149,380
2011	100,000	44,768	144,768
2012	110,000	39,870	149,870
2013	110,000	34,645	144,645
2014 – 2018	<u>670,000</u>	<u>84,284</u>	<u>754,284</u>
Total	<u>\$ 1,185,000</u>	<u>306,765</u>	<u>1,491,765</u>

This debt will be retired from the MAEP Retirement Fund (Debt Service Fund).

COLUMBIA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2008

The state aid capital improvement bonds are secured by an irrevocable pledge of certain revenues the district receives from the State of Mississippi pursuant to the Mississippi Accountability and Adequate Education Program Act, Sections 37-151-1 through 37-151-7, Miss. Code Ann. (1972). The state aid capital improvement bonds are not included in the computation of the debt limit percentage.

C. Shortfall notes payable.

Debt currently outstanding is as follows:

Description	Interest Rate(s)	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Shortfall note, 2005	5.48%	09-01-2005	09-01-2008	\$ 61,400	21,568
Total				\$ 61,400	21,568

Details of the district's outstanding shortfall notes payable are as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 21,568	1,182	22,750
Total	\$ 21,568	1,182	22,750

This debt will be retired from the Shortfall Note 05 Fund (Debt Service Fund).

The 2004 shortfall note was retired during the current year.

D. Obligations under capital leases.

The school district has entered into a lease agreement as lessee for financing the acquisition of twenty three copiers at a cost of \$142,380 with no down payment. This lease qualifies as a capital lease for accounting purposes.

At the end of the term of the lease, the district has the option to purchase the copiers for \$1.

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Twenty three Canon copiers	8.81%	08-22-2006	08-22-2011	\$ 142,380	97,263
Total				\$ 142,380	97,263

The following is a schedule by years of the total payments due on this debt:

Year Ending June 30	Principal	Interest and Maintenance Charges	Total
2009	\$ 27,847	7,463	35,310
2010	30,403	4,907	35,310
2011	33,193	2,117	35,310
2012	5,820	64	5,884
Total	\$ 97,263	14,551	111,814

COLUMBIA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2008

The school district uses the straight-line method of amortization for the lease payments which is not in accordance with accounting principles generally accepted in the United States of America. However, the difference between the effective interest method and the straight-line method is not considered material.

This debt will be retired from the District Maintenance Fund (General Fund).

E. Compensated absences payable.

As more fully explained in Note 1(F)(7), compensated absences payable is adjusted on an annual basis as required by Section 37-7-307(5), Miss. Code Ann. (1972). Compensated absences will be paid from the fund from which the employees' salaries were paid.

(7) Other Commitments.

Commitments under construction contracts are described in Note 5.

Operating leases:

The school district has an operating lease for a postage meter.

Lease expenditures for the year ended June 30, 2008, amounted to \$1,548. Future lease payments for this lease are as follows:

Year Ending June 30	Amount
2009	\$ 1,161
Total	\$ 1,161

(8) Defined Benefit Pension Plan.

**Plan Description.** The school district contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444-PERS.

**Funding Policy.** PERS members are required to contribute 7.25% of their annual covered salary, and the school district is required to contribute at an actuarially determined rate. The employer's rate for fiscal year ended June 30, 2008 was 11.85% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The school district's contributions to PERS for the fiscal years ending June 30, 2008, 2007 and 2006 were \$1,059,370, \$925,686 and \$894,253 respectively, which equaled the required contributions for each year.

(9) Sixteenth Section Lands.

Sixteenth section school lands, or lands granted in lieu thereof, constitute property held in trust for the benefit of the public schools. The Marion County School Board manages the 16<sup>th</sup> section lands that are located within the boundaries of the Columbia School District. Sufficient information is not available to disclose future rental payments for these lands. However, management does not anticipate future rentals from these lands to be material.

COLUMBIA SCHOOL DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2008

(10) Prior Period Adjustments.

A summary of significant fund equity adjustments is as follows:

Exhibit B - Statement of Activities

<u>Explanation(s)</u>	<u>Amount</u>
1. Adjustment needed in order to reduce a receivable that was set-up in the prior year. The district will not receive the monies.	\$ (57,050)
2. Add assets under capital lease	120,041
3. Adjust for depreciation on capital assets under capital lease	(16,977)
4. Adjust for obligations under capital lease	(97,263)
5. Adjust for current year payment of capital leases that was not recorded in FY 2007.	(25,507)
Total	\$ <u><u>(76,756)</u></u>

Exhibit D - Statement of Revenues, Expenditures and Changes in Fund Balances

<u>Major Funds</u>	<u>Explanation(s)</u>	<u>Amount</u>
General Fund	Adjustment needed to reduce a prior year receivable that will not be collected.	\$ (57,050)
Total		\$ <u><u>(57,050)</u></u>

(11) Contingencies.

Federal Grants. – The school district has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowances resulting from the grantor audit may become a liability of the school district.

Litigation.

The school district is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate the outcome or liability, if any, of the school district with respect to the various proceedings. However, the school district's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the school district.

(12) Risk Management.

The school district is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Except as described below, the district carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## COLUMBIA SCHOOL DISTRICT

### Notes to the Financial Statements For the Year Ended June 30, 2008

#### Participation in Public Entity Risk Pool.

The school district is a member of the Mississippi School Boards Association Workers' Compensation Trust (MSBAWCT). The trust is a risk-sharing pool; such a pool is frequently referred to as a self-insurance pool. The trust consists of approximately 95 school districts and one community college and covers risks of loss arising from injuries to the member's employees. The Mississippi Workers' Compensation Commission requires that an indemnity agreement be executed by each member in a workers' compensation self-insurance pool for the purpose of jointly and severally binding the pool and each of the employers comprising the group to meet the workers' compensation obligations of each member. Each member of MSBAWCT contributes quarterly to a fund held in trust by Wells Fargo in Portland, Oregon. The funds in the trust account are used to pay any claim up to \$750,000. For a claim exceeding \$750,000, MSBAWCT has insurance which will pay the excess to the statutory amount required by the Mississippi Workers Compensation Commission Act. If total claims during a year were to deplete the trust account, then the member school districts would be required to pay for the deficiencies. The district has not had an additional assessment for excess losses incurred by the pool.

#### (13) Joint Operated Vocational Center.

The school district entered into a Vocational Educational Agreement dated April 4, 1991 creating the Columbia-Marion County Career Center. This center was created pursuant to the provisions of Section 37-31-73, Miss. Code Ann. (1972), and approved by the Mississippi Department of Education. The center includes the Columbia School District and the Marion County School District.

Section 37-31-73, Miss. Code Ann. (1972), authorizes the above noted entities to enter into an agreement that would provide for the construction or operation of a regional vocational education center. Any such agreement should provide for a designated fiscal agent, providing the method of financing the construction and operation of such facilities, the manner in which such facilities are to be controlled and staffed and detail procedures for student admission and transportation services for those students.

The Marion County School District has been designated as the fiscal agent for the Columbia-Marion County Career Center, and the operations of the center are included in its financial statements.

#### (14) Subsequent Events.

On July 17, 2008, the district issued a limited tax note in the amount of \$1,900,000 for the purpose of paying a portion of building a centralized office suite at Columbia Primary School and a sports complex. The note is for a period of 15 years at an interest rate of 3.85% and will be retired on June 1, 2023.

On July 17, 2008, the district issued refunding bonds in the amount of \$1,132,000 for the purpose of refunding the entire outstanding principal balance of the district's State Aid Capital Improvement Bonds, Series, 1998. The bonds are for a period of 10 years at an interest rate of 3.40% and will be retired on February 1, 2018.

On June 19, 2009, the district issued a shortfall note in the amount of \$33,736. The note is for a period of three years at an interest rate of 5.99% and will be retired on September 1, 2011.

On October 8, 2009, the district authorized the incorporation of the Columbia School District Leasing Authority, Inc., which is a component unit of the district.

On November 16, 2009, the district entered into a construction contract in the amount of \$2,420,550 to replace all heating and air conditioning units at all of the district's schools.

On January 15, 2010, the district issued a Qualified School Construction Bond, in the amount of \$3,000,000 for the purpose of replacing all heating and air conditioning units and for other improvements at schools in the district. The bond is for a period of 15 years at an interest rate of .84% and will be retired on September 15, 2024.

On August 25, 2010, the district issued a shortfall note in the amount of \$160,376. The note is for a period of three years at an interest rate of 2.14% and will be retired on August 25, 2013.

COLUMBIA SCHOOL DISTRICT

REQUIRED SUPPLEMENTAL INFORMATION

COLUMBIA SCHOOL DISTRICT

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COLUMBIA SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
<b>Revenues:</b>					
Local sources	\$ 3,121,185	3,180,354	3,214,090	59,169	33,736
State sources	8,814,940	9,265,445	9,207,289	450,505	(58,156)
Federal sources	25,000	152,586	210,741	127,586	58,155
Total Revenues	<u>11,961,125</u>	<u>12,598,385</u>	<u>12,632,120</u>	<u>637,260</u>	<u>33,735</u>
<b>Expenditures:</b>					
Instruction	7,147,931	7,625,311	7,590,001	(477,380)	35,310
Support services	4,767,403	4,783,028	4,783,027	(15,625)	1
Facilities acquisition and construction		194,885		(194,885)	194,885
<b>Debt service:</b>					
Principal			25,507		(25,507)
Interest	265,617	80,078	89,881	185,539	(9,803)
Total Expenditures	<u>12,180,951</u>	<u>12,683,302</u>	<u>12,488,416</u>	<u>(502,351)</u>	<u>194,886</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(219,826)</u>	<u>(84,917)</u>	<u>143,704</u>	<u>134,909</u>	<u>228,621</u>
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	2,423,967	3,541,402	1,015,225	1,117,435	(2,526,177)
Operating transfers out	<u>(2,262,624)</u>	<u>(2,671,838)</u>	<u>(145,661)</u>	<u>(409,214)</u>	<u>2,526,177</u>
Total Other Financing Sources (Uses)	<u>161,343</u>	<u>869,564</u>	<u>869,564</u>	<u>708,221</u>	<u>0</u>
Net Change in Fund Balances	<u>(58,483)</u>	<u>784,647</u>	<u>1,013,268</u>	<u>843,130</u>	<u>228,621</u>
<b>Fund Balances:</b>					
July 1, 2007		(432,393)	(432,393)	(432,393)	0
Prior period adjustments			<u>(57,050)</u>	<u>0</u>	<u>(57,050)</u>
July 1, 2007, as restated	<u>0</u>	<u>(432,393)</u>	<u>(489,443)</u>	<u>(432,393)</u>	<u>(57,050)</u>
June 30, 2008	<u>\$ (58,483)</u>	<u>352,254</u>	<u>523,825</u>	<u>410,737</u>	<u>171,571</u>

The notes to the required supplemental information are an integral part of this statement.

COLUMBIA SCHOOL DISTRICT  
Notes to the Required Supplemental Information  
For the Year Ended June 30, 2008

Budgetary Comparison Schedule

(1) Basis of Presentation.

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, variances between the original budget and the final budget, and variances between the final budget and the actual data.

(2) Budget Amendments and Revisions.

The budget is adopted by the school board and filed with the taxing authority. Amendments can be made on the approval of the school board. By statute, final budget revisions must be approved on or before October 15. A budgetary comparison is presented for the General Fund consistent with accounting principles generally accepted in the United States of America.

COLUMBIA SCHOOL DISTRICT

SUPPLEMENTAL INFORMATION

COLUMBIA SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

Catalog of  
Federal Domestic  
Assistance Number

Federal  
Expenditures

U.S. Department of Agriculture

Passed-through Mississippi Department of Education:

Child nutrition cluster:

School breakfast program	10.553	\$ 196,227
National school lunch program	10.555	608,135
Total child nutrition cluster		<u>804,362</u>
Total passed-through Mississippi Department of Education		<u>804,362</u>
Total U.S. Department of Agriculture		<u>804,362</u>

Federal Communications Commission

Administered through the Universal Service Administrative Company:

The schools and libraries program of the universal service fund	32.XXX	29,765
Total Federal Communications Commission		<u>29,765</u>

U.S. Department of Education:

Passed-through Mississippi Department of Education:

Title I grants to local educational agencies	84.010	641,774
Career and technical education _ basic grants to states	84.048	27,551
Safe and drug-free schools and communities_ state grants	84.186	13,409
State grants for innovative programs	84.298	3,275
Education technology state grants	84.318	3,301
Rural education	84.358	34,322
Improving teacher quality state grants	84.367	257,442
Total		<u>981,074</u>

Special education cluster:

Special education _ grants to states	84.027	647,974
Special education _ preschool grants	84.173	44,053
Total special education cluster		<u>692,027</u>
Total passed-through Mississippi Department of Education		<u>1,673,101</u>
Total passed-through U.S. Department of Education		<u>1,673,101</u>

U.S. Department of Health and Human Services

Passed-through the Mississippi Department of Education:

Medical assistance program	93.778	180,976
Total passed-through Mississippi Department of Education		<u>180,976</u>
Total U.S. Department of Health and Human Services		<u>180,976</u>

Total for All Federal Awards \$ 2,688,204

NOTES TO SCHEDULE

1. This schedule was prepared using the same basis of accounting and the same significant accounting policies, as applicable, used for the financial statements.
2. The expenditure amounts include transfers out.
3. The pass-through entities did not assign identifying numbers to the school district.

COLUMBIA SCHOOL DISTRICT  
 Schedule of Instructional, Administrative and Other Expenditures - Governmental Funds  
 For the Year Ended June 30, 2008

Expenditures	Total	Instruction and Other Student Instructional Expenditures	General Administration	School Administration	Other
Salaries and fringe benefits	\$ 12,804,972	9,900,195	680,535	833,279	1,390,963
Other	3,853,695	1,220,510	20,172	33,206	2,579,807
 Total	 \$ 16,658,667	 11,120,705	 700,707	 866,485	 3,970,770
 Total number of students*	 1,657				
 Cost per student	 \$ 10,054	 6,712	 423	 523	 2,396

For purposes of this schedule, the following columnar descriptions are applicable:

**Instruction and Other Student Instructional Expenditures** - includes the activities dealing directly with the interaction between teachers and students. Included here are the activities of teachers, teachers aides or classroom assistants of any type. (all the 1000, 2100, & 2200 functional codes).

**General Administration** - includes expenditures for the following functions: Support Services - General Administration (2300s); and Support Services - Business (2500s).

**School Administration** - includes expenditures for the following function: Support Services - School Administration (2400s).

**Other** - includes all expenditure functions not included in Instruction or Administration Categories.

\* Includes the number of students reported on the ADA report submission for month 9, which is the final submission for the fiscal year.

COLUMBIA SCHOOL DISTRICT

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COLUMBIA SCHOOL DISTRICT

OTHER SUPPLEMENTAL INFORMATION

COLUMBIA SCHOOL DISTRICT

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COLUMBIA SCHOOL DISTRICT  
Statement of Revenues, Expenditures and Changes in Fund Balances  
General Fund  
Last Four Years

"UNAUDITED"

	2008	2007*	2006*	2005*
Revenues:				
Local sources	\$ 3,214,090	2,999,832	3,042,584	2,823,244
State sources	9,207,289	7,995,184	7,710,896	7,047,726
Federal sources	210,741	105,296	29,214	17,279
Total Revenues	<u>12,632,120</u>	<u>11,100,312</u>	<u>10,782,694</u>	<u>9,888,249</u>
Expenditures:				
Instruction	7,590,001	7,266,668	5,299,968	5,836,072
Support services	4,783,027	4,870,424	3,684,488	3,870,893
Facilities acquisition and construction		99,694		
Debt service:				
Principal	25,507			
Interest	89,881		86,180	66,013
Total Expenditures	<u>12,488,416</u>	<u>12,236,786</u>	<u>9,070,636</u>	<u>9,772,978</u>
Excess (Deficiency) of Revenues over Expenditures	<u>143,704</u>	<u>(1,136,474)</u>	<u>1,712,058</u>	<u>115,271</u>
Other Financing Sources (Uses):				
Refunding of prior year expenditure		53,756		
Proceeds of loans			61,400	
Insurance loss recoveries			45,481	
Operating transfers in	1,015,225	622,105	3,537,309	2,095,308
Other financing sources			2,974	
Operating transfers out	(145,661)	(251,050)	(3,457,293)	(1,791,282)
Total Other Financing Sources (Uses)	<u>869,564</u>	<u>424,811</u>	<u>189,871</u>	<u>304,026</u>
Net Change in Fund Balances	<u>1,013,268</u>	<u>(711,663)</u>	<u>1,901,929</u>	<u>419,297</u>
Fund Balances:				
Beginning, as originally reported	(432,393)	164,773	(1,751,092)	(2,236,230)
Prior period adjustments	(57,050)	114,497	13,936	65,841
Beginning of period, as restated	<u>(489,443)</u>	<u>279,270</u>	<u>(1,737,156)</u>	<u>(2,170,389)</u>
End of Period	<u>\$ 523,825</u>	<u>(432,393)</u>	<u>164,773</u>	<u>(1,751,092)</u>

\*SOURCE - PRIOR YEAR AUDIT REPORTS

COLUMBIA SCHOOL DISTRICT  
Statement of Revenues, Expenditures and Changes in Fund Balances  
All Governmental Funds  
Last Four Years

"UNAUDITED"

	<u>2008</u>	<u>2007*</u>	<u>2006*</u>	<u>2005*</u>
<b>Revenues:</b>				
Local sources	\$ 4,386,247	4,496,708	4,252,103	3,920,866
State sources	9,507,883	8,294,151	8,007,142	7,420,418
Federal sources	2,664,627	2,202,773	4,464,748	2,379,652
Sixteenth section sources	759,534	267,342	505,422	449,040
<b>Total Revenues</b>	<u>17,318,291</u>	<u>15,260,974</u>	<u>17,229,415</u>	<u>14,169,976</u>
<b>Expenditures:</b>				
Instruction	9,351,042	8,808,985	8,222,305	7,448,681
Support services	5,323,614	5,323,666	4,947,562	4,554,584
Noninstructional services	955,414	893,559	869,162	828,832
Facilities acquisition and construction	194,885	99,694	16,121	16,205
<b>Debt service:</b>				
Principal	507,326	450,110	410,103	380,000
Interest	323,173	258,625	377,556	411,939
Other	3,213	3,234	3,223	3,375
<b>Total Expenditures</b>	<u>16,658,667</u>	<u>15,837,873</u>	<u>14,846,032</u>	<u>13,643,616</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>659,624</u>	<u>(576,899)</u>	<u>2,383,383</u>	<u>526,360</u>
<b>Other Financing Sources (Uses):</b>				
Refund of prior year expenditures		53,756		
Proceeds of loans			61,400	
Insurance loss recoveries			45,481	
Operating transfers in	1,962,482	876,155	3,914,856	2,573,229
Other financing sources			2,974	
Operating transfers out	(1,962,482)	(876,155)	(3,914,856)	(2,573,229)
<b>Total Other Financing Sources (Uses)</b>	<u></u>	<u>53,756</u>	<u>109,855</u>	<u></u>
<b>Net Change in Fund Balances</b>	<u>659,624</u>	<u>(523,143)</u>	<u>2,493,238</u>	<u>526,360</u>
<b>Fund Balances:</b>				
Beginning, as originally reported	10,004,646	10,392,311	7,896,785	7,261,464
Prior period adjustments	(57,050)	127,084		91,170
<b>Beginning of period, as restated</b>	<u>9,947,596</u>	<u>10,519,395</u>	<u>7,896,785</u>	<u>7,352,634</u>
Increase in reserve for inventory	1,992	8,394	2,288	17,791
<b>End of Period</b>	<u>\$ 10,609,212</u>	<u>10,004,646</u>	<u>10,392,311</u>	<u>7,896,785</u>

\*SOURCE - PRIOR YEAR AUDIT REPORTS

COLUMBIA SCHOOL DISTRICT

REPORTS ON INTERNAL CONTROLS AND COMPLIANCE

COLUMBIA SCHOOL DISTRICT

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**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

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

Superintendent and School Board  
Columbia School District

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Columbia School District as of and for the year ended June 30, 2008, which collectively comprise Columbia School District's basic financial statements and have issued our report thereon dated January 19, 2011. 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 the school district's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the school district's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the school district's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in the internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as Finding 08-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the school district's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above in Finding 08-1 to be a material weakness.

Compliance and Other Matters

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

Columbia School District's response to the finding identified in our audit is described in the accompanying Auditee's Corrective Action Plan. We did not audit Columbia School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the school board and management, entities with accreditation overview, 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. However, this report is a matter of public record and its distribution is not limited.



WILLIAM R. DOSS, CPA  
Director, Financial and Compliance Audit Division

January 19, 2011



**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Superintendent and School Board  
Columbia School District

Compliance

We have audited the compliance of the Columbia School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Columbia 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 the school district's management. Our responsibility is to express an opinion on the 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 the 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 the school district's compliance with those requirements.

In our opinion, Columbia School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as Findings 08-2 and 08-3.

Internal Control Over Compliance

The management of the Columbia 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 School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the school district's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in the internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Findings 08-2 and 08-3 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Columbia School District's responses to the findings identified in our audit are described in the accompanying Auditee's Corrective Action Plan. We did not audit Columbia School District's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the school board and management, others within the entity, entities with accreditation overview, 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. However, this report is a matter of public record and its distribution is not limited.



WILLIAM R. DOSS, CPA  
Director, Financial and Compliance Audit Division

January 19, 2011

COLUMBIA SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

COLUMBIA SCHOOL DISTRICT

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**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
STATE LAWS AND REGULATIONS**

Superintendent and School Board  
Columbia School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbia School District as of and for the year ended June 30, 2008, which collectively comprise Columbia School District's basic financial statements and have issued our report thereon dated January 19, 2011. 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.

Section 37-9-18(3)(a), Miss. Code Ann. (1972), states in part, "the auditor shall test to insure that the school district is complying with the requirements of Section 37-61-33(3)(a)(iii), Miss. Code Ann. (1972), relating to classroom supply funds." As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain other state laws and regulations. However, providing an opinion on compliance with all state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our procedures performed to test compliance with the requirements of Section 37-61-33(3)(a)(iii), Miss. Code Ann. (1972), disclosed no instances of noncompliance. The district reported \$13,058 of classroom supply funds carried over from previous years.

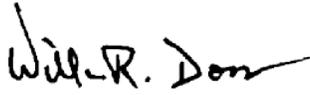
Section 37-9-18(3)(b), Miss. Code Ann. (1972), states in part, "the auditor shall test to insure correct and appropriate coding at the function level. The audit must include a report showing the correct and appropriate functional level expenditure codes in expenditures by the school district."

The results of our procedures performed to test compliance with the requirements of Section 37-9-18(3)(b), Miss. Code Ann. (1972), disclosed no instances of noncompliance related to incorrect or inappropriate functional level expenditure coding.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain other state laws and regulations. However, providing an opinion on compliance with all state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of procedures performed to test compliance with certain other state laws and regulations and our audit of the financial statements did not disclose any instances of noncompliance with other state laws and regulations.

This report is intended solely for the information and use of the school board and management, entities with accreditation overview, 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. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Will. R. Dooss". The signature is written in a cursive style with a long horizontal stroke at the end.

WILLIAM R. DOSS, CPA  
Director, Financial and Compliance Audit Division

January 19, 2011

COLUMBIA SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

COLUMBIA SCHOOL DISTRICT

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COLUMBIA SCHOOL DISTRICT

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2008

Section 1: Summary of Auditor's Results

Financial Statements:

- |    |   |             |
|----|---|-------------|
| 1. | Type of auditor's report issued on the financial statements:                              | Unqualified |
| 2. | Material noncompliance relating to the financial statements?                              | No          |
| 3. | Internal control over financial reporting:  |             |
|    | a. Material weakness identified?  | Yes         |
|    | b. Significant deficiencies identified that are not considered to be material weaknesses? | No          |

Federal Awards:

- |     |  |             |
|-----|--|-------------|
| 4.  | Type of auditor's report issued on compliance for major federal programs:  | Unqualified |
| 5.  | Internal control over major programs:  |             |
|     | a. Material weaknesses identified?   | No          |
|     | b. Significant deficiencies identified that are not considered to be material weaknesses?  | Yes         |
| 6.  | Any audit findings reported as required by Section ____.510(a) of Circular A-133?  | Yes         |
| 7.  | Federal programs identified as major programs:   |             |
|     | a. Child Nutrition Cluster   |             |
|     | CFDA # 10.553 School breakfast program   |             |
|     | CFDA # 10.555 National school lunch program  |             |
|     | b. Special Education Cluster   |             |
|     | CFDA # 84.027 Special education – grants to states   |             |
|     | CFDA # 84.173 Special education – preschool grants   |             |
| 8.  | The dollar threshold used to distinguish between type A and type B programs:   | \$300,000   |
| 9.  | Auditee qualified as a low-risk auditee?   | No          |
| 10. | Prior fiscal year audit finding(s) and questioned cost relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings as discussed in Section ____.315(b) of OMB Circular A-133? | Yes         |

COLUMBIA SCHOOL DISTRICT

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2008

Section 2: Financial Statement Findings

Significant Deficiency Considered to Be A Material Weakness

08- 1. Controls Concerning the Bank Reconciliation Process Should Be Strengthened

Finding

A critical aspect of effective financial management is the maintenance of accurate accounting records, which include reconciling monthly bank statements to the balances in the general ledger in a timely manner. In addition, good internal controls dictate the district to prepare accurate and timely bank reconciliations to ensure account balances are properly presented.

During our testwork of cash, we noted that the bank statements balances were not reconciled to the general ledger balances in four of seven bank accounts. Also, the bank reconciliations for July 2008, August 2008, September 2008 and October 2008 were performed on November 6, 2008. As of May, 2009, October 2008 was the last bank reconciliation completed.

As a result of inadequate internal controls for performance of bank reconciliations, bank statements were not reconciled to the general ledger balances nor were the reconciliations performed in a timely manner.

Not performing bank reconciliations timely and incorrect bank reconciliations at year-end could result in inaccurate presentation of the financial condition of the district.

Recommendation

We recommend the district ensure that all bank statements are reconciled to the general ledger on a monthly basis.

Section 3: Federal Award Findings and Questioned Costs

Significant Deficiencies Not Considered to Be Material Weaknesses

08-2 Controls Related to the Purchasing/Expenditures Function Should Be Strengthened

Finding

Program: Special Education Cluster, Passed-through the Mississippi Department of Education:  
CFDA # 84.027; Special education – grants to states  
CFDA # 84.173; Special education – preschool grants

Compliance requirement: Allowable costs/cost principles

Management is responsible for establishing a proper internal control system to ensure proper financial accountability and safeguarding of assets.

During our tests of 18 expenditures totalling \$59,783, we noted that was no signature for receipt of goods for seven expenditures totalling \$1,883.

Inadequate internal controls related to the expenditures and disbursements cycle could result in misappropriation or loss of assets.

COLUMBIA SCHOOL DISTRICT

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2008

Recommendation

We recommend that the district implement controls to require purchase orders be completed, approved, and signed before purchases are made. Procedures should also be strengthened to ensure receipt of goods is properly documented for all purchases.

08-3. Controls Should Be Strengthened for Cash Management

Finding

Program: Special Education Cluster, Passed-through the Mississippi Department of Education:  
CFDA # 84.027; Special education – grants to states  
CFDA # 84.173; Special education – preschool grants

Compliance requirement: Cash Management

The district is responsible for establishing internal controls to provide reasonable assurance that the drawdown of federal cash is only for immediate cash needs.

Adequate controls were not in place to ensure that funds drawn down from federal programs were for the district's immediate cash needs. In the Special Education-grants to states fund, we noted that due to a prior year large excess balance, the district had excess cash on hand for four months at the beginning of the fiscal year. The district also requested funds in May resulting in an excess balance in cash for two months at the end of the fiscal year. In the Special Education-preschool grants fund, the district also had excess cash balances for nine of twelve months. These excess draw downs represent a weakness over the internal controls related to the cash management requirement for these federal programs.

The weakness occurred because district personnel did not review the requests for draw downs as required by the Mississippi Department of Education.

Requesting funds prior to immediate needs resulted in noncompliance with the federal program's requirements.

Recommendation

We recommend the district implement policies and procedures to ensure compliance with the cash management requirement for federal program funds, which requires the district to minimize the amount of time program funds are held before disbursement.

COLUMBIA SCHOOL DISTRICT

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COLUMBIA SCHOOL DISTRICT

AUDITEE'S CORRECTIVE ACTION PLAN  
AND /or  
SUMMARY OF PRIOR AUDIT FINDINGS

COLUMBIA SCHOOL DISTRICT

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## COLUMBIA SCHOOL DISTRICT

613 Bryan Avenue  
Columbia, Mississippi 39429  
Telephone 601-736-2366  
Fax 601-736-2653

January 19, 2011

As required by Section 315 (c) of OMB Circular A-133, the Columbia School District has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended June 30, 2008.

### Finding

2008-1

### Corrective Action Plan

- a. Kim Rogers, Business Manager, will be the contact person responsible for the corrective action.  
Contact information is as follows:  
Columbia School District  
Attn: Kim Rogers, Business Manager  
613 Bryan Avenue  
Columbia, Mississippi 39429  
601-736-2366
- b. Bank statements will be reconciled to the general ledger monthly. Copies of both the general ledger and trial balance will be attached to the reconciliations as documentation.
- c. This corrective action will begin January 1, 2011.

### Finding

2008-2

### Corrective Action Plan

- a. Kim Rogers, Business Manager, will be the contact person responsible for the corrective action.

Contact information is as follows:

Columbia School District  
Attn: Kim Rogers, Business Manager  
613 Bryan Avenue  
Columbia, Mississippi 39429  
601-736-2366

- b. The district will ensure that all employees involved in the purchasing process are aware and trained in proper purchasing procedures and documentation.
- c. This corrective action will begin January 1, 2011.

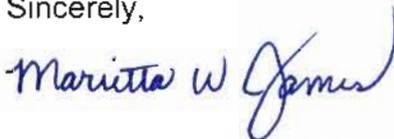
Finding

2008-3

Corrective Action Plan

- a. Kim Rogers, Business Manager, will be the contact person responsible for the corrective action.  
Contact information is as follows:  
Columbia School District  
Attn: Kim Rogers, Business Manager  
613 Bryan Avenue  
Columbia, Mississippi 39429  
601-736-2366
- b. The District will monitor federal programs monthly to ensure the cash draws do not exceed the current expenditures. A trial balance will be printed and reviewed before any request for funds are made.
- c. This corrective action will begin January 1, 2011.

Sincerely,



Marietta W. James, Ed.D.  
Superintendent



## COLUMBIA SCHOOL DISTRICT

613 Bryan Avenue  
Columbia, Mississippi 39429  
Telephone 601-736-2366  
Fax 601-736-2653

June 9, 2009

As required by Section 315 (c) of OMB Circular A-133, the Columbia School District has prepared and hereby submits the following summary schedule of prior audit findings as of June 30, 2008:

Finding  
2007-3

Status  
Corrective Action was taken

Sincerely,

Marietta W. James, Ed.D.  
Superintendent