

**Auditor of State
Betty Montgomery**



Mary Taylor, CPA
Auditor of State

March 16, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

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**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

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COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY
FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
School Breakfast Program	043802 05PU-2005	10.553	\$ 1,262,321	\$ -	\$ 1,262,321	\$ -
	043802 05PU-2006	10.553	4,063,200	-	4,063,200	-
Total School Breakfast Program			5,325,521	-	5,325,521	-
National School Lunch Program	043802 LLP4-2005	10.555	3,341,063	-	3,342,215	-
	043802 LLP4-2006	10.555	11,386,288	-	11,386,288	-
Total National School Lunch Program			14,727,351	-	14,728,503	-
Summer Food Service Program	043802 24PU-2005	10.559	21,529	-	21,529	-
	043802 23PU-2005	10.559	208,737	-	208,737	-
Total Summer Food Service Program			230,266	-	230,266	-
Total Nutrition Cluster:			20,283,138	-	20,284,290	-
Food Donation Program	043802	10.550	-	1,121,071	-	1,121,071
Child and Adult Care Food Program	043802 LUCP-2005	10.558	152	-	152	-
	043802 LUCP-2006	10.558	487	-	487	-
	043802 CCMO-2005	10.558	7,110	-	7,110	-
	043802 CCMO-2006	10.558	24,156	-	24,156	-
Total Child and Adult Care Food Program			31,905	-	31,905	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE:			20,315,043	1,121,071	20,316,195	1,121,071
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Special Education - Grants for Infants and Families with Disabilities		84.181	231,734	-	224,065	-
Safe and Drug Free Schools and Communities: National Programs		84.184	297,740	-	427,522	-
Fund for the Improvement of Education		84.215	1,030,234	-	1,125,616	-
Teacher Quality Enhancement Grants		84.336	775,600	-	996,933	-
Community Technology Centers		84.341	114,082	-	137,776	-
Dropout Prevention Program		84.360	98,843	-	110,114	-
Mathematics and Science Partnerships		84.366	5,930	-	791	-
Total Direct Funding:			2,554,163	-	3,022,817	-
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States	043802 6BSF-2005	84.027	2,388,016	-	1,614,788	-
	043802 6BSF-2006	84.027	15,893,145	-	15,795,189	-
	043802 6BS3-2005	84.027	10,000	-	-	-
	043802 6BST-2006	84.027	210,905	-	253,713	-
Total Special Education Grants to States			18,502,066	-	17,663,690	-
Special Education - Preschool Grant	043802 PGS1-2005	84.173	75,400	-	64,684	-
	043802 PGS1-2006	84.173	260,025	-	223,133	-
Total Special Education- Preschool Grant			335,425	-	287,817	-
Total Special Education Cluster:			18,837,491	-	17,951,507	-
Adult Education: State Grant Program	043802 ABS1-2005	84.002	-	-	43,305	-
	043802 ABS1-2006	84.002	869,942	-	809,213	-
Total Adult Education: State Grant Program			869,942	-	852,518	-

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF EDUCATION (Continued)						
<i>Passed Through Ohio Department of Education: (Continued)</i>						
Title I - Grants to Local Educational Agencies	043802 C1SD-2005	84.010	21,106	-	18,540	-
	043802 C1SD-2006	84.010	94,947	-	93,984	-
	043802 C1S1-2004	84.010	-	-	1,316	-
	043802 C1S1-2005	84.010	12,100,573	-	9,391,607	-
	043802 C1S1-2006	84.010	24,230,837	-	23,266,037	-
	043802 C1SN-2005	84.010	41,278	-	24,813	-
	043802 C1SN-2006	84.010	157,974	-	170,359	-
	043802 C1SK-2005	84.010	670,398	-	494,125	-
	043802 C1SK-2006	84.010	938,233	-	832,044	-
Total Title I - Grants to Local Educational Agencies			38,255,346	-	34,292,825	-
Vocational Education: Basic Grants to States	043802 20A0-2005	84.048	40,592	-	67,558	-
	043802 20C1-2005	84.048	909,619	-	908,978	-
	043802 20C1-2006	84.048	1,769,836	-	1,334,952	-
	043802 20C2-2005	84.048	-	-	(3,025)	-
	043802 20C2-2006	84.048	173,421	-	173,421	-
Total Vocational Education: Basic Grants to States			2,893,468	-	2,481,884	-
Safe and Drug Free Schools and Communities: State Grants	043802 DRS1-2005	84.186	145,514	-	92,087	-
	043802 DRS1-2006	84.186	476,539	-	532,728	-
Total Safe and Drug Free Schools and Communities: State Grants			622,053	-	624,815	-
Education for Homeless Children and Youth	043802 HCS1-2005	84.196	19,399	-	447	-
	043802 HCS1-2006	84.196	267,340	-	232,045	-
Total Education for Homeless Children and Youth			286,739	-	232,492	-
Javits Gifted and Talented Student Education Grant Program	043802 JGS1-2006	84.206	7,777	-	1,995	-
Even Start: State Educational Agencies	043802 EVS1-2005	84.213	47,273	-	76,201	-
Twenty-First Century Community Learning Centers	043802 T1S1-2005	84.287	86,434	-	190,247	-
	043802 T1S1-2006	84.287	1,303,961	-	1,053,976	-
Total Twenty-First Century Community Learning Centers			1,390,395	-	1,244,223	-
Title V -Innovative Education Program Strategies	043802 C2S1-2001	84.298	(114,251)	-	-	-
	043802 C2S1-2005	84.298	-	-	(233,825)	-
	043802 C2S1-2006	84.298	583,178	-	732,909	-
Total Title V Innovative Education Program Strategies			468,927	-	499,084	-
Technology Literacy Challenge Fund Grant	043802 TJS1-2005	84.318	562,610	-	523,567	-
	043802 TJS1-2006	84.318	136,890	-	228,585	-
	043802 TJSL-2005	84.318	(81,280)	-	170,177	-
	043802 TJSL-2006	84.318	2,500,220	-	2,245,225	-
Total Technology Literacy Challenge Fund Grant			3,118,440	-	3,167,554	-
Comprehensive School Reform Demonstration	043802 RFCC-2005	84.332	470,048	-	593,245	-
	043802 RFCC-2006	84.332	676,015	-	534,462	-
	043802 RFS2-2003	84.332	7,866	-	-	-
	043802 RFK2-2003	84.332	19,905	-	-	-
	043802 RFK2-2004	84.332	81,769	-	54,842	-
	043802 RFK3-2005	84.332	65,427	-	74,410	-
	043802 RFS3-2003	84.333	(152)	-	-	-
	043802 RFS3-2004	84.332	(1,945)	-	(1,719)	-
Total Comprehensive School Reform Demonstration			1,318,933	-	1,255,240	-
Reading First State Grants	043802 RSS1-2006	84.357	3,348,971	-	3,302,727	-
English Language Acquisition Grants	043802 T3S1-2005	84.365	405,786	-	270,946	-
	043802 T3S1-2006	84.365	722,045	-	777,155	-
	043802 T3S2-2005	84.365	37,815	-	56,170	-
	043802 T3S2-2006	84.365	179,428	-	177,628	-
Total English Language Acquisition Grants			1,345,074	-	1,281,899	-

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF EDUCATION (Continued)</u>						
<i>Passed Through Ohio Department of Education: (Continued)</i>						
Improving Teacher Quality State Grants	043802 TRS1-2005	84.367	2,627,469	-	2,688,886	-
	043802 TRS1-2006	84.367	4,005,397	-	4,583,984	-
	043802 TRSP-2004	84.367	(58,821)	-	66,030	-
	043802 TRSP-2005	84.367	24,000	-	-	-
Total Improving Teacher Quality State Grants			6,598,045	-	7,338,900	-
Hurricane Education Recovery	043802 HR01-2006	84.938	202,500	-	202,500	-
Total Passed Through Ohio Department of Education:			79,611,374	-	74,806,364	-
<i>Passed Through Columbus Urban League:</i>						
Parental Assistance Centers	043802	84.310	159,182	-	160,446	-
TOTAL U.S. DEPARTMENT OF EDUCATION:			82,324,719	-	77,989,627	-
<u>U.S. DEPARTMENT OF LABOR</u>						
<i>Passed Through Ohio Department of Job and Family Services: Passed Through Central Ohio Workforce Investment Corporation:</i>						
<i>WIA Cluster:</i>						
WIA Adult Program	043802	17.258	-	-	18,983	-
WIA Youth Activities	043802	17.259	180,950	-	284,350	-
Total WIA Cluster			180,950	-	303,333	-
TOTAL U.S. DEPARTMENT OF LABOR:			180,950	-	303,333	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
Head Start		93.600	64,688	-	92,963	-
Total Direct Funding:			64,688	-	92,963	-
<i>Passed Through Ohio Department of Education:</i>						
Refugee and Entrant Assistance: Discretionary Grants	043802 RIS1-2005	93.576	140,000	-	140,000	-
<i>Passed Through Ohio Department of Job and Family Services: Passed Through Franklin County Family and Children First Council:</i>						
Temporary Assistance for Needy Families	043802	93.558	1,134,400	-	1,106,238	-
<i>Passed Through State Department of Mental Retardation:</i>						
Medical Assistance Program (Medicaid Title XIX)	2500823	93.778	860,363	-	830,363	-
State Children's Insurance Program	2500823	93.767	76,246	-	76,246	-
Total Passed through State Department of Mental Retardation			936,609	-	906,609	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			2,275,697	-	2,245,810	-
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>						
Emergency Management Performance Grants		97.042	-	-	8,636	-
Disaster Grants - Public Assistance		97.036	123,926	-	123,926	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY:			123,926	-	132,562	-
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Learn and Serve America School and Community Based Programs	043802 SVS1-2005	94.004	2,526	-	7,477	-
	043802 SVS1-2006	94.004	20,661	-	13,390	-
	043802 SVHS-2005	94.004	16,221	-	14,121	-
	043802 SVHS-2006	94.004	32,975	-	64,637	-
Total Learn and Serve American School and Community Based Programs			72,383	-	99,625	-
NATIONAL SCIENCE FOUNDATION						
Education and Human Resources		47.076	1,061,520	-	1,250,709	-
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES						
Promotion of the Arts-Grants to Organizations and Individuals		45.024	\$ -	-	3,472	-
Totals			\$ 106,354,238	\$ 1,121,071	\$ 102,341,333	\$ 1,121,071

The accompanying notes to this schedule are an integral part of this schedule.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURE SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2006**

NOTE A—SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B—CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE C— FOOD DONATION PROGRAM

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

NOTE D—MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Columbus City School District
Franklin County
270 East State Street
Columbus, Ohio 43215

To the Board of Education:

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Columbus City School District, Franklin County, Ohio, (the District), as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 22, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2006-006 through 2006-008.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable conditions described above are material weaknesses. In a separate letter to the District's management dated December 22, 2006, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned cost as items 2006-001 through 2006-006. In a separate letter to the District's management dated December 22, 2006, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

December 22, 2006



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE FEDERAL AWARDS RECEIPTS AND EXPENDITURE SCHEDULE

Columbus City School District
Franklin County
270 East State Street
Columbus, Ohio 43215

To the Board of Education:

Compliance

We have audited the compliance of the Columbus City School District, Franklin County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended June 30, 2006. The summary of auditor's results section of the accompanying schedule of findings and questioned costs identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2006. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that OMB Circular A-133 requires us to report, which are described in the accompanying schedule of findings and questioned cost as items 2006-010 through 2006-015. In a separate letter to the District's management dated December 22, 2006, we reported other matters related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The District's management 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 the District's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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We noted a certain matter involving the internal control over compliance and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the District's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 2006-009.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. We do not believe the reportable condition described above is a material weakness. In a separate letter to the District's management dated December 22, 2006, we reported other matters related to federal noncompliance not requiring inclusion in this report.

Federal Awards Receipts and Expenditures Schedule

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2006, and have issued our report thereon dated December 22, 2006. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

January 30, 2007, except the Federal Awards Receipts and Expenditures Schedule Dated December 22, 2006.

COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006

1. SUMMARY OF AUDITOR'S RESULTS		
(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under .510?	Yes
(d)(1)(vii)	Major Programs (list):	<ul style="list-style-type: none"> • <u>Nutrition Cluster:</u> School Breakfast Program, CFDA #10.553 National School Lunch Program, CFDA #10.555 Summer Food Service Program, CFDA #10.559 • Title 1, CFDA #84.010 • Technology Literacy Challenge Fund Grant, CFDA #84.318 • Reading First State Grants, CFDA #84.357 • Special Education Cluster, CFDA #84.027/84.173 • Title II-A Improving Teacher Quality State Grant, CFDA # 84.367
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$3,000,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Finding Number	2006-001
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District Owned Cell Phones – Finding for Recovery

The District’s proper public purpose policy states that “District cellular telephones and pagers serve a public purpose only when they are distributed to those employees who must necessarily be available through such access and when such employees are specifically notified of the obligation to limit use of such equipment to District business.”

The District has also created acceptable use guidelines for cellular phones during the fiscal year. Rules for the usage for cellular phones include, in part:

- A Cellular Acceptable Use form must be completed and signed by each employee issued or assigned to use a District cell phone.
- District issued cellular telephones and two-way radios are property of the Columbus Public Schools and are only approved for use to conduct School District Business.
- Cellular service text messaging may not be used when the assigned plan requires per message fees without specific written authorization.
- Employees are responsible for monitoring their own cellular use to ensure that such use does not exceed service plan minutes. Repeated use of excess minutes may be cause for disciplinary action.
- When personal calls/minutes cause monthly plan minutes to be exceeded, the employee must reimburse the District for such calls/minutes. Additionally, all long distance and roaming charges incurred for personal calls (even if under the plan limit) must be reimbursed to the District.
- District cellular telephones should only be used when a land-line phone is not reasonably available.
- Employees shall not use District cellular telephones to call directory assistance.
- Employees are responsible for the security of their District cellular telephones and two-way radios and must take precautions to ensure secure storage at all times. Employees are responsible to ensure that no other individuals engage in unauthorized use of their District cellular telephone or two-way radio.

For cell phone bills tested:

- Fifteen percent (15%) did not have an employees’ signed Acceptable Use Policy on hand.
- Sixty percent (60%) included identifiable personal charges in the billing.
- Twenty percent (20%) included charges for directory assistance.

Within the cell phone billings tested, a total of \$227.20 in personal charges was incurred by the employees assigned to the phones.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued in favor of the Columbus City School District Telecomm E-Rate Fund against the employees listed in the chart below, individually, for the corresponding dollar amounts, and against Michael Kinneer, Treasurer, for the total dollar amount of all employees, in his supervisory capacity for assuring that all such payments are in accordance with District policy; and his bonding company, Travelers Casualty and Surety Company of America, jointly and severally.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number (Continued)	2006-001
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District Owned Cell Phones – Finding for Recovery (Continued)

Employee Name	Finding Amount	Finding Repaid Under Audit	Date Finding Repaid
Evelyn Bell	\$ 0.40	\$ 0.40	1/25/07
Michelle Hall	14.40	14.40	11/21/06
Cindy O'Connell	1.20	1.20	12/07/06
Robin Chapman	9.20	9.20	11/10/06
Carolyn Hughes	3.00	3.00	11/07/06
Jacqueline Ralls	1.60	1.60	11/07/06
Darlene Wilder	34.00	34.00	2/28/07
Nikki Keyton	145.80	75.00	3/6/07
Catherine Hoover	11.40	11.40	1/31/07
Willie McClure	3.40	3.40	2/15/07
Rex Boise	2.80	2.80	10/06/06
	<u>\$227.20</u>	<u>\$156.40</u>	

No formal monitoring function has been established to review cell phone usage and charges made by District employees. Accordingly, individuals have not been required to repay the District for personal usage.

We recommend the District take responsibility to audit the remainder of cell phone billings to determine the remaining charges for personal use incurred by employees and seek reimbursement for such charges. Furthermore, we recommend the District implement formal monitoring procedures to enforce the District's policy and guidelines for cellular usage. Identified personal usage should result in repayment to the District for costs incurred.

Finding Number	2006-002
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Negative Fund Balances – Noncompliance Finding

Ohio Rev. Code Section 5705.10 states that money paid into any fund shall be used only for the purposes for which such fund was established. The existence of a deficit fund balance indicates money from another fund or funds was used to pay obligations of funds that carry the deficit fund balance.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number (Continued)	2006-002
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Negative Fund Balances – Noncompliance Finding (Continued)

The District had negative fund balances throughout the year as follows:

Fund	Month End	Fund Balance
Food Service (006)	November 2005	(\$6,534,699)
Adult Education (012)	July 2005	(151,517)
Special Enterprise (020)	December 2005	(379,039)
Employee Benefits Self Insurance (024)	September 2005	(2,957,693)
Workman's Compensation (027)	August 2005	(958,219)
Post Secondary Voc Education (413)	August 2005	(3,677)
Teacher Development (416)	July 2005	(388,467)
Management Information System (432)	March 2006	(149,818)
Alternative Schools (463)	February 2006	(182,510)
Adult Basic Education (501)	December 2005	(108,282)
Idea Part B Grants (516)	October 2005	(3,806,500)
Voc Ed: Carl D Perkins (524)	December 2005	(416,788)
Limited English Proficiency (551)	July 2005	(209,649)
Title I Disadvantaged Children (572)	July 2005	(7,674,155)
Title V Innovative Education Program (573)	October 2005	(285,340)
Drug Free School Grant (584)	February 2006	(296,106)
Idea Preschool-handicapped (587)	October 2005	(56,471)
Improving Teacher Quality (590)	July 2005	(410,490)

All District fund cash balances at June 30, 2006 were in a positive position.

The District should monitor fund balances to ensure that expenditures are made within appropriated levels of available funds and if negative fund balances are anticipated, the Board should make an approved transfer or advance of funds to cover the necessary expenditure.

Finding Number	2006-003
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Appropriations Exceeding Estimated Resources – Noncompliance Finding

Ohio Rev. Code Section 5705.39 states in part that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there from, as certified by the budget commission, or in the case of appeal, by the board of tax appeals.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number (Continued)	2006-003
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Appropriations Exceeding Estimated Resources – Noncompliance Finding (Continued)

The following funds had appropriations in excess of estimated resources at June 30, 2006:

Fund #	Fund Name	Final Estimated Resources	Final FY 06 Appropriations	Variance
009	Uniform School Supplies	\$ 97,076	\$ 100,000	\$ (2,924)
011	Rotary Funds	635	1,000	(365)
012	Adult Education	2,280,428	2,500,000	(219,572)
019	Other Grant	5,008,257	5,535,800	(527,543)
025	Computer Network	196,438	200,000	(3,562)
200	Student Activity	1,127,138	1,250,000	(122,862)
300	District Managed	3,316,708	4,550,000	(1,233,292)
401	Auxiliary Service	6,451,410	6,608,000	(156,590)
413	Post Secondary Voc Ed	18,002	19,000	(998)
416	Teacher Development	306,701	1,425,000	(1,118,299)
431	Gifted Education	244,311	244,500	(189)
450	School Net	568,400	575,000	(6,600)
452	School Net Prof. Dev.	20,614	50,000	(29,386)
460	Summer Intervention	600,969	2,650,000	(2,049,031)
461	Voc Ed Enhancement	29,973	150,000	(120,027)
463	Alternative Schools	634,373	700,000	(65,627)
499	Misc. State Grant Funds	2,632,660	2,830,000	(197,340)
501	Adult Basic Education	887,166	925,000	(37,834)
551	Limited English Proficiency	1,564,173	1,657,265	(93,092)
573	Title VI	1,283,324	1,669,915	(386,591)
584	Safe and Drug Free Schools	812,571	990,000	(177,429)
587	EHA Preschool	370,780	411,000	(40,220)
590	Improving Teacher Quality	9,046,413	13,340,000	(4,293,587)

This could result in the District expending more money than it receives and could cause possible negative fund balances. A lack of funds may result in the District being unable to meet its current obligations.

We recommend the District ensure that estimated resources are sufficient to cover appropriations at the time of certification or amendment.

COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number

2006-004

Proper Public Purpose – Finding for Recovery

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951) provides that the primary object of an expenditure of public funds should serve a public purpose. Typically the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. **Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper “Public Purpose”** states that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect. The Bulletin further states that the Auditor of State’s Office does not view the expenditure of public funds for alcoholic beverages as a proper public purpose and will issue findings for recovery for such expenditures as manifestly arbitrary and incorrect.

The District has formal written Administrative Finance Guidelines to aid in determining whether expenditures are for proper public purposes. The Administrative Finance Guidelines state, in part:

- Costs for alcoholic beverages are not subject to reimbursement.
- Food and beverages may only be provided at District sponsored meetings, conferences or in-service trainings when a meeting requires such an expense and upon approval by the appropriate budget manager. Coffee or other beverages may be approved by the appropriate budget manager. The following circumstances may qualify for such expenditures:
 1. Meetings conducted for an outside advisory group, including parents or volunteers, who are specifically invited to attend a breakfast or luncheon meeting. In such case, the maximum allowance for breakfast shall be \$4.00 per person and the maximum allowance for lunch shall be \$6.00 per person.
 2. Meetings, conferences or in-service trainings of unusual length where continuity would be lost by leaving for meals and which involve large numbers of staff away from their usual work stations.
- While individuals planning meetings, conferences or in-service trainings should not generally anticipate the provision of food and beverages for attendees, these regulations do not prohibit planners from taking an advance collection from individual attendees for the purchase of box lunches or in-house delivery of meals or beverages.

The District expended public funds in the amount of \$9.99 for alcohol from the District Managed Activities Fund, which was funded by contributions from staff members and used as a co-worker’s gift. Additionally, the District also expended public funds in the amount of \$127.75 for food and beverages that were noncompliant with the District’s Administrative Finance Guidelines.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. *Seward v. National Surety Co.*, 120 Ohio St. 47 (1929); 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; *State, ex rel. Village of Linndale v. Masten*, 18 Ohio St. 3d 228 (1985).

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number (Continued)	2006-004
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Proper Public Purpose – Finding for Recovery (Continued)

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued in favor of the Columbus City School District against the employees listed in the chart below for the corresponding dollar amounts and in favor of the respective funds, and against Michael Kinneer, Treasurer, for the total dollar amount of all employees, in his supervisory capacity for assuring that all such payments are in accordance with District policy; and his bonding company, Travelers Casualty and Surety Company of America, jointly and severally.

Employee Name	Finding Amount	Item	Fund	Special Cost Center	Finding Repaid Under Audit	Date Finding Repaid
Timothy Carpenter	\$ 25.12	Food	General Fund	1063	\$ 0.00	
Laura Commodore	5.00	Food	Public School Support	905B	5.00	2/16/07
Sherry M. Powell	17.28	Food	Public School Support	904B	17.28	2/27/07
Milton Ruffin	80.35	Food	Public School Support	999A	80.35	2/21/07
Leslie Williams	9.99	Alcohol	District Managed Activities	985E	9.99	2/20/07
	<u>\$137.74</u>				<u>\$112.62</u>	

We recommend the District ensure that purchases comply with its Administrative Finance Guidelines and take corrective action when any noncompliant purchases are detected.

Finding Number	2006-005
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Overpayment for Limited Separation Plan – Finding for Recovery – Repaid Under Audit

A Limited Separation Plan (LSP) was implemented during fiscal year 2006 to encourage voluntary resignation or retirement for employees who met certain eligibility requirements. To provide this program, the District contracted with Educators Preferred Corporation® (EPC). The District pays EPC annually and EPC ensures that monthly payments are made to the participants.

Eligible employees electing LSP Phase I were to receive a \$50,000 separation incentive plus any applicable contractual severance (i.e. sick leave, personal leave). The participants received their legal documents with the correct separation incentive of \$50,000 plus any contractual severance; however, EPC's benefit software utilized \$60,000 for the separation incentive. On March 13, 2006, when the annual LSP Phase I payment was due, the amount paid should have been \$69,002. Instead, the District paid EPC \$76,499 resulting in an overpayment of \$7,497.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number (Continued)	2006-005
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**Overpayment for Limited Separation Plan – Finding for Recovery – Repaid Under Audit
(Continued)**

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Educators Preferred Corporation® (EPC), Craig Bickley, District Human Resources Director, Michael Kinneer, District Treasurer, and his bonding company Travelers Casualty and Surety Company of America, jointly and severally, in the amount of, seven thousand four hundred and ninety seven dollars (\$7,497) for public monies illegally expended, in favor of the District's General Fund (001). The full amount of the finding was repaid on November 20, 2006 by EPC.

Finding Number	2006-006
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Self Insurance Controls – Reportable Condition and Finding for Recovery

The District contracted with United Healthcare (7/1/05-8/30/05) and Aetna (9/1/05-6/30/06) to be its third party administrators for health, dental, and vision claims processing. Total expenditures in fiscal year 2006 for self insurance were \$69,456,682.

Enrollment forms for insurance eligibility are completed in some instances, but they are not consistently used. When forms are completed, there is no review or approval of the form. In addition, when a dependent is added for an existing insured employee, the enrollment form is rarely used. Rather, dependents have been added as eligible for insurance by the employee making a phone call to Human Resources with Human Resources adding the information directly into the system. The District does not have a written policy regarding health insurance enrollment forms, including how often they need to be updated. Per the District's health insurance policy, children can only be considered dependents between the ages of 19-24 if they are unmarried, do not work full time, and are financially dependent on the employee. However, the employees are not required by the District to show proof of financial dependency for any children between the ages of 19-24. The District, additionally, does not require any documentation (such as a birth certificate, marriage license, or adoption/guardianship papers) or a new enrollment form to add a dependent to the employee's coverage.

Furthermore, the District lacks appropriate monitoring controls over the claims paid by the third party administrator (TPA). A detail check register, which would list the insured's name, claim name, amount paid, and check number for each of the claims, is not received or reviewed by the District. The District only received a confirmation fax that listed the total of the check run that was requested from the District's bank account. The District performed quarterly data matches after claims were paid from the benefits system to the payroll system but did not identify all ineligible individuals and did not perform appropriate follow up actions on identified individuals. No large or unusual claims were reviewed or investigated by the District to ensure that the services were eligible with the District's policy of covered services.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number (Continued)	2006-006
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Self Insurance Controls – Reportable Condition and Finding for Recovery (Continued)

The results of our testing were:

- The number of ineligible claims paid for an individual included as insured was 85.
- The amount of claims paid for ineligible individuals included as insured was \$8,151.68 (see chart below).
- 10% of claims tested were for dependents that were not listed on the employee's Enrollment Form. The dependents were directly added to the TPA's system.
- Of the tested enrollment forms on file, 47% were over two years old, 24% were over five years old, and 19% were over seven years old.

Additionally, the District allows employees who are on a leave of absence to pay the full insurance premium to continue their coverage for the period of the leave of absence. However, there is no formal policy regarding the procedures and guidelines for paying the coverage. The District sends a letter to the employee that states the amount they are required to pay each month, the date the payment is due, that the payment is to be pre-paid to cover the following month, and that coverage may be cancelled if payment is not received on time. Two percent of employees tested were allowed to retroactively pay for coverage, rather than pre-pay, for six months. The total amount of claims paid for those employees during the six month period was \$13,975.

For employees who have left the District and have chosen COBRA coverage, the claims are processed the same as all other insurance claims. However, the District did not receive or maintain a copy of the employee's COBRA enrollment form since the forms were sent directly to Aetna.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code 117.28, a Finding for Recovery for public monies illegally expended is issued in favor of the Columbus City School District Self Insurance Fund against the employees listed in the chart below, individually, for the corresponding dollar amounts, and against Director of Human Resources, Craig Bickley, and Treasurer, Michael Kinneer, in their supervisory capacities for assuring that all such payments are in accordance with District policy and Mr. Kinneer's bonding company, Travelers Casualty and Surety Company of America, jointly and severally.

This chart reflects either 1) ineligible claims identified by the Auditor of State during the course of the audit; or 2) ineligible claims identified by the District where proper collection procedures were not followed and/or started until the District was under audit. Also, the District paid an ineligible claim where neither the employee nor his dependent received a benefit.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number (Continued)	2006-006
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Self Insurance Controls – Reportable Condition and Finding for Recovery (Continued)

Employee Name	Finding Amount	Finding Amount Repaid Under Audit	Date Amount Repaid	Unpaid Finding Amount
Deanna Allen	\$ 115.26	\$ 0		\$ 115.26
Steven Brown	240.68	0		240.68
Buffy Burroughs	6,092.03	0		6,092.03
Donna Galvach	96.66	0		96.66
Stephen Herbert	75.22	0		75.22
Abdulghan Mohamed	307.58	0		307.58
Linda Turner	486.55	0		486.55
Thelma Williams	607.66	0		607.66
Non-liaible employee	130.04	130.04	2/14/07	0.00
Total:	\$8,151.68	\$130.04		\$8,021.64

In order to strengthen the control process over the District's self insurance expenditures we recommend the following:

- A review and approval of eligibility enrollment forms take place prior to entering an individual as an eligible enrollee in the self insurance system;
- A written policy be developed regarding the completion of an enrollment form for insurance enrollment and eligibility, the frequency of required updates to enrollment forms, documentation required to accompanying the enrollment form for approval (ie marriage license, birth certificate, proof of dependency, etc.), and the regulations and procedures for insurance coverage during a leave of absence;
- Receive, review, and authorize a detail check register of claims to be paid by the TPA prior to payment to ensure payments are made for only eligible employees and members;
- Blanket authorization of the TPA to withdraw funds should be removed;
- Receive and maintain a copy of COBRA enrollment forms.

Finding Number	2006-007
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Capital Assets – Reportable Condition

The District has developed and implemented procedures to track the movement of capital assets from department to department, retirement, sale, disposal and acquisition. An "Inventory Control Form" (the Form) is used to document the status and location of assets. At the time of acquisition, the Form is prepared using a unique tag number and the serial number. The department receiving the asset is required to document on the Form the asset location and return the Form to the Treasurer's office. Further asset movements and changes in status are required to be documented on the Form and forwarded to the Treasurer's office also.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number (Continued)	2006-007
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Capital Assets – Reportable Condition (Continued)

Annually, the Treasurer’s office distributes a complete inventory listing to each department which contains all capital assets (assets over \$5,000) and assets above the District’s tracking threshold of \$300. Each department head is to verify the accuracy of the information for all inventoried assets. While each department performed only an annual inventory the inventories were received and performed at varying dates throughout the fiscal year. Discrepancies from listings to inventory results including disposal, location, and condition changes are to be identified and forwarded to the capital asset coordinator for update to the District’s capital asset tracking system (the System). Asset disposals require the completion of the respective portion of the Form.

Our review of the capital asset tracking system and procedures identified the following conditions:

- 3 percent of equipment tested could not be located
- 13 percent of equipment tested was not tagged by the District;
- A projected amount of \$147,194 of asset additions were not supported as to cost or did not meet the criteria of a capital asset;
- 3 percent of equipment tested as a current year deletion was disposed of in a prior year but was not recorded as a deletion until the current fiscal year, indicating a timing delay in the recording of such disposals; in addition, a refrigeration system valued at \$447,150 was completely replaced in a prior period and was never recorded as a disposal;
- 43 percent of disposals were not consistently disposed of using the Inventory Control Form, although various other forms of supporting documentation were provided to evidence the disposal. Despite support through alternate methods, many of the disposals occurred months or years after the disposal of the asset and were only identified through annual inventories by departments that identified the assets as disposed or missing. Based on a disposal through this method the assets lacked appropriate approval at the time they were disposed.
- 3,167 items or \$3,728,095 (\$1,021,672 carrying value) from all inventoried assets were determined to be missing from the departmental inventories and were disposed of on the District’s asset tracking system, \$801,021 (\$131,661 carrying value) of which were capital assets above the District’s capitalization threshold of \$5,000. In addition, \$438,947 (\$174,819 carrying value) of the missing assets were purchased from federal funds, which are subject to federal disposal requirements. Subsequent to audit procedures performed the District was able to locate \$190,727 (\$20,691 carrying value) of assets that remained at the identified school and identify \$88,962 (\$35,076 carrying value) of computers that were able to be tied to listings of disposed computers;
- 60 percent of vehicles tested and 56 percent of equipment tested, which comprised 61 percent business type assets, were fully depreciated, indicating that the estimated useful lives established by the District do not reflect the true useful life of the assets and that the estimated useful lives have not been re-evaluated for appropriateness;

COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

Finding Number (Continued)

2006-007

Capital Assets – Reportable Condition (Continued)

The combination of these capital asset weaknesses could result in the loss, misappropriation, theft, or diversion of assets, noncompliance with federal grant requirements, and an inaccurate and improperly valued capital asset listing.

We recommend the District ensure that all of its schools/departments comply with its capital asset tracking policies to help ensure an accurate and complete capital asset listing is maintained and updated timely. Additionally, investigation/tracking procedures should be implemented regarding missing assets prior to write off through disposal. Disposal of federal assets should be evaluated against federal guidelines with monies remitted to the grantor agency, if applicable. Furthermore, the District should consider reevaluating the estimated useful lives of its assets in order to prevent further recognition of fully depreciated assets that are still in use.

Finding Number

2006-008

Student Activities – Reportable Condition

Cash receipts from student activities are often a source of concern for Districts. Recognizing the risk associated with these cash transactions, the Board adopted Policy #5156, Elementary, Middle and High School Activities, on November 5, 1985. This policy requires all fund-raising activities conducted for a school, or through a club, class, athletic team or organization connected with the school to be approved by the building principal prior to the commencement of the activity. All receipts and disbursements relative to the activity must be processed through the Student Activity fund of the District, and a final accounting of the financial activity must be documented on the Financial Report-Student Activities Fund-Raiser Project form.

Board policies governing student activities are not being followed on a consistent basis. For those fund raisers tested, 5 percent did not have completed Financial Report-Student Activities Fund-Raiser Project forms (which is to be used to reconcile the activity at completion). Of the Financial Report-Student Activities Fund-Raiser Project forms which were completed, 44 percent were not completed within the ten day period outlined by the student activity handbook. Furthermore, in 27 percent of the fund-raisers tested, no supporting documentation was maintained for receipts or disbursements recorded and presented in the District's financial records.

We recommend the District ensure current Board policies established to govern student activities are adhered to on a consistent basis and in addition, supporting ledgers, duplicate receipts and other financial records should be maintained by advisors to ensure accountability and assets are safeguarded. We also recommend student activities be subject to ongoing monitoring by the District's Internal Audit Department to help ensure compliance.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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Finding Number	2006-009
CFDA Title and Number	Nutrition Cluster, #10.553, #10.555 and #10.559; Title I, #84.010; Special Education #84.027
Federal Award Number / Year	043802 05PU-2005, 043802 05PU-2006, 043802 LLP4-2005, 043802 LLP4-2006, 043802 24PU-2005, 043802 23PU-2005; 043802 C1S1-2004, 043802 C1S1-2005, 043802 C1S1-2006, 043802 C1SD-2005, 043802 C1SD-2006, 043802 C1SK-2005, 043802 C1SK-2006; 043802 6BSF-2005, 043802 6BSF-2006, 043802 6BST-2006
Federal Agency	U.S. Department of Agriculture U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Capital Assets – Reportable Condition

See Findings Related to the Financial Statements Required to be Reported under GAGAS number 2006-007. This finding is also required to be reported under OMB Circular A-133 § 510 (a)(1).

Finding Number	2006-010
CFDA Title and Number	Nutrition Cluster, #10.553, #10.555 and #10.559; Title I, #84.010; Improving Teacher Quality, #84.367; Title V , #84.298
Federal Award Number / Year	043802 05PU-2005, 043802 05PU-2006, 043802 LLP4-2005, 043802 LLP4-2006, 043802 24PU-2005, 043802 23PU-2005; 043802 C1S1-2005, 043802 C1S1-2006; 043802 TRS1-2005, 043802 TRS1-2006; 043802 C2S1-2005
Federal Agency	U.S. Department of Agriculture U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Allowable Cost/Cost Principles – Nutrition Cluster, Title I, Improving Teacher Quality, and Title V - Noncompliance Finding and Questioned Cost

2 CFR Part 225 Appendix B subsection 8.h. provides, in part, that salaries and wages shall be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official of the government unit. When employees work on multiple activities or cost objectives, a distribution of compensation shall be supported by personnel activity reports that reflect the actual activity and total activity of the employees, unless certain time study requirements are met. An employee whose compensation is allocated solely to a single cost objective must furnish semiannual certificates that he/she has been engaged solely in activities supportive of the cost objectives.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)

Finding Number (Continued)	2006-010
CFDA Title and Number	Nutrition Cluster, #10.553, #10.555 and #10.559; Title I, #84.010; Improving Teacher Quality, #84.367; Title V, #84.298
Federal Award Number / Year	043802 05PU-2005, 043802 05PU-2006, 043802 LLP4-2005, 043802 LLP4-2006 043802 24PU-2005, 043802 23PU-2005; 043802 C1S1-2005, 043802 C1S1-2006; 043802 TRS1-2005, 043802 TRS1-2006; 043802 C2S1-2005
Federal Agency	U.S. Department of Agriculture U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Allowable Cost/Cost Principles – Nutrition Cluster, Title I, Improving Teacher Quality, and Title V - Noncompliance Finding and Questioned Cost (Continued)

The District was unable to provide personnel activity reports/certification as required by 2 CFR Part 225 Appendix B, paragraph 8.h3, although alternative measures were able to be assessed, for the Nutrition Cluster, Title I, and Improving Teacher Quality grants, as follows:

- 45% of Nutrition Cluster employees tested, for a projected amount of \$7,474,018
- 20% of Title I employees tested, for a projected amount of \$5,000,433
- 39% of Improving Teacher Quality employees tested for a projected amount of \$1,621,437

The District was also unable to provide personnel activity reports/certification or any supporting time and effort documentation as required by 2 CFR Part 225 Appendix B, paragraph 8.h3 for three Title V employees with payroll expenditures totaling \$15,130 for July and August 2005. Total questioned costs for expenditures that were not properly supported by a time and effort certification or any supporting time and effort documentation are fifteen thousand one hundred thirty dollars (\$15,130) of the District's \$499,084 spent on the Title V program during 2006.

We recommend the District maintain personnel activity reports that reflect an after-the-fact distribution of the actual activity of each employee, account for the total activity for which each employee is compensated, and contain a certification signature of the grant coordinator and employee. These personnel activity reports should be completed semi-annually for employees that are paid solely from a single federal grant and should coincide with one or more pay periods on at least a monthly basis for those employees who receive less than 100% of their compensation from a single federal grant. These records should then be used to adjust budgeted grant costs to actual grant costs on at least a quarterly basis. We further recommend an effective system of reconciling the personnel activity reports with the actual payroll costs charged to the federal grants, so that complete and accurate charges are made to the program.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)
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Finding Number	2006-011
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CFDA Title and Number	Special Education, #84.027
Federal Award Number / Year	043802 6BSF-2005
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Allowable Cost/Cost Principles – Allocability of Costs – Special Education Grant – Noncompliance Finding

2 CFR Part 225 Appendix C subsection E.c.3.a. states that a cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received. Additionally, 2 CFR Part 225 Appendix B subsection 8.d. provides, in part, the cost of fringe benefits, whether treated as indirect costs or as direct costs, shall be allocated to Federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such Federal awards and other activities.

The District adjusted costs for the fiscal year 2005 Special Education grant to reduce fringe benefit costs by \$555,445 and increase salaries and wages costs by the same amount. While the adjustment had a \$0 net effect on grant expenditures, overall, the adjustment improperly states the allocation of the expenditures made and resulted in the improper reporting of expenditures by allocable category.

We recommend the District implement procedures to ensure that salary and fringe benefit costs are allocated and charged in a manner consistent with the group(s) of employees whose salaries and wages are charged to the Special Education grant.

Finding Number	2006-012
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CFDA Title and Number	Special Education, #84.027
Federal Award Number / Year	043802 6BSF-2006
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Period of Availability – Special Education Grant - Noncompliance Finding and Questioned Cost

34 CFR 74.28 states that where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Secretary. The Ohio Department of Education (ODE) 2006 Continuous Comprehensive Improvement Planning (CCIP) Consolidated Application for the Special Education grant defined the available period as July 1, 2005 to June 30, 2006. 34 CFR 76.707 states that an obligation for personal services by an employee of the State or subgrantee occurs when the services are performed.

The District charged \$141,512 in payroll and related benefits costs, related to stretch pay for work performed prior to July 1, 2005 to the 2006 Special Education grant. Additionally, the District shifted \$1,276,503 in employee payroll and related benefits costs from the Special Education 2005 grant to the 2006 grant. Of the costs shifted, \$1,269,376 was for wages earned prior to July 1, 2005. As a result, a total of \$1,410,888 was charged to the 2006 grant for work performed prior to the beginning of the 2006 project period. There were no pre-award costs authorized for the grant.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

Finding Number (Continued)	2006-012
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CFDA Title and Number	Special Education, #84.027
Federal Award Number / Year	043802 6BSF-2006
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Period of Availability – Special Education Grant - Noncompliance Finding and Questioned Cost (Continued)

Total questioned costs for expenditures that were outside the period of availability are one million four hundred ten thousand eight hundred and eighty-eight dollars (\$1,410,888) of the District's \$17,663,690 spent on the Special Education program during fiscal year 2006. We recommend the District use grant funds only for expenditures obligated during the period of availability.

Finding Number	2006-013
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CFDA Title and Number	Title I, #84.010
Federal Award Number / Year	043802 C1S1-2004, 043802 C1S1-2006
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Period of Availability – Title I Grant – Noncompliance Finding and Questioned Cost

34 CFR 74.28 states that where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Secretary. The Ohio Department of Education (ODE) Continuous Comprehensive Improvement Planning (CCIP) Consolidated Application for the Title I grant has a 12 month project period beginning on the substantially approved date (which was July 1 for the District) and ending on June 30. 34 CFR 76.707 states that an obligation for personal services by an employee of the State or subgrantee occurs when the services are performed. Obligations must be liquidated prior to submitting the Final Expenditure Report, which must be filed no later than 90 days after the end of the project period.

On July 8 and August 5, 2005, the District charged \$1,316 in payroll and related benefits costs to the Title I 2004 grant. As a result, those expenditures were made after the Title I 2004 grant liquidation period, which ended on September 30, 2004.

The District charged \$75,854 in payroll and related benefits costs, related to stretch pay for work performed prior to July 1, 2005 to the 2006 Title I grant. Additionally, the District shifted \$11,253 in purchased service costs from the Title I 2005 grant to the 2006 grant. Of the costs shifted, \$8,933 was for obligations incurred prior to July 1, 2005. As a result, a total of \$84,787 was charged to the 2006 grant for obligations incurred prior to the beginning of the 2006 project period. There were no pre-award costs authorized for the grant.

Total questioned costs for expenditures that were outside the period of availability are eighty six thousand one hundred three dollars (\$86,103) of the District's \$34,292,825 spent on the Title I program during fiscal year 2006. We recommend the District implement procedures to ensure that costs charged to its grant awards only result from obligations incurred during the funding period.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)
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Finding Number	2006-014
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CFDA Title and Number	Title I, #84.010
Federal Award Number / Year	043802 C1S1-2005
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Eligibility - Allocation of funds to schools – Title I – Noncompliance Finding and Questioned Cost

34 CFR 200.78 (a) requires that a Local Educational Authority (LEA) must allocate funds under Title I subpart A to school attendance areas and schools, identified as eligible and selected to participate under section 1113(a) or (b) of the Elementary and Secondary Education Act (ESEA), in rank order on the basis of the total number of children from low-income families in each area or school. In calculating the total number of children from low-income families, the LEA must include children from low-income families who attend private schools. An LEA must use that portion of Title I subpart A funds attributable to private school children from the low-income families included in the calculation to provide services to eligible private school children.

District schools, as well as private schools that the District received an allocation of Title I funds for, overspent their Title I budgets for the fiscal year 2005 grant. For the District's schools which had initially overspent their budget, their costs were adjusted to the Title I operational unit number 000, which is a set aside for summer school and professional development activities for the Title I program. However, a portion of the adjustment was deemed unallowable since no documentation was maintained that the overspent costs of these schools were the result of allowable set aside activities. As a result, the schools were deemed to have overspent their budgeted school allocation and were therefore deemed to have not served the schools in rank order based on their poverty levels.

For the fiscal year 2005 grant, overspending occurred in the following private schools and District schools that received allocations under the Title I grant:

School	Total Expenditures	Budgeted School Allocation	Variance	% of Allocation Spent
Private Schools:				
Catholic School Consortium	\$ 189,941	\$ 184,026	\$ (5,915)	103%
Columbus Torah Academy	18,354	16,380	(1,974)	112%
Sonshine Academy	54,739	44,771	(9,968)	122%
Private Schools Subtotal	263,034	245,177	(17,857)	

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)

Finding Number (Continued)	2006-014
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CFDA Title and Number	Title I, #84.010
Federal Award Number / Year	043802 C1S1-2005
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Eligibility - Allocation of funds to schools – Title I – Noncompliance Finding and Questioned Cost (Continued)

School	Total Expenditures	Budgeted School Allocation	Variance	% of Allocation Spent
Columbus City Schools:				
Brentnell Elementary	117,260	116,580	(680)	101%
Hilltonia Middle	333,337	330,837	(2,500)	101%
Como Elementary	171,439	169,940	(1,499)	101%
Linmoor Middle	391,602	387,750	(3,852)	101%
Koebel Elementary	164,827	163,098	(1,729)	101%
Africentric Elementary	196,863	194,796	(2,067)	101%
Broadleigh Elementary	464,023	457,028	(6,995)	102%
South Mifflin Elementary	239,177	234,693	(4,484)	102%
Lincoln Park Elementary	298,612	292,622	(5,990)	102%
Main St Elementary	176,359	171,644	(4,715)	103%
Weinland Park Elementary	222,200	216,234	(5,966)	103%
Johnson Park Middle	362,216	351,390	(10,826)	103%
Dominion Middle	81,839	79,323	(2,516)	103%
Arts Impact Middle	130,325	126,177	(4,148)	103%
Northtowne Elementary	86,536	83,544	(2,992)	104%
Sullivant Elementary	312,259	299,860	(12,399)	104%
Gladstone Elementary	238,463	228,140	(10,323)	105%
Ohio Ave Elementary	248,995	237,330	(11,665)	105%
Franklin Alt. Middle	199,692	189,272	(10,420)	106%
Westgate Elementary	93,445	87,954	(5,491)	106%
Maybury Elementary	194,141	182,120	(12,021)	107%
Literature Based Alternative Elementary	163,997	153,825	(10,172)	107%
Avondale Elementary	301,489	277,764	(23,725)	109%
West Broad Elementary	350,954	322,341	(28,613)	109%
North Linden Elementary	208,548	190,944	(17,604)	109%
Fairwood Alt. Elementary	420,216	380,512	(39,704)	110%
Moler Elementary	171,836	155,583	(16,253)	110%
West Mound St Elementary	252,550	228,072	(24,478)	111%
Scioto Trail Elementary	94,495	84,488	(10,007)	112%

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)

Finding Number (Continued)	2006-014
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CFDA Title and Number	Title I, #84.010
Federal Award Number / Year	043802 C1S1-2005
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Eligibility - Allocation of funds to schools – Title I – Noncompliance Finding and Questioned Cost (Continued)

School	Total Expenditures	Budgeted School Allocation	Variance	% of Allocation Spent
Shady Lane Elementary	104,337	92,984	(11,353)	112%
Arlington Park Elementary	247,436	220,116	(27,320)	112%
Forest Park Elementary	134,264	119,416	(14,848)	112%
Avalon Elementary	143,451	126,177	(17,274)	114%
Cranbrook Elementary	108,100	94,400	(13,700)	115%
Fair Elementary	263,672	228,540	(35,132)	115%
Georgian Heights Alternative Elementary	79,537	67,815	(11,722)	117%
Cedarwood Elementary	101,250	85,077	(16,173)	119%
East Columbus Elementary	261,887	219,750	(42,137)	119%
Parkmoor Elementary	98,117	82,128	(15,989)	119%
East Linden Elementary	246,269	205,686	(40,583)	120%
Lindbergh Elementary	142,680	118,472	(24,208)	120%
Duxberry Park Alternative Elementary	122,526	100,340	(22,186)	122%
Olde Orchard Alternative Elementary	118,284	95,763	(22,521)	124%
Valley Forge Elementary	136,239	108,560	(27,679)	125%
Huy Elementary	128,115	101,008	(27,107)	127%
Clinton Elementary	62,874	49,320	(13,554)	127%
Binns Elementary	88,415	67,815	(20,600)	130%
Maize Rd Elementary	130,586	98,648	(31,938)	132%
Winterset Elementary	58,608	43,870	(14,738)	134%
Siebert Elementary	135,849	101,439	(34,410)	134%
Columbus City Schools Subtotal	<u>9,600,191</u>	<u>8,821,185</u>	<u>(779,006)</u>	
Grand Total	<u>\$ 9,863,225</u>	<u>\$ 9,066,362</u>	<u>\$(796,863)</u>	

Total questioned costs for individual school expenditures that were in excess of allocated budgets are seven hundred ninety six thousand eight hundred sixty three dollars (\$796,863) of the District's \$34,292,825 spent on the Title I program during fiscal year 2006.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)
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Finding Number (Continued)	2006-014
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CFDA Title and Number	Title I, #84.010
Federal Award Number / Year	043802 C1S1-2005
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Eligibility - Allocation of funds to schools – Title I – Noncompliance Finding and Questioned Cost (Continued)

We recommend the District implement procedures such as more detailed budgets and planning of activities at the school level, in addition to further monitoring throughout the year by the grant personnel and assigned school budget administrators along with corrective action on a timely basis to prevent overspending at the school building level, in order to ensure that schools are served in rank order on the basis of poverty levels at each respective school.

Finding Number	2006-015
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CFDA Title and Number	School Breakfast Program, #10.553
Federal Award Number / Year	043802 05PU-2006
Federal Agency	U.S. Department of Agriculture
Pass-Through Agency	Ohio Department of Education

Food Service – Reporting Breakfasts Served – Noncompliance Finding

The Ohio Alternative Methods of Serving School Breakfast Fact Sheet states in part that breakfast counts must be taken as the students are served a reimbursable breakfast. If students are not charged for a breakfast, then no money is collected, but breakfasts must still be counted by each student's eligibility category (full price, free, reduced).

All District schools were designated to be "non-pricing" schools, whereby no students were charged for breakfasts for fiscal year 2006. Of the 139 "non-pricing" schools, breakfasts were not counted by each student's eligibility category by 46 schools for one month and 3 schools for two months. As a result, the schools reported virtually all breakfasts counted as being served to students in the free eligibility category. Revised claims were not submitted by the District to correct these instances of over reported free meals served.

Meals reported as being served in the free eligibility category generate a higher reimbursement amount than meals served in the reduced and full price eligibility categories, which resulted in the District receiving an inappropriate amount of reimbursement for the School Breakfast Program. Since the number of free, reduced, and full priced meals was not documented by the District, in addition to the Ohio Department of Education calculating the amounts of reimbursement made based on results reported, we were unable to determine of amount of reimbursement that the District improperly received.

We recommend the District implement procedures to ensure that meal counts are tracked and reported by the appropriate eligibility categories of free, reduced, or full price.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

Officials' Responses: The responses to the above findings and questioned costs are included in the Corrective Action Plan prepared by the District.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2005-001	Finding for recovery repaid under audit for personal cell phone use.	No	Not Corrected – Reissued as 2006-001
2005-002	Negative fund balances throughout the year.	No	Not Corrected – Reissued as 2006-002
2005-003	Appropriations exceeding Estimated Resources	No	Not Correct – Reissued as 2006-003
2005-004	412 Certifications were not executed for qualifying contracts.	Yes	
2005-005	Policy on student activities adopted by the Board of Education is not being followed on a consistent basis.	No	Not Corrected – Reissued as 2006-008
2005-006	Employee payroll certifications were not completed for Title V payroll expenditures in accordance with allowable costs/cost principles requirements resulting in a questioned cost.	No	Not Corrected – Reissued as 2006-010
2005-007	Employee payroll certifications were not completed for Title I payroll expenditures in accordance with allowable costs/cost principles requirements resulting in a questioned cost.	No	Partially Corrected – Reissued as 2006-010
2005-08	Title I school allocations overspent resulting in schools being served outside of poverty rank with a corresponding questioned cost.	No	Not Corrected – Reissued as 2006-014
2005-09	Title I funds spent on unallowable activities with a corresponding questioned cost.	Yes	
2005-010	“Non-pricing” Breakfast program was not tracked by eligibility categories.	No	Not Corrected – Reissued as 2006-015

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2006
GAGAS AND SINGLE AUDIT FINDINGS**

Finding	Responsible Person(s)	Planned Corrective Action
<p><u>Finding Number 2006-001</u> District Owned Cell Phones- Implement formal monitoring procedures to enforce District policy and guidelines are met.(\$227.20)</p>	<p>Mr.Vargo Dr.Bosley</p>	<p>The procedures implemented require employees to review their respective phone bill for unallowable calls and remit any cost incurred for those calls. Their immediate supervisor is to review the final employee reviewed invoice for accuracy and compliance with the policy.</p> <p><i>Implementation Date: March, 2007</i></p>
<p><u>Finding Number 2006-002</u> Negative Fund Balances- The District should monitor activities to avoid negative fund balances.</p>	<p>Mr. Kinneer</p>	<p>The Board of Education has granted the Treasurer prior authority to make necessary transfers and advances with the understanding that monthly the Board is informed of the transfers and advances which occurred. The Treasurer, after the transfers and advances are made, presents a report to the Board of Education summarizing this activity.</p> <p><i>Implementation Date: In place</i></p>
<p><u>Finding Number 2006-003</u> Appropriations Exceeding Estimated Resources</p>	<p>Mr. Kinneer</p>	<p>An Amended Certificate of Estimated Resources filing will occur monthly with the County Budget Commission and as Board of Education actions warrant.</p> <p><i>Implementation Date: In-place</i></p>
<p><u>Finding Number 2006-004</u> Proper Public Purpose – monies were expended for alcohol and food which are unallowable under the District's proper public purpose policy. (\$137.74)</p>	<p>Dr. Bosley</p>	<p>The Office of Internal Audit suggests modification of the existing policy to permit food purchases from discretionary funding sources (principals, employee benefit, and student activity funds) where students receive benefit, primarily.</p> <p>This action may require modification in the proper public purpose policy and approval by the Board of Education.</p>

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2006
GAGAS AND SINGLE AUDIT FINDINGS**

Finding	Responsible Person(s)	Planned Corrective Action
<p><u>Finding Number 2006-004</u> (Continued)</p>		<p>In the mean time, the District will disallow any food purchases by instructing staff to comply with the regulation already in place and stress that no alcohol purchases are to be made from either public or employees' benefit funds.</p> <p><i>Implementation Date: In place</i></p>
<p><u>Finding Number 2006-005</u> Third party administrator incorrectly calculated the LSP payment. Once discovered the monies were remitted back to the District. (\$7,497)</p>	Mr. Bickley	<p>The benefits department will review LSP performed calculations for accuracy and compliance with early (limited) separation agreement ratified by resolution. The benefits department will notify third party administrator(s) of identified exceptions for correction and any reimbursement required.</p> <p>Communication with the third party administrator will occur in writing.</p> <p><i>Implementation Date: In-place</i></p>
<p><u>Finding Number 2006-006</u> Employees received medical benefits not permitted by policy.(\$8,151.68)</p>	Mr. Bickley	<p>The benefits department will initiate a re-enroll period of all employees which will require the submission of new enrollment forms with supporting documentation to substantiate guardianship, relationship, child dependency, etc.</p> <p>The benefits department will institute and implement a Benefits Change/Authorization Form. Employees wishing to enroll or change existing data will fill out this form with appropriate, acceptable substantiating documentation (i.e. guardianship letter, dependency evidence, etc.). From this Form the benefits department will data enter changes into the data base file. The Form filed for audit.</p>

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2006
GAGAS AND SINGLE AUDIT FINDINGS**

Finding	Responsible Person(s)	Planned Corrective Action
<p><u>Finding Number 2006-006</u> (Continued)</p>		<p>The benefits department in the audit period performed quarterly eligibility reviews- comparing employees on file with the eligibility roster file. Exceptions are identified. The benefits department will increase this review to monthly.</p> <p>Once exceptions are identified that require reimbursement of District funds, the appropriate notification shall be made in writing to the third party administrator. A summary of all monies owed the District will be maintained and maintained to reflect any payments or additions.</p> <p><i>Implementation Date: In-place (Re-enrollment implementation date is September, 2007.)</i></p>
<p><u>Finding Number 2006-007</u> 43% of assets were not made by the use of a disposal form; identified assets were noted as missing and subsequently written off.</p>	<p>Mr. Kinneer Dr. Bosley Mr. Tankovich</p>	<p>a. <u>Management</u> will continue to provide training for administrators in the proper procedures for reporting fixed asset transfers and disposal.</p> <p>b. <u>Reporting the removal of technical equipment from buildings-</u> Building administrators will be advised in writing of the equipment being moved out of their buildings on the day of the move. With this information the building administrators will be better able to provide an explanation for items not found during the physical inventory, instead of just labeling them missing and create another source to ensure those items are removed from the inventory listing. MIS will assure that these removals are reported monthly to the Office of the Treasurer for entry into the fixed asset system.</p>

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2006
GAGAS AND SINGLE AUDIT FINDINGS**

Finding	Responsible Person(s)	Planned Corrective Action
<u>Finding Number 2006-007</u> (Continued)		<p>c. <u>Investigating items reported as missing by building administrators-</u> The Fixed Asset staff will work with administrators to do more investigating into the items not located during the physical inventory. Administrators will be asked to search the building to determine whether an item has just been put in another room. Some equipment moved from the buildings is transferred to the warehouse, and later delivered to another district building. Warehouse records will be checked to determine whether items have been redistributed or actually disposed before they are determined "missing".</p> <p>d. <u>Depreciation and adjustment of useful lives-</u> District management will re-examine the district's useful life ranges for capitalized asset classes in fiscal 2007 to determine if these need adjustment. Additionally, each year the Office of the Treasurer will examine the capitalized assets which are set to fully depreciate that fiscal year and determine whether their useful lives need lengthened.</p> <p>e. <u>Items not located by the Auditor of State</u> will be investigated by the fixed asset staff. If they cannot be found they will be entered as such in the fixed asset system in fiscal 2007.</p> <p>f. <u>The 13 percent of equipment found without tags</u> will be tagged in fiscal 2007.</p> <p><i>Implementation Date: In-place (partial implementation in fiscal 2007)</i></p>
<u>Finding Number 2006-008</u>	Mr. Kinner	In fiscal 2006, the District increased monitoring activities of the

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2006
GAGAS AND SINGLE AUDIT FINDINGS**

Finding	Responsible Person(s)	Planned Corrective Action
Student Activities-The District should assure adherence to Board policy.		student activity collection process. The District began reporting incidents of non-compliance to appropriate level of management on a quarterly basis to increase monitoring. These changes have resulted in an increase in compliance as indicated by the audit results. In fiscal 2007, these efforts will continue with increased awareness to increase compliance rates. <i>Implementation Date: In-place</i>
Finding Number 2006-009 43% of assets were no made by the use of a disposal form; identified assets were noted as missing and subsequently written off. (Federal Affect on Internal Control weakness)	Mr. Kinneer Dr. Bosley Mr. Tankovich	Reference Finding Number 2006-007, above, for corrective action. <i>Implementation Date: In-place (partial implementation in fiscal 2007)</i>
Finding Number 2006-010 Questioned Cost-Title V- The District was unable to provide proper supporting time and effort documentation for employees charged to Title V funds. The District lacked proper support for Nutrition Cluster, Title 1 and Improving Teacher Quality grants. (\$15,130)	Dr. Bosley	In Oct., 2005 the District implemented enhanced polices and procedures to ensure payroll expenditures made from federal funding sources are supported by a time and effort certification. As effectiveness of the system increases, the District has experienced increased compliance with time and effort reporting and meeting requirements described in <i>Office of Management and Budget Circular A-87, Attachment B, paragraph 8.h(4)</i> . The District expects compliance rates to increase in fiscal 2007. <i>Implementation Date: In-place</i>
Finding Number 2006-011	Mr. Kinneer	Grant Administrators and the CCIP manager will review the federal

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2006
GAGAS AND SINGLE AUDIT FINDINGS**

Finding	Responsible Person(s)	Planned Corrective Action
Monies were adjusted to reduce fringe benefits cost to increase salary cost. The cost incurred was actually fringe benefits. (\$555,445)		<p>expenditure report (FER) for agreement with the general ledger. A summary copy of the general ledger with totals shall be attached to the FER for Superintendent and Treasurer review before affixing their signatures to the FER.</p> <p>The general ledger totals must agree to the FER.</p> <p><i>Implementation Date: In-place</i></p>
<p>Finding Number 2006-012 The allowable costs incurred in grant year 2005 were moved to the 2006 grant year. (\$1,410,888)</p> <p>These costs were allowable, but charged to an unallowable grant period.</p>	Mr. Kinneer Dr. Bosley	<p>The grant coordinators will review the grant activity to ensure monies are spent in the appropriate grant year.</p> <p>The Treasurer is approving all exprocs. (An "exproc" is an individual transaction correction manifested by a journal entry which historically has been used to move federal incurred cost from one grant or grant year to another.)</p> <p><i>Implementation Date: In-place</i></p>
<p>Finding Number 2006-013 Period of Availability-expenditures charged to the incorrect grant year.(\$86,103)</p>	Dr. Bosley	<p>The grant coordinator will review the grant activity to ensure monies are spent in the appropriate period. March 1, 2007, Grant Coordinator meeting.</p> <p>The Treasurer is approving all exprocs.</p> <p><i>Implementation Date: In-place</i></p>
Finding Number 2006-014	Dr. Bosley	The Treasurer will work with the grant team to develop a process

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2006
GAGAS AND SINGLE AUDIT FINDINGS**

Finding	Responsible Person(s)	Planned Corrective Action
<p>Title I Questioned Cost-Schools Overspent their Title I Budgets. (\$796,863)</p>		<p>to monitor all grant budgets and will review what processes will best ensure that budget adjustments are performed within established limits and comply with approved grant budgets. All grant administrators will receive professional development annually at the Administrators Academy.</p> <p>In fiscal 2007, the District has begun to use the salary differential which will eliminate the overspending in these line items.</p> <p><i>Implementation Date: In-place</i></p>

FY2006 COMPREHENSIVE ANNUAL FINANCIAL REPORT



Issued by the Office of the Treasurer
Michael Kinneer, CFO
270 East State Street, Columbus, Ohio
43215
614.365.6400
www.columbus.k12.oh.us
Fiscal Year Ending June 30, 2006

**Comprehensive Annual Financial Report
of the
Columbus City School District**

270 East State Street

Columbus, Ohio 43215

Fiscal Year Ended June 30, 2006

**Prepared by
Treasurer's Office
Michael Kinneer
Treasurer**

Columbus City School District
Board of Education

Columbus City School District
Board of Education
Fiscal Year 2006



Terry Boyd
President



Betty Drummond
Vice President



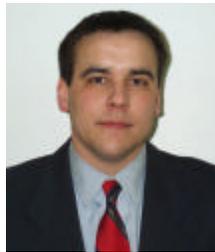
Karen Schwarzwalder



Jeff Cabot



W. Carlton Weddington



Andrew Ginther



Stephanie Groce



Gene T. Harris
Superintendent



Michael Kinneer
Treasurer

COLUMBUS CITY SCHOOL DISTRICT

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

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INTRODUCTORY SECTION



Columbus Public Schools

270 East State Street • Columbus, Ohio 43215 • Ph. (614) 365-6400 • Fax (614) 365-5628

December 22, 2006

Board of Education Members and Citizens
Columbus City School District

Dear Board Members and Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Columbus City School District (District) for the fiscal year ended June 30, 2006 is hereby submitted. This report was prepared by the Treasurer's Office, and includes the Independent Accountants' Report from Betty Montgomery, Auditor of State. Responsibility for both the accuracy of the data presented and the completeness and fairness of this presentation, including financial statements, supporting schedules and statistical tables, lies with the management of the District, specifically the Treasurer's Office. The management of the District represents that the accounting system and the budgetary and internal accounting controls of the District provide reasonable assurance that the District's assets are safeguarded against material loss and that financial records are reliable for preparing financial statements and maintaining accountability for assets. All disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

The CAFR is presented in three sections:

The Introductory Section includes the table of contents, letter of transmittal, the District's organizational chart and a list of Board members and other officials.

The Financial Section begins with the Independent Accountants' Report and includes Management's Discussion and Analysis (MD&A), the basic financial statements and notes that provide an overview of the District's financial position and operating results, required supplementary information, the combining statements for non-major funds and other schedules that provide information relative to the basic financial statements.

The Statistical Section includes selected financial, supplemental and demographic information, generally presented on a multi-year basis.

Generally Accepted Accounting Principles (GAAP) also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Accountants' Report.

This report will be available on the District's website. The Internet address is <http://www.columbus.k12.oh.us>.

The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The single audit report is included within a separate report.

The Columbus City School District does not discriminate because of race, color, national origin, religion, sex or handicap with regard to admission, access, treatment or employment. This policy is applicable in all District programs and activities.

Reporting Entity

The District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" and GASB Statement No. 39 which is an amendment to GASB Statement No. 14 and provides additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationships with the primary government. In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the District (the primary government) and its potential component units.

GENERAL INFORMATION CONCERNING THE BOARD AND THE SCHOOL DISTRICT ORGANIZATION

The Board and Administration

The Board of Education of the Columbus City School District (the Board) is a body both politic and corporate charged with the responsibility of managing and controlling affairs of the District and is, together with the District, governed by the general laws of the State (Ohio Revised Code). The Board is comprised of seven members who are elected for overlapping four-year terms. The Board members during the year ended June 30, 2006 were:

	<u>Date Current Term Commenced</u>	<u>Present Term Expires</u>
Terry Boyd, President	01/01/04	12/31/07
Betty Drummond, Vice-President	01/01/06	12/31/09
W. Carlton Weddington	01/01/06	12/31/09
Karen Schwarzwaldler	01/01/04	12/31/07
Jeff Cabot	01/01/04	12/31/07
Andrew Ginther	01/01/06	12/31/09
Stephanie Groce *	03/07/06	12/31/07

* Replaced Stephanie Hightower effective March, 2006

The Superintendent of Schools (Superintendent), appointed by the Board for a maximum term of five years, is the executive officer of the District and has the responsibility for directing and assigning teachers and other employees, assigning the pupils to the proper schools and grades, and performing other such duties as determined by the Board. Dr. Gene Harris was appointed Superintendent on June 11, 2001, and began her term on July 18, 2001. Prior to the superintendency, Dr. Gene T. Harris was the Deputy Superintendent of Business and Operations.

The District and Its Facilities

This report of the District includes all funds, organizations, activities and functions of the District. The District presently does not have any component units for which the District is financially accountable or that are fiscally dependent on the District. The District covers approximately 120 square miles. According to information obtained from the Mid Ohio Regional Planning Commission, the City of Columbus population is estimated at 779,383 for 2005 (the latest available data).

GENERAL INFORMATION CONCERNING THE BOARD AND THE SCHOOL DISTRICT ORGANIZATION (Continued)

The District and Its Facilities – Continued

During 2006, the District's average daily membership was 57,827. Of the total membership, 27,015 students reported to 86 regular elementary schools, 1,844 students reported to K-8 or K-12 schools, 13,182 students reported to 26 middle schools, 14,744 students reported to 18 high schools, 477 students reported to 4 career centers, and 565 students reported to 3 special schools. The District's special schools provide special curricula, vocational education and skills programs, and programs for handicapped pupils, including physically handicapped and hearing impaired children.

The School District also operates several administrative facilities consisting of the Northgate Center, Neil Avenue Center, Shepard Center, Food Production Center, Hudson Distribution Center, Kingswood, Smith Road, 17th Avenue and three transportation depots.

Employee Relations

The District currently has approximately 7,410 full-time equivalent employees. During fiscal 2006, the District paid (determined on a cash basis) from its General Fund approximately \$354.2 million in salaries and wages and \$108.3 million for fringe benefits and other labor-related costs such as employer retirement contributions, workers' compensation coverage, unemployment compensation, life insurance and medical and dental insurance premiums.

Of the current full-time employees, 4,324 are professionals serving as teachers, all of whom have at least a bachelor's degree. The 2006-2007 starting salary for a teacher with a bachelor's degree is \$35,621; the maximum teacher salary (for a teacher with a Ph.D. degree and 30 years' experience) is \$79,327.

The District's administrators and supervisors (such as principals) are represented by the Columbus Administrators Association (CAA).

Classified supervisors and employees not eligible for membership in a bargaining unit are represented by the Columbus Schools Classified Supervisors Association (CSCSA).

The District's teachers and educational specialists are represented for collective bargaining purposes by the Columbus Education Association (CEA). The District has a collective bargaining agreement with the CEA that will expire June 30, 2008.

The Columbus School Employees Association (CSEA), a division of the Ohio Association of Public School Employees (OAPSE), represents classified employees (secretarial-clerical, custodial, maintenance, transportation and food services staff) of the District for collective bargaining purposes. The current OAPSE contract expires February 29, 2008.

In the judgment of the Board, labor relations with its employees are good.

Intergovernmental Relations

The District maintains a good working relationship with the City of Columbus, Franklin County and other governmental agencies. City of Columbus officials and District Board members are communicating effectively to resolve tax abatement issues, use of surplus property and other public policy matters.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

Employment in the Greater Columbus Area continues to be service oriented. Six of the top twelve largest employers in the Columbus area are government or government-oriented (the State of Ohio, The Ohio State University, United States Postal Service, Defense Supply Center – Columbus, Defense Finance and Accounting Service – Columbus, Columbus Public Schools, City of Columbus and Franklin County). The ten largest employers in the Greater Columbus area are shown in the Statistical Section of this report. These major employers, representing government, insurance, public utilities, manufacturing, retail, banking, research, medical and services, provide a broad and diverse employment base.

A significant factor in the area's history of consistent growth is the balance between its manufacturing and other major employment sectors. The sectors and their percentage of the Columbus Metropolitan Statistical Area's employment base are as follows:

Natural Resources, Mining and Construction	4.4%
Manufacturing	8.5%
Transportation, Warehousing and Utilities	4.4%
Wholesale and Retail Trade	15.8%
Information	2.1%
Financial Activities	7.9%
Professional and Business Services	15.0%
Educational and Health Services	11.3%
Leisure and Hospitality Services	9.6%
Other Services	4.1%
Government	16.9%

Source: Ohio Department of Jobs and Family Services, Labor Market Information (LMI) – Average for calendar year 2005

The City's average annual unemployment rates (5.3%) for 2005 continued to be below the State of Ohio (5.9%) and is comparable to the United States (5.1%) rate. Columbus has grown to an area covering 225.9 square miles through an aggressive annexation policy. Easy access to markets makes Columbus a good location for business. Columbus, Ohio's capital city, is located in the central part of the state, approximately 150 miles southwest of Cleveland and 110 miles northeast of Cincinnati.

The City of Columbus entered the 21st Century ascending the ranks of America's largest municipalities, with a balanced budget, growing population and economic growth, and a history of strict fiscal management. These factors allowed the City to weather the national financial downturn, albeit with little spending growth, and, as Columbus entered its Fiscal Year for 2005, the City continued to provide a high level of quality public services. Administrations, Councils, and the actively engaged civic organizations from across the City have been partners in building Columbus for the 21st Century, and these responsible policies will continue to ensure the City's economic success for future generations.

ECONOMIC CONDITION AND OUTLOOK (Continued)

Financial Outlook and Financial Planning – District

With the passage of a 6.95 mill levy in November of 2004, the District's financial outlook over the next three years reveals the fiscal year 2007 ending projected General Fund cash balance to be approximately \$18.8 million in unencumbered cash. The District's fiscal year 2008 ending General Fund cash balance is projected to be approximately \$5.9 million. A negative ending cash balance is projected to occur in fiscal year 2009. The declining projected ending General Fund cash balance is a reflection of the challenge of Ohio school district financing. This is due to limited revenue growth and natural inflationary growth on the expenditure costs. The District is currently determining the means to address the fiscal picture.

CURRENT INITIATIVES

Under the strong leadership of the 19th Superintendent Gene T. Harris, Ph.D., the Columbus City School District, popularly known as the Columbus Public Schools, continues to make measurable progress in increasing student academic achievement, the District's prime goal. The District Continuous Improvement Plan (DCIP) and the Superintendent's Work Plan have been closely aligned to guide the coordinated efforts of all staff.

The major work of the District is organized and implemented through a structure that is divided into six areas. These areas are the means by which all staff are working to increase academic achievement and to ensure that all Columbus students receive equitable access to a quality education. They are:

1. Quality Instruction;
2. Committed Leadership;
3. Opportunity to Learn;
4. Student Motivation;
5. Efficient, Equitable Operations; and
6. Parent/Community Involvement.

Executive Summary of Efforts Supporting the District's Prime Goal: Increasing Academic Achievement

The broad focus of the District's educational program is to ensure that every student, in every classroom in the District, is offered a quality educational program. It focuses on all students making measurable progress as the result of a shared emphasis on aligned curriculum, targeted instruction, and higher expectations for students at school and at home.

Upon becoming superintendent in July 2001, Dr. Harris vowed to get the District beyond the state's designation of "academic emergency" on the annual state report card by summer 2003. On the 2001-02 report card, the District showed improvement in 21 of 22 categories. Dr. Harris then achieved this first major goal of her work plan (moving to "academic watch") as promised in August 2003, when the Columbus Public Schools tied with Canton to become the first of the "Big 8" Ohio urban districts to achieve seven state standards.

One of the state standards the District met for the first time in August 2003 was attendance. The District met the attendance standard again in 2004, 2005, and 2006. Other state standardized test results for the 2005-06 school year continue to provide solid evidence that District students are achieving at higher levels. One example is the District's Performance Index. Performance Index scores improve when a greater percentage of students score at the advanced, accelerated and proficient levels and a smaller percentage of students score at the basic, limited or below basic levels. The District's Performance Index score has steadily increased from 67.5 in the 02-03 school year, to 71.4 (2003-04), to 73.7 (2004-05), and to 79.2 (2005-06).

A Performance Index score of 80 earns a District the Continuous Improvement rating. Columbus Public Schools was eight-tenths of a point (0.8) short of achieving this short-term goal, but coming so close to making Continuous Improvement by summer 2006 has given District leaders and staff an even greater resolve to strengthen improvement efforts.

CURRENT INITIATIVES (Continued)

Undoubtedly, District staff members are taking students at whatever level they may be and giving them the instruction they need to improve academically, as evidenced by the gains in Performance Index scores over the past four years. This measured year-to-year improvement takes on greater importance when one knows the Columbus Public Schools:

- Has the largest Limited English Proficiency (LEP) student population in the state;
- Serves a student enrollment of which more than 70 percent qualify for free or reduced-price lunch, a prime indicator of the ever increasing numbers of students living in poverty in Columbus, Ohio; and
- Continues to reduce staff and close schools as a result of losing students to public charter schools and private schools through a new, legislated voucher program.

Three years ago was the first time District students took the Ohio Graduation Test, and 61 percent passed the reading section of the test, while 42 percent passed the math section of the test. Two years ago, after gaining a better understanding of the Ohio Graduation Test and what's expected, 76.2 percent of District students passed reading and 52.9 percent passed math. Last school year those percentages were 75.5 percent for reading and 61.7% for math.

Every year a new group of students takes a different version of these subject-area tests, so maintaining a gain is a significant achievement.

The District also met or achieved Safe Harbor status in 33 of 42 Adequate Yearly Progress (AYP) rating areas required by federal No Child Left Behind legislation. As this number was lower than the previous year's 41, District officials are carefully analyzing AYP data to determine the issues and working to address those issues.

The District's major long-term goal is Project 2012. In addition to going the last percentage point in bringing the District up to Continuous Improvement and beyond, all staff members are working with students from pre-k through 12th grade to increase the graduation rate to – and beyond – the state standard of 90 percent by 2012...that's when this year's seventh graders graduate.

In Ohio the graduation rate is not a calculation of the percentage of students starting 12th grade who actually graduate by the end of that year...that's the "senior success rate," which in the District is about 90 percent. Rather, the state's graduation rate is computed as the percentage of 9th grade students who four years later have completed the requirements to actually receive a diploma and graduate from high school with their class.

Project 2012 focuses staff and resources around reaching, and then surpassing, that 90-percent target graduation rate by creating measurable benchmarks for progress and improving the graduation rate for every graduating class prior to 2012. At all levels, students are being connected to the importance of high school graduation in their lives, and achieving the high school diploma is becoming a shared expectation and next step toward higher education.

The high school diploma is:

- The "product" of the District;
- The passport to helping students achieve their dreams;
- An essential step between childhood and adulthood; and
- An important achievement but not the capstone of all the education students will need to live successful, productive adult lives.

Members of the Columbus Public Schools Class of 2006 earned yet another record with regard to scholarship and grant offers, up from \$33.07 million in 2005 to \$40.7 million. Students in 13 of the District's 18 high schools collectively earned more than a million dollars per school in scholarship offers. These Columbus high schools include Beechcroft, Briggs, Columbus Alternative or CAHS, Centennial, Eastmoor, Fort Hayes, Independence, Linden-McKinley, Marion-Franklin, Northland, Walnut Ridge, West and Whetstone. Once again, more than half the graduates declared their intentions of continuing school in the fall or entering military service.

A few examples of the District's being on track with regard to preparing today's students for tomorrow's challenges include:

- Five Columbus Public Schools seniors have been named National Merit Semifinalists, and five were named National Achievement Semifinalists in the 2007 competition conducted by the National Merit Scholarship Corporation;

CURRENT INITIATIVES (Continued)

- For the second straight year, a Walnut Ridge High School senior was chosen as one of 50 teens from around the country to be featured in *Ebony* magazine's 2006 salute to the nation's top black high school seniors. The student was also selected as a 2006 Gates Millennium Scholar. CPS students have been chosen by *Ebony* magazine in four of the past five years;
- Two Columbus high schools were again listed in *Newsweek* magazine's top 5 percent of the nation's high schools based on how the schools prepare students for higher education;
- The District leads the state with 92 National Board Certified Teachers;
- The Transportation Maintenance Department was rated one of the 10 best in the nation by an industry trade publication for the exceptional job they do keeping an aging bus fleet running safely;
- In two of the past four years, a Columbus Public Schools teacher has earned the Ohio Teacher of the Year Award;
- President George W. Bush last year honored Centennial High School Science Teacher, Thomas Trang, with the 2005 Presidential Award for Excellence in Mathematics and Science Teaching, the nation's highest honor for teaching in these fields. Trang is the only science winner from Ohio and one of 100 7th-12th grade teachers nationwide to receive the prestigious award;
- A Columbus Alternative High School senior took first place in the 2006 Rasor-Bareis-Gordon Mathematics Competition sponsored by The Ohio State University, besting all college-level undergraduate students who have first- and second-year mathematics-level standing at the university;
- Ten District high school students were selected to receive the annual Honda-Ohio State University Math Medal award for outstanding mathematics achievement. These students have an exclusive opportunity to apply for a new Honda-OSU Partnership Scholarship at the OSU College of Engineering, renewable for four years at \$2,500 per year;
- A middle-school Gifted and Talented coordinator completed a project that allowed Starling Middle School students to collaborate with students at Weifang#2 School in China, through the use of Project Cam, Cable in the Classroom's online environment with video, chat and file-sharing functions. For her efforts, she was named one of 20 winners in Time Warner Cable's National Teacher Awards program;
- The Marion-Franklin HS and Eastmoor Academy HS Theatre Departments took first and second place, respectively, for the 2006 Troupe Display Award at the Ohio Education Theatre Association Conference;
- Two Columbus Alternative HS seniors have been recognized with the 2006 Prudential Spirit of Community Award in partnership with the National Association of Secondary School Principals for their volunteer service to the Columbus community;
- Three Brookhaven HS seniors have been selected from a pool of national candidates to receive scholarships to attend the American Musical and Dramatic Academy (AMDA) in New York. Many AMDA graduates currently perform on Broadway, Off-Broadway, and in television, film, national tours, and regional theater productions. Because entry requirements can be challenging and the scholarships are in such demand, it's rare to even have three students accepted from a single school district, much less a single school;
- The National Endowment for the Arts sponsors a statewide and then national competition called "Poetry Out Loud," which requires students to select poems and then present them as oratory for a panel of judges in a public setting. After winning the state competition, a student from Columbus Alternative High School was one of 51 candidates to compete in Washington, D.C. where he was named the national winner of the "Poetry Out Loud" competition; and
- Members of the Northland High School marching, ensemble and jazz bands took an educational tour of Paris and the Metropolitan Singers of Fort Hayes High School performed at the 2006 Vienna Choral Music Festival in recognition of the 250th birthday of composer Wolfgang Amadeus Mozart.

A systemic overhaul of the District's organizational structure and stronger policies, procedures, and fiscal controls relating to accountability are supporting the steady gains in achievement. In 2002, Columbus citizens gave the District a vote of confidence when they approved a \$392 million bond issue which, with a state match of 30 percent, is funding the first two phases of the District's comprehensive Facilities Master Plan. Linden Elementary School was the first Columbus school to be funded through the levy and state matching funds; it went into full service with a community open house in August 2004. Thirteen groundbreaking have already been held to celebrate the rebirth of the District in 21st century schools, and a number of these schools will be completed during the 2006-07 school year. Responding to reduced student enrollment and demographic changes in the city, the District also closed 12 schools at the end of the 2005-06 school year, reduced teaching and support staff, and changed school start times and bell schedules to effect efficiencies in operations.

CURRENT INITIATIVES (Continued)

Dr. Harris has committed the District's leadership to develop, implement, replicate, and monitor the best practices and procedures to increase all students' levels of academic performance. By creating an executive management team with business or other skills specifically needed to accomplish major districtwide changes, Superintendent Harris continues to make systemic changes and transform the school culture from one of defensive defeatism to re-energized optimism, bringing community and staff together to achieve high, yet achievable, goals. Again meeting the state attendance standard this past school year and just missing the District's being categorized as in Continuous Improvement, in spite of changing state standards and testing requirements, are two strong examples of the impact of this strategy.

Complementing Dr. Harris's vision are changes that have been made in the Treasurer's Office. The most recent annual state audits noted no material operational weaknesses in the District's fiscal controls.

Strong economic demographics, improvement in academic performance and strong management of the District, as reflected in recent audits, have helped the District to achieve and maintain improved bond ratings from Standard & Poor's, Moody's and Fitch ratings services. The ratings currently are AA-, Aa3 and AA, respectively. The strong ratings save the District interest through stronger credit to borrow money at lower costs to local taxpayers when construction bonds to build or totally renovate District schools have been offered for sale.

District staff are supporting systemic changes and focusing on targeted initiatives, all of which are designed to increase student academic achievement; to close long-standing achievement gaps that can be identified by race, poverty and gender, among other factors; and to build staff capacity to provide quality instruction, set higher expectations for all students and achieve measurable results in safe, warm, dry, inviting and adequately equipped learning environments.

Initiatives for the 2007 school year include:

- **The Columbus Teaching Academy**, which allows high school seniors who are interested in pursuing a career in education to take courses on The Ohio State University campus. Students will have internships in Columbus Public Schools, and they will also have a variety of opportunities to observe and work with students at various age levels.
- **The Academic Acceleration Academy**, which is the first charter school sponsored by the District and which opened for the 2006-2007 school year. The AAA school is a high school designed to serve eighth- through twelfth-grade over-aged students. The school will specifically target students who are at risk for not completing high school in a traditional setting, and it will provide an intensive program to accelerate graduation from high school.
- **The SuccessWorks Academy**, an alternative education program that will serve the needs of students with chronic/intense behavior problems whose actions account for over half of all discipline-related statistics in the District. After intensive staff development through the fall, the academy is anticipated to accept its first students by January 2007.
- **Metro High School**, a small learning community operated by the Educational Council and open to students in Columbus Public Schools and the 15 other school districts in Franklin County. Its academic focus is to prepare all students for success in college, build capacity in science, math and technology and feed students' aspirations to make a difference in the world. With significant support from Battelle, The Ohio State University and the Gates Foundation, Metro opened with ninth graders this school year and will add a class each year. Recurrent funding comes from districts whose students attend the school. They remain enrolled in their home high schools and may continue extracurricular activities.
- **Positive Behavioral Intervention and Supports (PBIS)**, a bundling of successful school-discipline strategies into a cohesive plan that has been studied and measured nationally. It integrates behavioral science, practical interventions and social values into a systemic approach to improve student behavior and school climate. School team training is occurring from September 2006 to January 2007. Two of the expected outcomes of implementing this program are more focused student behaviors centered on teaching and learning and a mutually respectful partnership toward achieving common educational goals, culminating in earning the diploma. The bottom line is always increased academic achievement.

CURRENT INITIATIVES (Continued)

- **The DeVry Advantage Academy**, through which 23 Columbus Public Schools juniors are simultaneously attending DeVry University and earning their high school diplomas and associate's degrees in Network Systems Administration from DeVry. Students in the program are fully integrated into campus life, services, academic supports and extracurricular activities. Columbus Public Schools pays tuition and purchases books; DeVry, in turn, has substantially discounted tuition and waived student fees.

Other recent selected initiatives of the District under the leadership of Dr. Harris include:

- The **International Baccalaureate** diploma program at Columbus Alternative High School, preparing Columbus students for higher education opportunities worldwide;
- The after-school **Credit Recovery** Program, helping students earn credits they need to receive their high school diplomas. At the end of the 2003-04 school year, 340 students had participated in the program and 125 had completed enough credits to graduate in June. During the 2004-05 school year, 1,539 students earned 2,262 credits. During the 2005-06 school year, 1,424 students earned 2,060 credits.
- The **Virtual High School** program, focusing on bringing back former District students lacking credits to graduate, reclaiming charter school students, attracting home-schooled students, and providing a different path for those seeking to earn additional credits while attending high school. As of September 2006, 585 students were enrolled, with 85 continuing work that was begun last school year. That number is expected to increase, with the number of students participating in the program capped at 750 this school year. One hundred fifty-five students have used the program to complete course work and graduate from their respective district high schools.
- The **Columbus Africentric Early College**, beginning with a Summer Bridge Program for eighth graders and preparing them to earn college credits, up to an associate's degree at Columbus State Community College, while they are still in high school.

Specific District activities that support the goal of increased academic achievement, grouped under the six major areas of the 2004-06 DCIP, include the following:

I. Quality Instruction

All teachers will deliver high quality instruction to increase academic achievement for all students.

In order to insure that teachers have the knowledge, skills and expertise to effectively deliver instruction to increase academic achievement for all students, the District must address a number of needs and issues. Teachers must have technical knowledge and skills to get results from all students (content, instructional strategies, standards, and assessment), and must hold themselves accountable for the performance of their students. Teachers should be culturally competent and able to establish rapport with all student groups and be able to relate positively with parents, community [members], and colleagues. Teachers must take responsibility for their own professional development and have access to District professional development in-services that relate directly to student achievement. The District must insure that teachers are hired as a result of interview procedures considering their content knowledge and their ability to work in an urban environment; that teachers are certified to teach in the areas they instruct; and that experienced teachers are equitably represented in low-performing schools.

This goal is supported by performance objectives and a variety of strategies and performance measures.

II. Committed Leadership

District leaders will create and maintain policies and practices that support increased academic achievement and efficient business operations.

CURRENT INITIATIVES (Continued)

For this to occur, it is important to identify what leadership qualities are desired and what real leaders actually do. Leaders model belief systems for the entire staff and show evidence of planning. They are advocates for all students and set high expectations for staff and students. Leaders know the diverse communities they lead and initiate ongoing discussions about race and poverty. They have knowledge/awareness of the best instructional practices and use data that focuses on improving learning. Leaders are accountable and hold others accountable as well, and they are evaluated according to student achievement, as well as parent and student satisfaction.

Leaders allocated resources based on the needs of all students to achieve at high levels. Leaders build the capacity of others through quality professional development and take responsibility for their own personal and professional growth. Most importantly, leaders are team builders who have the ability to motivate and encourage change.

This goal is supported by performance objectives and a variety of strategies and performance measures.

III. Opportunity to Learn

All students will be given equitable opportunities for learning.

Accomplishing this goal requires the identification of certain indicators which include, but are not limited to, the following: All students must have access to a curriculum that is aligned to District and state standards, and students must also have access to the most challenging coursework (Advanced Placement courses, advanced math and foreign languages) and be proportionately represented in these classes. Another indicator is the way students are identified and placed in programs. For example, all student groups should be proportionately referred to special education and have access to gifted and talented programs. Finally, suspensions or expulsions of students from a particular group should be no greater than their proportion of the total student population. The District will recruit all student groups to participate in its after-school and Summer School programs and help alleviate any financial barriers that would prevent some students from participating.

This goal is supported by performance objectives and a variety of strategies and performance measures.

IV. Student Motivation

All students will be motivated to give their best effort.

While student motivation is complex and originates from many sources, there are things that teachers and administrators can do to improve students' motivation. First and most important, students must understand how the instruction they are receiving relates to their interests and career goals. Students must be encouraged by teachers and significant adults to persist, especially when setbacks occur. Students, themselves, can be a source of ideas regarding motivation. Students should be encouraged to provide feedback on how the school environment could be modified in ways that would encourage them to put forth greater effort.

This goal is supported by performance objectives and a variety of strategies and performance measures.

V. Efficient, Equitable Operations

The District will operate more efficiently and equitably.

At the heart of equity is a system that allocates appropriate resources with the adoption of a weighted student formula that will determine how resources are allocated to schools on an equitable basis (includes allocation of people: counselors, nurses, secretaries, etc., and things: computers, library books, facilities, etc.) Additionally, the District must adopt effective operational practices which will improve delivery of services to schools and reduce the waste of valuable resources.

This goal is supported by performance objectives and a variety of strategies and performance measures.

CURRENT INITIATIVES (Continued)

Goal VI. Parent/Community Involvement

The District will engage parents and community organizations to support student success.

In order to engage the active involvement of parents, businesses, and political and civic organizations, the district must provide meaningful roles for them that directly support improved academic achievement for students such as the following: recruiting business partners and targeting them to assist schools with the greatest needs; encouraging community-based pre-kindergarten programs to adopt a curriculum that is aligned with the district's; encouraging parents and community organizations to engage students in activities that promote reading outside of the school day; and working with parents and community organizations to reduce truancy and increase student attendance.

This goal is supported by performance objectives and a variety of strategies and performance measures.

FINANCIAL INFORMATION

Fiscal Management

Michael Kinneer was appointed treasurer on September 12, 2005 to replace Ms. Wires, the Interim Treasurer, who was appointed by the Board in December of 2004 following the resignation of Jerry K. Buccilla. Mr. Kinneer was previously the treasurer of Springfield City School District. Mr. Kinneer has also served as the treasurer and superintendent of Lima City School District. The treasurer oversees the District's budget of approximately \$1 billion, along with monitoring various funds and grants, payroll, general accounting, cash reconciliation and daily bank assessment. The treasurer is aided by two assistant treasurers and supervises 58 employees.

Financial Condition

This is the fourth year the District has prepared financial statements following GASB 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments." Basic financial statements for reporting on the District's financial activities are as follows:

Government-wide financial statements: these statements are prepared on an accrual basis of accounting that is similar to the basis of accounting followed by many businesses. The Government-wide statements distinguish between those activities of the District that are Governmental and those that are considered Business-Type Activities.

Fund financial statements: these statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the Governmental Activities accrual information presented in the Government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis of the District. This discussion is presented in the financial section of this report and provides an assessment of the District's finances for 2006.

Budgeting, Tax Levy and Appropriations Procedures

The Ohio Revised Code contains detailed provisions regarding the District's budgeting, tax levy and appropriation procedures. These procedures involve review by County officials at several steps. District budgeting for a fiscal year formally begins with the preparation of a tax budget. After a public hearing, this budget is adopted by the Board prior to the fiscal year to which it pertains. Among other items, the tax budget must show the amounts required for debt service, the estimated receipts for payment from sources other than ad valorem property taxes and the net amount for which an ad valorem property tax levy must be made. The tax budget then is presented for review to the County Budget Commission, comprised of the County Auditor, County Treasurer and County Prosecuting Attorney. Upon approval of the tax budget, the County Budget Commission certifies its actions to the Board together with the approved tax rates. Thereafter, the Board levies the approved taxes and certifies them to the proper County officials. The approved and certified tax rates are

FINANCIAL INFORMATION (Continued)

reflected in the tax bills sent to property owners during the collection year. Real property taxes are payable on a calendar-year basis, generally in two installments with the first due usually in January and the second due in June.

At the start of each fiscal year, the Board adopts a temporary appropriation measure to begin that new fiscal year and then, within three months, a permanent appropriation measure for that fiscal year. Permanent appropriation measures may be amended or supplemented during the fiscal year. Annual appropriations may not exceed the County Budget Commission's official estimates of resources. The County Auditor must certify that the Board's appropriation measures, including any supplements or amendments, do not appropriate monies in excess of the amounts set forth in the latest of those official estimates. The District's legal level of control for such measures is the fund level.

Financial Reports and Auditing

The District maintains its accounts, appropriations and other fiscal records in accordance with the procedures established and prescribed by the Auditor of State. Law charges the Auditor of State with the responsibility of auditing the accounts and records of each taxing subdivision and most public agencies and institutions. District receipts and expenditures are maintained on a cash basis, pursuant to accounting procedures prescribed by the Auditor of State which is generally applicable to all Ohio school districts. Beginning with Fiscal Year 1988, the records of these cash receipts and expenditures have been converted annually for report purposes to a basis of accounting in accordance with accounting principles generally accepted in the United States of America for governments as prescribed by the Governmental Accounting Standards Board.

Internal Control

The Administration has established and staffed an internal audit function with responsibility for developing, monitoring and reporting on internal accounting controls and performing compliance and operational audits, specialized investigations, and post-audit reviews.

Pension Plans

Present and retired employees of the District are covered under two statewide public retirement (including disability retirement) systems. The State Teachers Retirement System (STRS) is applicable to all teachers, principals, supervisors and administrators employed by the District who are required to hold a certificate issued by the State Department of Education pursuant to the Code. All other employees (with the exception of two Board members who are covered by FICA) are covered by the School Employees Retirement System (SERS). Pursuant to federal law, all District employees hired after March 31, 1986 are required to participate in the federal Medicare program which currently requires employee and employer contributions each equal to 1.45 percent of the employee's wages subject to the FICA wage limit. Both STRS and SERS were created by and operate pursuant to Ohio law. The General Assembly could determine to amend the format of either system and could revise rates or methods of contribution to be made by the District into the pension funds and revise benefits or benefit levels.

Cash Management

The District pools its cash for maximum investing efficiency. Ohio law and District policy authorize the Treasurer to invest in various investments that are detailed in Note 5 of the Notes to the Basic Financial Statements. Investment earnings were credited to the General Fund, the Classroom Facilities Maintenance Special Revenue Fund, the Classroom Facilities Capital Projects Fund, Building Capital Projects Fund, and the Permanent Improvement Capital Projects Fund.

FINANCIAL INFORMATION (Continued)

Risk Management:

Employee Health Care Benefits

The District is self-insured for the employee health care benefits for all of its employees. The District program is administered by Aetna, which provides claims review and processing services. The health care self-insurance is accounted for in a separate fund for information tracking purposes, but is reported within the General Fund for financial accounting and reporting purposes. The District records a liability for incurred but unreported claims at year-end based upon an independent actuarial evaluation of claims payable. The District recorded claims payable of \$7,515,900 in the General Fund on the Balance Sheet for these obligations.

Workers Compensation Retrospective Rating Program

The District participates in the Ohio Bureau of Workers' Compensation (the Bureau) Retrospective Rating Plan. Under the retrospective rating plan, the District assumes a portion of the risk in return for a reduction in current premiums. Current limits for claims incurred in calendar year 2005 are \$300,000 per claim and 200% of the annual premium in the aggregate. The respective long-term liability for workers' compensation is recorded in the statement of net assets in the total amount of \$17,066,050.

Vehicle and General Liability

The District is responsible for the first \$500,000 per claim, the next \$4,500,000 in claims is payable by The Insurance Company of the State of Pennsylvania and the remaining \$5,000,000 in claims payable is covered by RSUI Indemnity Company. The renewal date was September 1, 2006. A new policy was entered into on September 1, 2006.

The District has general liability with Genesis Insurance Company in the amount of \$5,000,000 per occurrence, and \$5,000,000 aggregate. The renewal date was September 1, 2006.

Property Damage

The District is insured for property damage by Allianz Insurance Company, with a per occurrence policy limit of \$100,000,000 and a deductible of \$1,000,000.

The policy allows for losses in excess of \$250,000, but less than \$1 million is counted towards the deductible. The deductible, if needed, will be paid from the Replacement Fund (Capital Projects). The renewal date was September 1, 2006.

The District also carries insurance on leased modular units with Travelers Property Casual Company of America in an amount equal to the agreed upon value of the leased modular units with an expiration date of June 30, 2006. This policy was renewed on July 1, 2006.

Builder's Risk Insurance

The District carries builders risk insurance with Federal Insurance Company in amounts equal to the value of the construction with an aggregate limit to claims of \$50,000,000. This policy expires August 2007.

Boiler and Machinery Coverage

The District is insured for boiler and machinery coverage with \$30,000,000 limit with Federal Insurance Company.

Settled claims have not exceeded these commercial coverages in any of the past three years.

LITIGATION

The District is party to various legal proceedings for damages or injunctive relief. The District's legal counsel estimates that the potential uninsured claims against the District resulting from those proceedings would not materially affect the financial statements of the District.

INDEPENDENT AUDIT

The Basic Financial Statements of the District are audited by the District's independent auditor, Betty Montgomery, Auditor of State. The Independent Accountants' Report is included in the financial section of this report.

AWARDS

GFOA - Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Columbus City School District for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2005. This was the sixth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Award is valid for a period of one year only. We are submitting our current CAFR to GFOA to determine its eligibility for another certificate as we believe our current report conforms to the Certificate of Award Achievement Program's requirements.

ASBO - Certificate of Excellence

The Columbus City School District received the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the fiscal years ended June 30, 2005, 2004, 2003, 2002, 2001 and 2000. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. An expert ASBO Panel of Review consisting of certified public accountants and practicing school business officials grants the award only after an intensive review of financial reports. Receiving the award is recognition that a school system has met the highest standards of excellence in school financial reporting. A Certificate of Excellence is valid for a period of one year only. We are submitting our current CAFR to ASBO, as we believe that our current report conforms to the Certificate of Excellence Program requirements.

ACKNOWLEDGEMENTS

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Treasurer's Office. We want to express our appreciation to all who assisted and contributed to its preparation.

We also thank the members of the Board for their interest and support in planning and conducting the financial operations of the District in a fiscally responsible and progressive manner.

Gene T. Harris

Gene T. Harris, Ph.D.
Superintendent

Michael Kinneer

Michael Kinneer
Treasurer

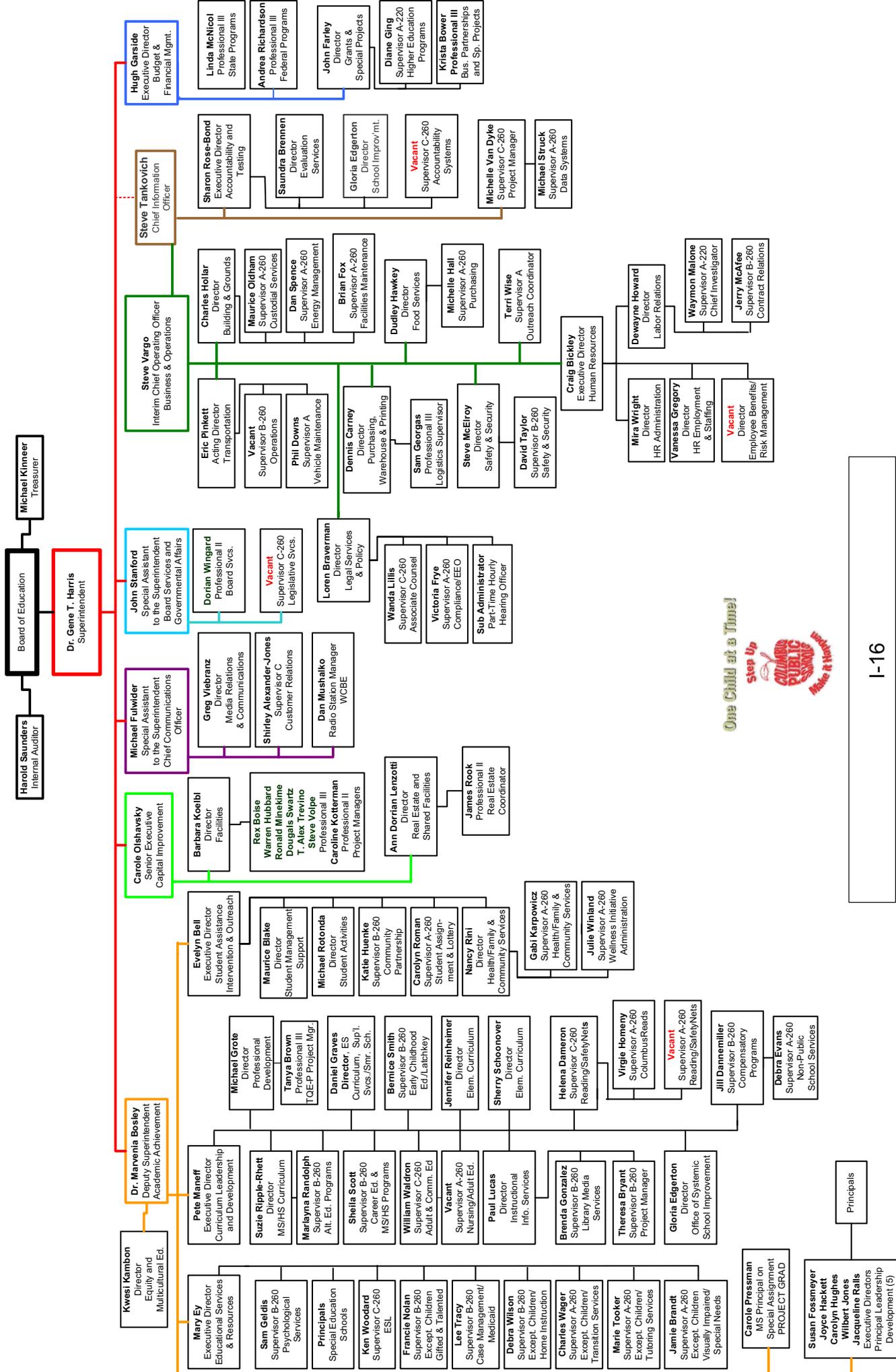
**COLUMBUS CITY SCHOOL DISTRICT
APPOINTED OFFICIALS
JUNE 30, 2006**

Gene Harris, Ph.D.

Superintendent of Schools

Michael Kinneer

Treasurer



Certificate of Achievement for Excellence in Financial Reporting

Presented to
Columbus City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

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



President

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL



This Certificate of Excellence in Financial Reporting

is presented to

Columbus City School District

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2005

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

Melody Jorgensen

President

John D. Muzzo

Executive Director

**FINANCIAL
SECTION**



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Columbus City School District
Franklin County
270 East State Street
Columbus, Ohio 43215

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Columbus City School District, Franklin County, Ohio (the District), as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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, the business-type activities, each major fund, and the aggregate remaining fund information of Columbus City School District, Franklin County, Ohio, as of June 30, 2006, and the respective changes in financial position and where applicable, cash flows, 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 December 22, 2006, on our consideration of the 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis and the budgetary comparison for the General Fund are not a required part of the basic financial statements but are supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 22, 2006

Columbus City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

The discussion and analysis of Columbus City School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2006. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2006 are as follows:

Overall:

Total net assets increased \$71.0 million, primarily in Governmental Activities.

Total revenue was \$848.0 million in 2006.

Total program expenses were \$777.0 million in 2006.

Long term debt and other obligations decreased to \$508.4 million in 2006 from \$537.6 million in 2005.

Governmental Activities:

Liabilities decreased \$5.1 million from 2005, while total assets increased by \$67.7 million from 2005.

Total revenue was \$819.0 million in 2006, while program expenses were \$746.2 million.

Program expenses were primarily composed of Instruction with expenses of \$402.5 million in 2006 and Pupil and Instructional Staff Support Services with expenses of \$129.2 million in 2006.

Business-Type Activities:

Program revenues were \$28.7 million for Business-Type Activities, while corresponding expenses were \$30.8 million. This is the primary reason for the decrease in net assets in the Business-Type Activities.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For Governmental Funds, these statements tell how services were financed in the short-term and what remains for future spending. The Fund Financial Statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the General Fund, Debt Service, the Classroom Facilities Fund, and the Food Service Fund are the most significant funds.

Columbus City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2006?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets and liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two distinct kinds of activities:

Governmental Activities – Most of the District's programs and services are reported here, including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District's food service, adult education, latchkey, radio station, rotary special services and uniform school supplies programs are reported as Business-Type Activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds begins on page F-16. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major Governmental Funds are the General Fund, the Debt Service Fund and the Classroom Facilities Fund. The District's major Proprietary Fund is the Food Service Fund.

Governmental Funds Most of the District's activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual*, which measures cash and all other *financial assets* that can readily be converted to cash. The Governmental Fund Statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between Governmental *Activities* (reported in the Statement of Net Assets and the Statement of Activities) and Governmental *Funds* is reconciled in the financial statements.

Proprietary Funds Proprietary funds use the same basis of accounting as Business-Type Activities; therefore, these statements will essentially match the information provided in statements for the District as a whole.

Columbus City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

The District as a Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets for 2006 compared to the prior year:

Table 1
Net Assets
(In Millions)

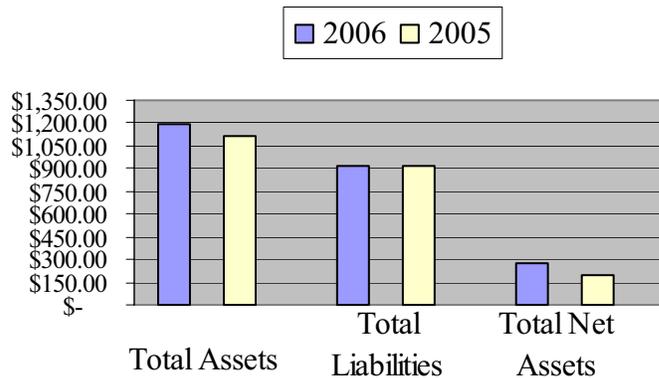
	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Totals</i>	
	<u>2006</u>	<u>2005 *</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<i>Assets</i>						
Current and Other Assets	\$ 951.5	\$ 927.7	\$ (1.0)	\$ 0.9	\$ 950.5	\$ 928.6
Capital Assets	<u>232.8</u>	<u>188.9</u>	<u>2.7</u>	<u>3.0</u>	<u>235.5</u>	<u>191.9</u>
<i>Total Assets</i>	<u>1,184.3</u>	<u>1,116.6</u>	<u>1.7</u>	<u>3.9</u>	<u>1,186.0</u>	<u>1,120.5</u>
<i>Liabilities</i>						
Long Term Liabilities	507.5	530.6	0.9	1.4	508.4	532.0
Other Liabilities	<u>405.2</u>	<u>387.2</u>	<u>0.9</u>	<u>0.8</u>	<u>406.1</u>	<u>388.0</u>
<i>Total Liabilities</i>	<u>912.7</u>	<u>917.8</u>	<u>1.8</u>	<u>2.2</u>	<u>914.5</u>	<u>920.0</u>
<i>Net Assets</i>						
Invested in Capital Assets						
Net of Debt	73.7	98.5	2.7	3.0	76.4	101.5
Restricted	218.0	171.5	-	-	218.0	171.5
Unrestricted (deficit)	<u>(20.1)</u>	<u>(71.2)</u>	<u>(2.8)</u>	<u>(1.3)</u>	<u>(22.9)</u>	<u>(72.5)</u>
<i>Total Net Assets</i>	<u>\$ 271.6</u>	<u>\$ 198.8</u>	<u>\$ (0.1)</u>	<u>\$ 1.7</u>	<u>\$ 271.5</u>	<u>\$ 200.5</u>

* - Restated - See Note 4

Total assets increased by \$65.5 million. The primary reason for this increase is that Construction In Progress increased from \$11.4 million in 2005 to \$63.4 million in 2006, primarily due to Classroom Facilities Projects. Taxes Receivable increased by \$96.4 million from 2005 to 2006 due to monies not drawn down on amounts available for advance. Intergovernmental Receivables decreased \$28.6 million primarily due to collections of receivables from current available phases of the Classroom Facilities Projects. Cash and Cash Equivalents decreased \$48.1 million due to capital outlay for the Classroom Facilities Projects. Liabilities decreased slightly. The net impact was an increase in net assets of \$71.0 million.

Graph 1
Net Assets Governmental Activities
(In Millions)

Columbus City Schools



Columbus City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

The District as a Whole – Continued

Table 2 shows the comparative changes in net assets for fiscal years 2006 and 2005.

Table 2.

Changes in Net Assets for Governmental Activities and Business-Type Activities

(In Millions)

	Governmental Activities		Business- Type Activities		Totals	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenues						
<i>Program Revenues:</i>						
Charges for Services and Sales	\$ 8.3	\$ 7.4	\$ 7.6	\$ 8.1	\$ 15.9	\$ 15.5
Operating Grants and Contributions	176.8	161.2	21.1	21.2	197.9	182.4
Capital Grants and Contributions	-	0.6	-	-	-	0.6
Total Program Revenues	<u>185.1</u>	<u>169.2</u>	<u>28.7</u>	<u>29.3</u>	<u>213.8</u>	<u>198.5</u>
<i>General Revenues and Transfers:</i>						
Property Taxes	402.0	387.7	-	-	402.0	387.7
Grants and Entitlements Not Restricted to Specific Programs	194.6	190.5	-	-	194.6	190.5
Grants and Entitlements Restricted for Capital Outlay	-	56.3	-	-	-	56.3
Other	37.3	18.4	0.3	-	37.6	18.4
Total General Revenues and Transfers	<u>633.9</u>	<u>652.9</u>	<u>0.3</u>	<u>-</u>	<u>634.2</u>	<u>652.9</u>
Total Revenues	<u>819.0</u>	<u>822.1</u>	<u>29.0</u>	<u>29.3</u>	<u>848.0</u>	<u>851.4</u>
Program Expenses						
Instruction	402.5	398.4	-	-	402.5	398.4
Support Services:						
Pupil and Instructional Staff	129.2	124.6	-	-	129.2	124.6
Administration, Business and Fiscal	59.3	66.5	-	-	59.3	66.5
Operation and Maintenance of Plant	60.5	56.3	-	-	60.5	56.3
Pupil Transportation	36.6	32.7	-	-	36.6	32.7
Other Support Services	23.7	27.0	-	-	23.7	27.0
Enterprise Operations	0.1	0.2	-	-	0.1	0.2
Extracurricular Services	7.7	7.7	-	-	7.7	7.7
Community Services	6.1	7.3	-	-	6.1	7.3
Interest and Fiscal Changes	20.5	25.8	-	-	20.5	25.8
Food Service	-	-	26.1	25.6	26.1	25.6
Adult and Community Education	-	-	1.6	2.0	1.6	2.0
WCBE Radio	-	-	0.9	1.2	0.9	1.2
Latchkey and Uniform School Supplies	-	-	2.2	2.6	2.2	2.6
Total Expenses	<u>746.2</u>	<u>746.5</u>	<u>30.8</u>	<u>31.4</u>	<u>777.0</u>	<u>777.9</u>
Increase (Decrease) In Net Assets	<u>72.8</u>	<u>75.6</u>	<u>(1.8)</u>	<u>(2.1)</u>	<u>71.0</u>	<u>73.5</u>
Net Assets - July 1 (As restated - See Note 4)	<u>198.8</u>	<u>123.2</u>	<u>1.7</u>	<u>3.8</u>	<u>200.5</u>	<u>127.0</u>
Net Assets - June 30	<u>\$271.6</u>	<u>\$198.8</u>	<u>\$ (0.1)</u>	<u>\$ 1.7</u>	<u>\$ 271.5</u>	<u>\$ 200.5</u>

Columbus City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 49 percent of revenues for Governmental Activities for the District in fiscal year 2006. Grants and entitlements not restricted to specific programs made up 24 percent of revenues for Governmental Activities while operating grants and contributions made up 22 percent of revenues for Governmental Activities.

The most significant increases in revenues from 2005 to 2006 were property taxes of \$14.3 million and operating grants and contributions of \$15.6 million. The increase in property taxes was primarily due to the beginning of receipts from the 2004 tax levy and a re-evaluation of property rates in Franklin County. The increases in operating grants and contributions were due to additional funding for state and federal programs. Specifically, the Poverty Based Aid, EHA Title V-B, and Miscellaneous Federal Grants funding increased, offset by decreases in the Title I and Improving Teacher Quality funding.

Expenses decreased only slightly from 2005 to 2006. The decrease to expenses was primarily due to inflationary increases which were offset by reductions in expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for Government Activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

The dependence upon tax revenues and intergovernmental foundation monies for governmental activities is apparent. Over 78 percent of instruction activities are supported through taxes, intergovernmental foundation monies and other general revenues; for all Governmental Activities, general revenue support is 75 percent as shown in Table 3. The community and the State of Ohio, as a whole, provide the vast majority of resources for Columbus City School District students.

Columbus City School District
Management's Discussion and Analysis
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Table 3
 Total Cost of Program Services
 Governmental Activities
 (In Thousands)

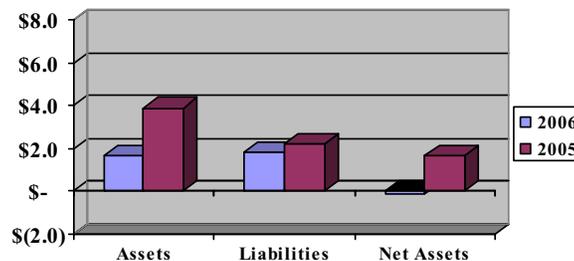
	2006		2005	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$ 402,477	\$ 312,289	\$ 398,395	\$ 305,381
Support Services:				
Pupil and Instructional Staff	129,182	77,033	124,496	81,483
Administration, Business, and Fiscal	59,255	53,534	66,499	60,722
Operation and Maintenance of Plant	60,514	57,132	56,317	55,012
Pupil Transportation	36,604	21,573	32,674	17,765
Other	23,709	13,040	26,991	23,976
Enterprise Operations	118	75	174	79
Extracurricular Activities	7,719	5,888	7,730	5,807
Community Services	6,120	(48)	7,262	1,246
Interest and Fiscal Charges	<u>20,536</u>	<u>20,539</u>	<u>25,803</u>	<u>25,803</u>
 Total Expenses	 <u>\$ 746,234</u>	 <u>\$ 561,055</u>	 <u>\$ 746,341</u>	 <u>\$ 577,274</u>

Business-Type Activities

Business-Type Activities include food service, adult education, latchkey, WCBE radio station, uniform school supply and rotary special services.

Overall net assets declined \$1.8 million from 2005 to 2006. The primary reason for this decrease relates to the decline in current and other assets from \$3.9 million in 2005 to \$1.7 million in 2006. One reason for this decline is that the Food Service Fund received an advance of \$2.9 million and other funds had outstanding advances which are reported as a negative internal balance within current and other assets. The reason for the advances was that program expenses exceeded program revenues by \$2.1 million primarily due to increases in food costs and other expenses with a stagnant revenue stream not keeping pace.

Graph 2
 Net Assets Business-Type Activities
 (In Millions)



Columbus City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

The District's Funds

Information about the District's major Governmental Funds starts on page F-16. The Governmental Funds are accounted for using the modified accrual basis of accounting. All Governmental Funds had total revenues of \$832.3 million and expenditures of \$816.1 million. The net change in fund balance for the year decreased \$14.7 million in the Classroom Facilities Fund, where the fund balance went from \$295.6 million in 2005 to \$280.8 million in 2006. The primary reason for this decrease was due to monies being used for building the Classroom Facilities Projects. The General Fund had total revenues of \$611.1 million and expenditures of \$564.0 million. The net change in fund balance in the General Fund was \$46.4 million, which was primarily due to increased tax revenues for fiscal year 2006 due to the beginning of receipts from the 2004 tax levy and a re-evaluation of property tax rates in Franklin County and budget cuts on behalf of the District which have affected numerous expenditure types. The Debt Service Fund had revenues of \$29.7 million and expenditures of \$34.4 million. These changes and the transfers in resulted in a decrease of fund balance of \$4.5 million due to the repayment of debt in accordance with issuances. Information about the District's only major Proprietary Fund, the Food Service Fund, starts on page F-20. The Proprietary Funds are accounted for using the full accrual basis of accounting. Proprietary Funds had a net decrease in net assets of \$1.8 million with the Food Service Fund accounting for \$2.8 million of the change. Food service operating revenues declined by \$.3 million, operating expenses increased by \$.4 million due to increases in food costs and other expenses. The continuation of these trends resulted in the \$2.8 million decrease in net assets with a stagnant revenue stream not keeping pace with rising food service costs.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2006 the District amended its General Fund budget numerous times, some of which were significant.

For the General Fund, budget basis revenue was \$540.1 million, below original budget estimates of \$606.1 million and final budget estimates of \$560.6 million. Of this \$66.0 million and \$20.5 million respective differences, tax revenue was \$34.6 million below original estimates and \$9.3 million below final estimates due to the monies available for advance not being drawn down and intergovernmental revenue was \$25.0 million below original estimates and \$6.7 million below final estimates primarily due to a reduction in foundation monies being received during 2006 below the original estimated amounts due to former Disadvantaged Pupil Impact Aid (DPIA) being reclassified to the Poverty Based Aid (PBA) Fund with new legislative requirements. Final budgeted revenue estimates were \$560.6 million, a decrease of \$45.5 million from original budgeted revenue, primarily due to the tax and intergovernmental factors noted.

The District had a decrease in their appropriations of \$37.1 million from original to final. This was primarily due to the District trying to contain costs and the reclassification of former DPIA monies to the Poverty Based Aid Fund. Actual expenditures were within original estimates of \$622.4 million and final estimates of \$585.2 million by \$42.7 million and \$5.6 million respectively due to the District's monitoring of expenditures and cost containment efforts.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$578.9 million, \$38.8 more than revenues.

Columbus City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2006 the District had \$235.45 million invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, and construction in progress, \$232.75 million was in Governmental Activities. Tables 4.1 and 4.2 show fiscal year 2006 and 2005 balances by Governmental Activities and Business-Type Activities:

Table 4.1
 Capital Assets At June 30
 (Net of Depreciation-In Millions)
 Governmental Activity

	<u>2006</u>	<u>2005*</u>
Land	\$ 27.48	\$ 25.19
Land Improvements	7.29	6.88
Buildings & Improvements	117.17	124.63
Furniture & Equipment	9.35	12.15
Vehicles	8.04	8.48
Construction in Progress	<u>63.42</u>	<u>11.45</u>
Total	<u>\$ 232.75</u>	<u>\$ 188.78</u>

* As restated, see Note 4

Table 4.2
 Capital Assets At June 30
 (Net of Depreciation-In Millions)
 Business-Type Activities

	<u>2006</u>	<u>2005</u>
Land	\$ 0.15	\$ 0.15
Buildings & Improvements	0.41	0.47
Furniture & Equipment	1.74	1.98
Vehicles	<u>0.40</u>	<u>0.44</u>
Total	<u>\$ 2.70</u>	<u>\$ 3.04</u>

The increase in Capital Assets for Governmental Activities is due to recognizing \$61.4 million in acquisitions offset by \$14.2 million in depreciation expense for 2006 and \$3.2 in disposals (net of accumulated depreciation). The acquisitions were distributed among land, building improvements, furniture and equipment, vehicles, and construction in progress. The District continued its ongoing commitment to maintaining and improving its Capital Assets. Please see Note 7 of the Notes to the Basic Financial Statements for a more detailed analysis of Capital Assets.

For fiscal year 2000, a change in Ohio law required school districts to set aside two percent of certain revenues for capital improvements and an additional two percent for textbooks; this amount was increased to three percent beginning in fiscal 2001. For fiscal year 2006, this amounted to \$9.3 million for each set-aside. For fiscal year 2006 the District had qualifying disbursements or offsets exceeding these requirements for capital improvements and for textbooks and therefore no set-asides were required. The District has cumulative set aside balances of \$0 for both reserves. See Note 14 for further information.

Columbus City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Capital Assets and Debt Administration - Continued

Debt

At June 30, 2006 the District had \$424.70 million in bonds outstanding, \$17.30 million due within one year.

Table 5 summarizes bonds outstanding for the past two years:

Table 5
 Outstanding Debt At June 30
 Governmental Activities
(In Millions)

	<u>2006</u>	<u>2005*</u>
General Obligation Bonds	\$ 417.36	\$ 427.94
Energy Conservation Bonds	<u>7.35</u>	<u>9.43</u>
Total	<u>\$ 424.71</u>	<u>\$ 437.37</u>

*As restated, See Note 4.

All General Obligation Bonds and Energy Conservation Bonds outstanding are general obligations of the District for which the full faith and credit of the District is pledged for repayment. The source of repayment is derived from a current 2.72 mill bonded debt tax levy.

At June 30, 2006, the District's overall legal debt margin was \$548.57 million with an unvoted debt margin of \$10.09 million. The debt is well within permissible limits. The District maintains an Aa3 bond rating from Moody's Investors Service and an AA- bond rating from Standard & Poor's Rating Services. Please see Note 9 of the Notes to the Basic Financial Statements for a more detailed analysis of debt.

Columbus City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Capital Assets and Debt Administration - Continued

Capital Lease Obligations

The District had no new capital leases during fiscal year 2006. The District had previous capital leases, which were being paid for out of the General Fund (Governmental Activities). The total capital lease obligations outstanding as of June 30, 2006 were \$387,419 in the General Fund (Governmental Activities). Of these balances \$90,454 in the Governmental Activities was due within one year.

Current Financial Related Activities

The District cannot look to the State of Ohio for increased revenue. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..." The District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations. This scenario requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

Columbus City School District has committed itself to financial excellence for many years. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Award of Financial Reporting Achievement to the Columbus City School District for its Comprehensive Annual Financial Report for the Fiscal Years Ended June 30, 2005, 2004, 2003, 2002, 2001 and 2000. Columbus City School District received the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal years ended June 30, 2005, 2004, 2003, 2002, 2001 and 2000.

Contacting the District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Michael Kinneer, Treasurer at Columbus City School District, 270 East State Street, Columbus, Ohio 43215.

You can also e-mail Michael Kinneer at mkinneer4537@columbus.k12.oh.us.

BASIC FINANCIAL STATEMENTS

Columbus City School District

Statement of Net Assets

As of June 30, 2006

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 411,164,744	\$ 704,431	\$ 411,869,175
Cash and Cash Equivalents with Escrow Agent	544,250	-	544,250
Receivables			
Taxes	412,336,412	-	412,336,412
Intergovernmental	110,668,568	569,521	111,238,089
Accounts	9,470,039	175,458	9,645,497
Interest	1,242,072	-	1,242,072
Internal Balances	3,043,276	(3,043,276)	-
Materials and Supplies Inventory	158,888	615,979	774,867
Unamortized Financing Costs	2,896,977	-	2,896,977
Nondepreciable Capital Assets	90,901,253	151,610	91,052,863
Depreciable Capital Assets, Net	141,849,552	2,549,677	144,399,229
<i>Total Assets</i>	<u>1,184,276,031</u>	<u>1,723,400</u>	<u>1,185,999,431</u>
Liabilities			
Accounts Payable	16,091,010	189,909	16,280,919
Accrued Wages and Benefits	52,889,062	638,085	53,527,147
Claims Payable	7,515,900	-	7,515,900
Accrued Interest Payable	5,108,154	-	5,108,154
Matured Compensated Absences Payable	364,093	40,170	404,263
Retainage Payable	544,250	-	544,250
Unearned Revenue	303,593,852	-	303,593,852
Due to Other Governments	19,072,362	7,525	19,079,887
Long-Term Liabilities:			
Due Within One Year	35,078,018	70,361	35,148,379
Due In More Than One Year	472,460,264	869,991	473,330,255
<i>Total Liabilities</i>	<u>912,716,965</u>	<u>1,816,041</u>	<u>914,533,006</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	73,708,863	2,701,287	76,410,150
Restricted for:			
Debt Service	13,933,689	-	13,933,689
Capital Projects	166,021,389	-	166,021,389
Permanent Fund			
Expendable	163,515	-	163,515
Nonexpendable	673,401	-	673,401
Classroom Facilities Maintenance	15,619,346	-	15,619,346
Title I Program	5,890,037	-	5,890,037
Improving Teacher Quality Program	3,965,396	-	3,965,396
Other Purposes	11,698,102	-	11,698,102
Unrestricted (Deficit)	<u>(20,114,672)</u>	<u>(2,793,928)</u>	<u>(22,908,600)</u>
<i>Total Net Assets</i>	<u>\$ 271,559,066</u>	<u>\$ (92,641)</u>	<u>\$ 271,466,425</u>

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

Columbus City School District

Statement of Activities

For the Fiscal Year Ended June 30, 2006

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Instruction:				
Regular	\$303,818,223	\$2,795,914	\$34,224,142	\$14,584
Special	78,504,191	577,543	39,471,446	-
Vocational	10,736,361	97,425	3,654,347	-
Other	9,418,276	-	9,353,053	-
Support Services:				
Pupil	47,931,201	387,769	11,103,729	-
Instructional Staff	81,250,709	423,509	40,233,937	-
Administration	41,098,112	918,723	3,324,714	-
Business and Fiscal	18,156,667	365,793	1,111,602	-
Operation and Maintenance of Plant	60,513,709	563,540	2,818,599	-
Pupil Transportation	36,604,349	386,713	14,644,475	-
Other	23,708,882	130,299	10,537,706	416
Enterprise Operations	118,470	33,205	10,513	-
Extracurricular Activities	7,718,721	1,632,185	198,700	-
Community Services	6,119,560	7,866	6,159,757	-
Interest and Fiscal Charges	20,535,843	-	-	-
<i>Total Governmental Activities</i>	<u>746,233,274</u>	<u>8,320,484</u>	<u>176,846,720</u>	<u>15,000</u>
Business-Type Activities				
Food Service	26,097,948	4,249,340	18,882,314	-
Adult and Community Education	1,605,655	1,080,362	907,766	-
WCBE Radio	913,467	-	1,323,713	-
Latchkey	2,156,908	2,226,731	-	-
Uniform School Supplies	37,198	-	-	-
<i>Total Business-Type Activities</i>	<u>30,811,176</u>	<u>7,556,433</u>	<u>21,113,793</u>	<u>-</u>
<i>Totals</i>	<u>\$777,044,450</u>	<u>\$15,876,917</u>	<u>\$197,960,513</u>	<u>\$15,000</u>

General Revenues

Property Taxes Levied for:

 General Purposes

 Debt Service

 Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Payments in Lieu of Taxes

Miscellaneous

Gain on Sale of Capital Assets

Total General Revenues

Change in Net Assets

*Net Assets Beginning of Year**

Net Assets End of Year

* As restated - See Note 4

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

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(\$266,783,583)	\$0	(\$266,783,583)
(38,455,202)	-	(38,455,202)
(6,984,589)	-	(6,984,589)
(65,223)	-	(65,223)
(36,439,703)	-	(36,439,703)
(40,593,263)	-	(40,593,263)
(36,854,675)	-	(36,854,675)
(16,679,272)	-	(16,679,272)
(57,131,570)	-	(57,131,570)
(21,573,161)	-	(21,573,161)
(13,040,461)	-	(13,040,461)
(74,752)	-	(74,752)
(5,887,836)	-	(5,887,836)
48,063	-	48,063
(20,535,843)	-	(20,535,843)
(561,051,070)	-	(561,051,070)
-	(2,966,294)	(2,966,294)
-	382,473	382,473
-	410,246	410,246
-	69,823	69,823
-	(37,198)	(37,198)
-	(2,140,950)	(2,140,950)
(561,051,070)	(2,140,950)	(563,192,020)
371,193,749	-	371,193,749
26,863,209	-	26,863,209
3,924,443	-	3,924,443
194,613,319	-	194,613,319
16,694,892	-	16,694,892
7,119,921	-	7,119,921
5,433,698	350,633	5,784,331
8,014,895	-	8,014,895
633,858,126	350,633	634,208,759
72,807,056	(1,790,317)	71,016,739
198,752,010	1,697,676	200,449,686
\$271,559,066	(\$92,641)	\$271,466,425

Columbus City School District

**Balance Sheet
Governmental Funds**

As of June 30, 2006

	<u>General</u>	<u>Debt Service</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 31,123,311	\$ 3,841,742	\$ 273,294,207	\$ 102,905,484	\$ 411,164,744
Cash and Cash Equivalents with Escrow Agents	-	-	544,250	-	544,250
Receivables					
Taxes	380,886,803	27,266,460	-	4,183,149	412,336,412
Accounts	8,896,622	-	-	573,417	9,470,039
Interest	51,649	-	1,190,423	-	1,242,072
Due from Other Governments	-	-	92,186,464	18,482,104	110,668,568
Interfund Loans Receivable	6,036,979	5,115,000	-	-	11,151,979
Materials and Supplies Inventory	158,888	-	-	-	158,888
Total Assets and Other Debits	\$ 427,154,252	\$ 36,223,202	\$ 367,215,344	\$ 126,144,154	\$ 956,736,952
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 5,158,703	\$ -	\$ 5,277,511	\$ 5,654,795	\$ 16,091,009
Accrued Wages and Benefits	47,514,630	-	-	5,374,432	52,889,062
Matured Compensated Absences	360,724	-	-	3,369	364,093
Claims Payable	7,515,900	-	-	-	7,515,900
Deferred Revenues	316,725,888	22,673,188	80,563,450	15,693,418	435,655,944
Retainage Payable	-	-	544,250	-	544,250
Interfund Loans Payable	5,115,000	-	-	2,993,703	8,108,703
Due to Other Governments	19,005,579	-	-	66,783	19,072,362
Total Liabilities	401,396,424	22,673,188	86,385,211	29,786,500	540,241,323
Fund Balances					
Reserved for Encumbrances	12,145,606	-	94,268,834	16,618,351	123,032,791
Reserved for Property Taxes	64,194,620	4,593,272	-	701,846	69,489,738
Reserved for Inventory	158,888	-	-	-	158,888
Reserved for Endowment	-	-	-	673,401	673,401
Unreserved					
Undesignated - Reported In					
General Fund	(50,741,286)	-	-	-	(50,741,286)
Special Revenue Funds	-	-	-	20,765,033	20,765,033
Capital Projects Funds	-	-	186,561,299	57,435,508	243,996,807
Debt Service Fund	-	8,956,742	-	-	8,956,742
Permanent Fund	-	-	-	163,515	163,515
Total Fund Balances	25,757,828	13,550,014	280,830,133	96,357,654	416,495,629
Total Liabilities and Fund Balances	\$ 427,154,252	\$ 36,223,202	\$ 367,215,344	\$ 126,144,154	\$ 956,736,952

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

Columbus City School District

**Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities**

As of June 30, 2006

Total Governmental Fund Balances		\$	416,495,629
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			232,750,805
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.			
Taxes	39,256,456		
Intergovernmental	92,349,387		
Interest	456,248		
Unamortized Financing Costs	2,896,977		
Total			134,959,068
Long-Term Liabilities, including bonds, notes payable, capital lease obligations and long-term portion of compensated absences, are not due and payable in the current period and therefore are not reported in the funds.			
Early Retirement Incentive Payable	(16,599,074)		
Interest Payable	(5,108,154)		
Compensated Absences	(48,775,773)		
Workers Compensation	(17,066,050)		
Capital Lease Obligations	(387,419)		
General Obligation and Energy Conservation Bonds	(424,709,966)		
Total			(512,646,436)
Net Assets of Governmental Activities		\$	<u>271,559,066</u>

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

Columbus City School District

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds**

For the Fiscal Year Ended June 30, 2006

	<u>General</u>	<u>Debt Service</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 365,231,771	\$ 27,004,084	\$ -	\$ 3,831,922	\$ 396,067,777
Tuition and Fees	5,977,014	-	-	602,453	6,579,467
Earnings on Investments	4,082,344	-	10,669,874	2,252,548	17,004,766
Intergovernmental	225,434,512	2,713,700	30,643,780	136,181,431	394,973,423
Extracurricular	-	-	-	1,651,837	1,651,837
Donations	65	-	-	3,406,315	3,406,380
Payments in Lieu of Taxes	7,119,921	-	-	-	7,119,921
Customer Sales and Service	-	-	-	89,180	89,180
Other	3,253,328	-	12,575	2,167,795	5,433,698
Total Revenues	<u>611,098,955</u>	<u>29,717,784</u>	<u>41,326,229</u>	<u>150,183,481</u>	<u>832,326,449</u>
Expenditures					
Current Operating					
Instruction					
Regular	256,853,269	-	-	34,695,950	291,549,219
Special	55,834,243	-	-	25,700,474	81,534,717
Vocational	11,132,628	-	-	841,672	11,974,300
Other	-	-	-	9,331,414	9,331,414
Pupil Support Services	37,714,076	-	-	11,078,571	48,792,647
Instructional Support Services	37,932,928	-	-	42,197,444	80,130,372
Administration	39,212,450	-	-	4,679,899	43,892,349
Business and Fiscal Services	17,208,485	271,835	-	989,180	18,469,500
Operation and Maintenance of					
Plant Services	53,550,501	-	5,333,634	3,543,543	62,427,678
Transportation Services-Pupils	36,299,403	-	-	347,302	36,646,705
Other Support Services	12,676,067	-	-	11,501,644	24,177,711
Enterprise Operations	-	-	-	59,816	59,816
Extracurricular Activities	5,244,523	-	-	2,510,879	7,755,402
Community Services	-	-	-	6,137,074	6,137,074
Debt Service					
Principal	305,025	15,970,000	-	-	16,275,025
Interest	30,946	18,145,948	-	-	18,176,894
Capital Outlay	10,986	-	50,716,905	8,088,709	58,816,600
Total Expenditures	<u>564,005,530</u>	<u>34,387,783</u>	<u>56,050,539</u>	<u>161,703,571</u>	<u>816,147,423</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	47,093,425	(4,669,999)	(14,724,310)	(11,520,090)	16,179,026
Other Financing Sources (Uses)					
Transfers In	8,544	146,475	-	591,148	746,167
Transfers Out	(737,623)	-	-	(8,544)	(746,167)
Proceeds from the Sale of Assets	20,716	-	-	9,883,885	9,904,601
Total Other Financing Sources (Uses)	<u>(708,363)</u>	<u>146,475</u>	<u>-</u>	<u>10,466,489</u>	<u>9,904,601</u>
Net Change in Fund Balances	46,385,062	(4,523,524)	(14,724,310)	(1,053,601)	26,083,627
Fund Balances at Beginning of Year	<u>(20,627,234) *</u>	<u>18,073,538</u>	<u>295,554,443</u>	<u>97,411,255</u>	<u>390,412,002</u>
Fund Balances at End of Year	<u>\$ 25,757,828</u>	<u>\$ 13,550,014</u>	<u>\$ 280,830,133</u>	<u>\$ 96,357,654</u>	<u>\$ 416,495,629</u>

* As restated - see note 4.

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

Columbus City School District

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities**

For the Fiscal Year Ended June 30, 2006

Net Change in Fund Balances- Total Governmental Funds		\$ 26,083,627
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Capital outlay exceeded depreciation in the current period by this amount.		
Capital Asset Additions	61,353,850	
Current Year Depreciation	<u>(14,182,311)</u>	
Total		47,171,539
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the gains and losses on the disposal of capital assets.		
Proceeds from Sale of Capital Assets	(9,904,601)	
Gain on Disposal of Capital Assets	8,014,895	
Loss on Disposal of Capital Assets	<u>(1,315,458)</u>	
Total		(3,205,164)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes	5,913,624	
Intergovernmental	(26,904,764)	
Interest	<u>(309,874)</u>	
Total		(21,301,014)
The amortization of debt issuance costs are reported in the statement of activities but are not reported as expenditures in the governmental funds.		
		(75,663)
Repayment of bond principal is recorded as expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net assets and does not result in an expense in the statement of activities.		
		15,970,000
Repayments of capital lease obligations are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net assets and does not result in an expense in the statement of activities.		
		305,025
The amortization of premium from the sale of bonds is recorded as a reduction of liability in the statement of net assets, but does not result in an expenditure in the governmental funds.		
		412,955
In the statement of activities, interest is accrued on outstanding bonds and long-term notes payable, whereas in governmental funds, an interest expenditure is reported when due.		
		1,028,987
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Compensated Absences	6,959,730	
Early Retirement Incentive Payable	1,510,239	
Workers Compensation Claims Payable	1,672,024	
Capital Bond Accretion	<u>(3,725,229)</u>	
Total		<u>6,416,764</u>
Net Change in Net Assets of Governmental Activities		<u>\$ 72,807,056</u>

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

Columbus City School District

**Statement of Net Assets
Proprietary Funds**

As of June 30, 2006

	Business - Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>
ASSETS			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$ 128,938	\$ 575,493	\$ 704,431
Accounts Receivable	-	175,458	175,458
Due from Other Governments	517,961	51,560	569,521
Materials and Supplies Inventory	615,979	-	615,979
<i>Total Current Assets</i>	<u>1,262,878</u>	<u>802,511</u>	<u>2,065,389</u>
<i>Non-Current Assets</i>			
Capital Assets, Net	2,701,287	-	2,701,287
<i>Total Non-Current Assets</i>	<u>2,701,287</u>	<u>-</u>	<u>2,701,287</u>
Total Assets	<u>\$ 3,964,165</u>	<u>\$ 802,511</u>	<u>\$ 4,766,676</u>
LIABILITIES:			
<i>Current Liabilities</i>			
Accounts Payable	\$ 168,721	\$ 21,188	\$ 189,909
Accrued Wages and Benefits	566,775	71,310	638,085
Intergovernmental Payable	6,500	1,025	7,525
Interfund Loans Payable	2,908,647	134,629	3,043,276
Matured Compensated Absences Payable	34,374	5,796	40,170
Compensated Absences	70,361	-	70,361
<i>Total Current Liabilities</i>	<u>3,755,378</u>	<u>233,948</u>	<u>3,989,326</u>
<i>Long-Term Liabilities (Net of Current Portion)</i>			
Compensated Absences	678,042	191,949	869,991
<i>Total Long-Term Liabilities</i>	<u>678,042</u>	<u>191,949</u>	<u>869,991</u>
Total Liabilities	<u>\$ 4,433,420</u>	<u>\$ 425,897</u>	<u>\$ 4,859,317</u>
NET ASSETS:			
Invested in Capital Assets	2,701,287	-	2,701,287
Unrestricted	(3,170,542)	376,614	(2,793,928)
Total Net Assets	<u>\$ (469,255)</u>	<u>\$ 376,614</u>	<u>\$ (92,641)</u>

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

Columbus City School District

**Statement of Revenues, Expenses and
Changes in Fund Net Assets
Proprietary Funds**

For the Fiscal Year Ended June 30, 2006

	Business - Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>
Operating Revenues			
Tuition and Fees	\$ -	\$ 3,278,283	\$ 3,278,283
Sales	4,249,340	28,810	4,278,150
Gifts and Donations	-	1,323,713	1,323,713
Miscellaneous	<u>101,820</u>	<u>248,813</u>	<u>350,633</u>
Total Operating Revenues	<u>4,351,160</u>	<u>4,879,619</u>	<u>9,230,779</u>
Operating Expenses			
Salaries and Wages	9,242,294	3,065,642	12,307,936
Fringe Benefits	4,419,578	1,152,768	5,572,346
Purchased Services	705,641	369,944	1,075,585
Materials and Supplies	10,725,784	109,132	10,834,916
Depreciation	254,503	-	254,503
Miscellaneous	<u>616,668</u>	<u>15,742</u>	<u>632,410</u>
Total Operating Expenses	<u>25,964,468</u>	<u>4,713,228</u>	<u>30,677,696</u>
Operating Income (Loss)	(21,613,308)	166,391	(21,446,917)
Nonoperating Revenues (Expenses)			
Intergovernmental Revenues	18,882,314	907,766	19,790,080
Loss on the Disposal of Assets	<u>(133,480)</u>	<u>-</u>	<u>(133,480)</u>
Total Nonoperating Revenues (Expenses)	<u>18,748,834</u>	<u>907,766</u>	<u>19,656,600</u>
Changes in Net Assets	(2,864,474)	1,074,157	(1,790,317)
Net Assets			
at Beginning of Year	<u>2,395,219</u>	<u>(697,543)</u>	<u>1,697,676</u>
Net Assets			
at End of Year	<u>\$ (469,255)</u>	<u>\$ 376,614</u>	<u>\$ (92,641)</u>

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

Columbus City School District

**Statement of Cash Flows
Proprietary Funds**

For the Fiscal Year Ended June 30, 2006

	Business - Type Activities - Enterprise Funds		
	Food Service	Other Enterprise Funds	Totals
Cash Flows from Operating Activities:			
Cash Received from Sales	\$ 4,249,340	\$ 29,230	\$ 4,278,570
Cash Received from Tuition and Fees	-	3,175,086	3,175,086
Cash Received from Contributions	-	1,265,065	1,265,065
Cash Paid to Suppliers	(11,761,059)	(484,617)	(12,245,676)
Cash Paid for Employee Salaries, Wages, and Fringe Benefits	(13,841,928)	(4,395,883)	(18,237,811)
Other Receipts	101,820	248,813	350,633
Other Expenses	(616,768)	(15,858)	(632,626)
Net Cash Provided (Used) by Operating Activities	<u>(21,868,595)</u>	<u>(178,164)</u>	<u>(22,046,759)</u>
Cash Flows from Capital Financing Activities:			
Capital Outlay	(44,801)	-	(44,801)
Net Cash Provided (Used) by Capital Financing Activities	<u>(44,801)</u>	<u>-</u>	<u>(44,801)</u>
Cash Flows from Noncapital Financing Activities:			
Proceeds from Interfund Loans	4,675,532	134,629	4,810,161
Payment on Interfund Loans	(5,266,885)	(868,947)	(6,135,832)
Cash Received from Other Governments	21,141,107	972,376	22,113,483
Net Cash Provided (Used) by Noncapital Financing Activities	<u>20,549,754</u>	<u>238,058</u>	<u>20,787,812</u>
Increase (Decrease) in Cash and Cash Equivalents	(1,363,642)	59,894	(1,303,748)
Cash and Cash Equivalents at Beginning of Year	<u>1,492,580</u>	<u>515,599</u>	<u>2,008,179</u>
Cash and Cash Equivalents at End of Year	<u>\$ 128,938</u>	<u>\$ 575,493</u>	<u>\$ 704,431</u>

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

Columbus City School District
Statement of Cash Flows (Continued)
Proprietary Funds

For the Fiscal Year Ended June 30, 2006

	Business - Type Activities - Enterprise Funds		
	Food Service	Other Enterprise Funds	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used for) Operating Activities			
Operating Income (Loss)	\$ (21,613,308)	\$ 166,391	\$ (21,446,917)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	254,503	-	254,503
(Increase) Decrease in Accounts Receivable	-	(161,425)	(161,425)
(Increase) Decrease in Materials and Supplies Inventory	(244,749)	-	(244,749)
Increase (Decrease) in Accounts Payable	(84,985)	(5,657)	(90,642)
Increase (Decrease) in Early Retirement Incentive Payable	(278,977)	(197,660)	(476,637)
Increase (Decrease) in Intergovernmental Payable	706	712	1,418
Increase (Decrease) in Compensated Absences	39,623	(30,253)	9,370
Increase (Decrease) in Accrued Wages and Benefits	58,592	49,728	108,320
Net Cash Provided by (Used for) Operating Activities	<u>\$ (21,868,595)</u>	<u>\$ (178,164)</u>	<u>\$ (22,046,759)</u>

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

Columbus City School District
Statement of Fiduciary Assets and Liabilities

As of June 30, 2006

	<u>Agency</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ <u>601,883</u>
Total Assets	\$ <u>601,883</u>
 LIABILITIES	
Due to Students	\$ 575,638
Due to Other Governments	<u>26,245</u>
Total Liabilities	\$ <u>601,883</u>

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

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2006

1. DESCRIPTION OF DISTRICT AND REPORTING ENTITY

The District

The Columbus City School District, Franklin County, Ohio (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a city district as defined by Section 3311.02 of the Ohio Revised Code. The District operates under an elected Board of Education (7 members) and is responsible for the provision of public education to residents of the District. The District also provides vocational (job training) education for residents of the District.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food services, student guidance, extracurricular activities, educational media, care and upkeep of grounds and buildings of the District, and other appropriate areas. Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has assumed responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the levying of taxes or the issuance of debt. The District did not have any component units or other related organizations in fiscal year 2006.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) as applied to governmental units prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The District has elected, under GASB No. 20, to apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, except those that conflict with or contradict GASB pronouncements.

Fund Accounting

The District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific District functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Governmental Funds

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

General Fund

The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is available to the District for any purpose provided it is expended or transferred according to the school laws of Ohio.

Debt Service Fund

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

Classroom Facilities Fund

The Classroom Facilities Fund is a fund provided to account for monies received and expended in connection with contracts entered into by the District and the Ohio Department of Education for the building and equipping of classroom facilities.

Non-Major Governmental Funds

The other non-major governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose. The District's Permanent nonmajor fund is a fund provided to account for donations/contributions where the principal balance is non-expendable and the interest can only be used for pupil support services.

Proprietary Funds

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

Enterprise Funds

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The District's major Enterprise Fund is:

Food Service Fund

This fund accounts for the financial transactions related to the food service operations of the District.

Non-Major Enterprise Funds

The other non-major enterprise funds of the District are used to account for other enterprise related activities of the District.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's only fiduciary funds are agency funds which account for student managed activities, as well as monies held in an agency capacity on behalf of the Franklin County Educational Council. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

Basis of Presentation

The District's Basic Financial Statements consist of Government-Wide Statements, which include the Statement of Net Assets and the Statement of Activities, and Fund Financial Statements.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are Governmental and those that are considered Business-Type Activities.

The Statement of Net Assets presents the financial condition of Governmental and Business-Type Activities of the District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's Governmental Activities and for each segment type of the Business-Type Activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. There are no indirect costs reported separately in the Statement of Activities. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level. The focus of Governmental and Enterprise Fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus

The Government-Wide Financial Statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included in the Statement of Net Assets. All Governmental Funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the Governmental Activities of the Government-Wide Financial Statements are prepared. Governmental Fund Financial Statements therefore include a reconciliation with brief explanations to better identify the relationship between the Government-Wide Statements and the statements for Governmental Funds.

Like the Government-Wide Statements, all Proprietary Fund Types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Net Assets. The Statement of Changes in Fund Net Assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The Statement of Cash Flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-Wide financial statements are prepared using the accrual basis of accounting. The fund financial statements are prepared using either the modified accrual basis of accounting for governmental funds or the accrual basis of accounting for proprietary and fiduciary funds. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 90 days of year-end, except for property taxes for which the available period is 60 days.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditures requirements, in which the resources are provided on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenues – Exchange and Non-exchange Transactions - Continued

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: property taxes available as an advance, investment earnings, tuition, grants, and fees.

Deferred/Unearned Revenue

The District reports unearned revenue on its Statement of Net Assets and deferred revenue on its Governmental Funds Balance Sheet. Deferred/unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2006, but which were levied to finance fiscal year 2007 operations, have been recorded as deferred/unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred/unearned revenue. On Governmental Fund Financial Statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of Governmental Fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in Governmental Funds.

Budgetary Process

The District adopts annual appropriation budgets for all funds with the exception of Agency Funds. The specific timetable for the fiscal year follows:

Prior to January 15, the District Superintendent and Treasurer submit to the Board of Education a proposed operating budget (tax budget) for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. A public hearing is publicized and conducted to obtain taxpayers comments.

No later than January 20, the Board of Education adopted budget is filed with the Franklin County Budget Commission (Commission) for rate determination.

Prior to May 15, the Board of Education accepts, by formal resolution, the tax rates as determined by the Commission and receives the Commission's Certificate of Estimated Resources (Certificate) that states the projected revenue of each budgeted fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate. The revised budget then serves as a basis for the appropriation measure.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgetary Process – Continued

On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year. The Certificate may be further amended during the year if the District Treasurer identifies projected increases or decreases in revenue. The amounts reported as the original budgeted amounts on the budgetary schedule and statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The final amounts reported in the budgetary schedule and statements reflect the amounts set forth in the final amended Certificate issued for the fiscal year. By July 1, the annual appropriation resolution (or temporary resolution) is legally enacted by the Board of Education. Appropriations by fund must be within the estimated resources as certified by the Commission. Revisions that alter appropriations for the total expenditures for each fund must be approved by the Board of Education.

Formal budgetary integration is employed as a management control device during the year for fiscal year budgeted funds. Expenditures and year-end encumbrances may not exceed appropriations at the fund total level (legal level of control). The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the revised budgeted amounts represent the final appropriation amounts passed by the Board of Education during the year. There were several revisions to appropriations for budgeted funds during the fiscal year ended June 30, 2006.

Encumbrances

Encumbrance accounting is utilized by the District for all funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to a commitment for a future expenditure and does not represent a liability. On the Fund Financial Statements encumbrances outstanding at fiscal year-end are reported as a reservation of fund balance for subsequent year expenditures for governmental funds. A reserve for encumbrances is not reported on the Government-Wide Financial Statements. Encumbrances are reported as part of expenditures on a non-GAAP budgetary basis.

Cash and Investments

Cash received by the District is deposited into one of several bank accounts with individual fund balance integrity maintained. Balances of all funds are maintained in these accounts or are temporarily used to purchase certificates of deposit or investments. All investment earnings accrue to the General Fund except those specifically related to the funds described below. The allocation to these funds is made based on the proportion of the fund balance to the pooled balance. Interest earned amounted to \$4,082,344, \$10,669,874, \$857,218, \$1,051,795, and \$343,535 in the General Fund, Classroom Facilities Fund (Major Capital Projects Fund), the Permanent Improvement Fund (Non-major Capital Projects Fund), the Building Fund (Non-major Capital Projects Fund), and the Classroom Facilities Maintenance Fund (Non-major Special Revenue Fund), respectively. The District also maintains one imprest account used solely for the payment of payroll checks.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Investments – Continued

The District records all its investments at cost and reports repurchase agreements at cost and all other investments at fair value. For purposes of the Statement of Cash Flows and for presentation on the Balance Sheet and Statement of Net Assets, investments of the cash management pool are considered to be cash equivalents. The District has invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2006. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2006. The District has also invested in repurchase agreements, Federal Home Loan Mortgage Corporation Bonds and Discount Notes, Federal Home Loan Bank Bonds and Discount Notes, Federal National Mortgage Corporation Bonds and Discount Notes, Federal Farm Credit Notes, U.S. Treasuries, and commercial paper.

To improve cash management, cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

The District maintains contractor retainages in various bank accounts and these amounts are reported as "Cash and Cash Equivalents with Escrow Agent" on the financial statements.

Inventory

On Government-Wide Financial Statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On Fund Financial Statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption and are expensed when used. Inventories of the enterprise funds are expensed when used.

Capital Assets and Depreciation

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the Governmental Activities column of the Government-Wide Statement of Net Assets but are not reported in the Fund Financial Statements. Capital assets utilized by the proprietary funds are reported both in the Business-Type Activities column of the Government-Wide Statement of Net Assets and in the respective funds.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital Assets and Depreciation - Continued

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000 for governmental funds and \$1,000 for enterprise funds for equipment and vehicles. For construction in progress, land improvements, buildings, and building improvements the District maintains a capitalization threshold of \$50,000. The District's capitalization threshold for land is \$0. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets utilized by the enterprise funds is also capitalized.

All reported capital assets except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land improvements	10-65 years	N/A
Buildings and improvements	10-100 years	10-40 years
Furniture and equipment	5-15 years	5-20 years
Vehicles	7-15 years	4-12 years

Estimated useful lives are higher for older capital assets that were still in use as of the date of GASB 34 implementation. New acquisitions will generally have estimated useful lives that are significantly lower than the upper end of the useful life threshold.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables/Payables." These amounts are eliminated in the Governmental and Business-Type Activities columns of the Statement of Net Assets, except for any net residual amounts due between Governmental and Business-Type Activities, which are presented as Internal Balances.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Compensated Absences

Vacation and personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate its employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive severance benefits and those the District has identified as probable of receiving payment in the future. The District records an accrual for sick leave for all employees with ten or more years of service. The accrual amount is based upon accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the District's severance policy. The entire compensated absence liability is reported in the Government-Wide Financial Statements. The amount of accumulated vacation and sick leave of employees paid from Governmental Funds has been recorded in the appropriate Governmental Fund as a current liability to the extent that the employees have applied for leave payment, but have not received payment as of June 30, 2006 and the amounts have matured. The noncurrent portion of this liability is not reported in the Fund Financial Statements. Vacation, personal, and sick leave for employees paid from Enterprise Funds is recorded as an expense and liability of the fund.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the Government-Wide financial Statements, and all payables, accrued liabilities and long-term obligations payable from Proprietary Funds are reported on the Proprietary Fund Financial Statements. In general, Governmental Fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, and special termination benefits that will be paid from Governmental Funds are reported as a liability in the Fund Financial Statements only to the extent that they are normally due for the payment during the current fiscal year.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for acquisition, construction or improvements of those assets. Net assets are reported as restricted for Debt Service, Capital Projects, Classroom Facilities Maintenance, Title I Program, Improving Teacher Quality Program, and Other Purposes when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The expendable and nonexpendable portions of net assets are based upon external restrictions imposed by donors whereas the expendable portion of net assets must be used for school district purposes and the nonexpendable portion must be retained intact by the District. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales and fees for food service, uniform school supplies, rotary special services, adult education, WCBE radio station, and latchkey and extended daycare/preschool programs. Operating expenses are necessary costs incurred to provide the goods and/or service that is the primary activity of the fund.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Balance Reserves

Reserved fund balances indicate that portion of fund balances, which are not available for current appropriation or are legally segregated for a specific use. Fund balances are reserved for encumbrances, inventory, property tax revenue reserved for future year's appropriations and endowments. The reserve for property tax represents taxes recognized as revenue under Generally Accepted Accounting Principles but not available for appropriation under State statute. The reserve for endowments signifies the legal restrictions on the use of principal donated to the District. The unreserved, undesignated portions of fund balance reflected for Governmental Funds are available for use within the specific purpose of those funds.

Intergovernmental Revenues

In Governmental Funds, entitlements and grants not based on reimbursement are recorded as intergovernmental receivables and revenues when eligibility requirements have been satisfied and when measurable and available. Reimbursement type grants are recorded as intergovernmental receivables and revenues when eligibility requirements have been satisfied and when the related expenditures are incurred. Grants for proprietary fund operations are recognized as revenue when eligibility requirements have been satisfied and when earned.

Interfund Transactions

Transfers between Governmental and Business-Type Activities in the Government-Wide Financial Statements are reported as general revenues. All transfers between Governmental Activities have been eliminated in the Government-Wide Financial Statements. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in Proprietary Funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.

3. COMPLIANCE AND ACCOUNTABILITY

The Power Up Technologies, School Building Assistance Limited, Teacher Development, Parents as Teachers, Alternative Schools, Special Education Part B - IDEA, Transition Program for Refugee Children, Innovative Programs – Title V, and Improving Teacher Quality – Title II-A Non-major Governmental Funds had the following deficits: \$721,000, \$1,140,331, \$13,297, \$5,650, \$16,227, \$933,273, \$7,640, \$23,544, and \$804,993, respectively. Latchkey Non-Major Enterprise Fund and Food Service Major Enterprise Fund had deficit net assets of \$159,675, and \$469,255, respectively. The General Fund provides transfers when cash is required, not when expenditures are incurred.

The Computer Network Class "A" Site Fund, District Managed Activities Fund, Auxiliary Services Fund, Post Secondary Vocational Education Fund, Teacher Development Fund, Gifted Education Fund, Management Information Systems Fund, Public School Preschool Fund, Entry Year Programs Fund, Schoolnet Professional Development Fund, Ohio Reads Fund, Summer Intervention Fund, Miscellaneous State Grants Fund, Special Education Part B-IDEA Fund, Title III-Limited English Proficiency Fund, Title I Fund, Innovative Programs Title V Fund, Improving Teacher Quality – Title II-A Fund, Classroom Facilities Fund, Food Service Fund, Uniform School Supplies Fund, Adult Education Fund, and Latchkey Fund had original appropriations in excess of original estimated resources by: \$2,313, \$986,846, \$42,015, \$1,798, \$775,578, \$9,462, \$44,682, \$127,844, \$115,220, \$3,437, \$15,733, \$901,063, \$37,898, \$2,211,004, \$510,858, \$9,994,882, \$397,913, \$6,260,659, \$84,543,089, \$578,746, \$2,087, \$372,257, and \$90,387 respectively.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

3. COMPLIANCE AND ACCOUNTABILITY - Continued

The Other Grant Fund, District Managed Activities Fund, Teacher Development Fund, Summer Intervention Fund, Title III – Limited English Proficiency Fund, Innovative Programs – Title V Fund, Early Childhood Special Education Fund, Improving Teacher Quality – Title II-A Fund, Uniform School Supplies Fund, and Latchkey Fund had final appropriations in excess of final estimated resources by: \$527,542, \$1,233,292, \$1,118,298, \$2,049,031, \$93,092, \$386,591, \$40,220, \$4,293,587, \$2,923, and \$97,902 respectively.

The Transition Program for Refugee Children Fund and Food Service Fund had expenditures in excess of appropriations by the following amounts: \$1,094, and \$897,748.

The District plans to monitor budgets more closely to correct budgetary issues.

4. CHANGES IN ACCOUNTING PRINCIPLES/RESTATEMENT OF NET ASSETS

Change in Accounting Principles:

For the fiscal year 2006, the School District implemented GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*, GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, and GASB Statement No. 47, *Accounting for Termination Benefits*. GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets. GASB Statement No. 44 amends the portions of NCGA Statement 1, *Governmental Accounting and Financial Reporting Principles*, that guide the preparation of the statistical section. GASB Statement No. 46 requires that limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets. GASB Statement No. 47 establishes accounting standards for termination benefits. The application of these new standards did not have a material effect on the financial statements, nor did their implementation require a restatement of prior year balances.

During fiscal year 2006, the District changed its capitalization policy for capital assets, eliminating Library and Textbooks. Effective July 1, 2005, the District changed its method of reporting manuscript debt to an interfund loan from the Debt Service Major Fund to the General Fund. These restatements had the following effects on fund balances/net assets as previously stated:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Classroom Facilities Fund</u>	<u>All Other Governmental Funds</u>	<u>Total</u>
Fund Balances, June 30, 2005	\$ (15,047,234)	\$ 18,073,538	\$ 295,554,443	\$ 97,411,255	\$ 395,992,002
Change in Reporting Method for interfund loan	<u>(5,580,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,580,000)</u>
Restated Fund Balances, June 30, 2005	<u>\$ (20,627,234)</u>	<u>\$ 18,073,538</u>	<u>\$ 295,554,443</u>	<u>\$ 97,411,255</u>	<u>\$ 390,412,002</u>

	<u>Governmental Net Assets</u>
Beginning Balance, July 1, 2005	\$215,039,773
Elimination of library and textbook - Capital Assets	<u>(16,287,763)</u>
Restated Balance, July 1, 2005	<u>\$198,752,010</u>

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

5. POOLED CASH AND CASH EQUIVALENTS

The District records all its investments at cost and reports repurchase agreements at cost and all other investments at fair value. At June 30, 2006 the District's fair value for investments exceeded cost by \$605,853.

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including pass book accounts.

Interim monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or other obligations of or security issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio, its political subdivisions, or other units or agencies of this State or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Commercial paper and bankers acceptances if training requirements have been met;
9. High grade commercial paper in an amount not to exceed five percent of the District's total average portfolio; and
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the District's total average portfolio.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

5. POOLED CASH AND CASH EQUIVALENTS - Continued

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, the bank balances were \$6,201,841 and the governmental money market fund balances were \$95,456,987. At fiscal year end, \$5,999,042 in bank deposits and \$95,356,987 in governmental money market funds were exposed to custodial credit risk because they were uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements would potentially subject the District to a successful claim by the FDIC.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of June 30, 2006, the District had the following investments and maturities:

Description	Fair Value	Investment Maturities (in years)		Concentration of Credit Risk
		Less than 1	1-2	
June 30, 2006:				
Star Ohio	\$ 17,339,333	\$ 17,339,333	\$ -	5.39%
Repurchase Agreements	3,642,784	3,642,784	-	1.13%
Federal Home Loan Mortgage Corporation Bonds	27,917,947	27,917,947	-	8.68%
Federal Home Loan Mortgage Corporation Discount Notes	74,559,243	74,559,243	-	23.18%
Federal Home Loan Bank Bonds	40,063,174	25,110,024	14,953,150	12.45%
Federal Home Loan Bank Discount Notes	2,984,100	2,984,100	-	0.93%
Federal National Mortgage Association Bonds	36,335,068	36,335,068	-	11.29%
Federal National Mortgage Association Discount Notes	67,198,420	67,198,420	-	20.89%
U.S. Treasuries	33,435,727	27,610,327	5,825,400	10.39%
Federal Farm Credit Notes	230,000	230,000	-	0.07%
Barclays US Fdg LLC Discount Commercial Paper	2,498,000	2,498,000	-	0.78%
Dexia Delaware LLC Discount Commercial Paper	3,088,530	3,088,530	-	0.96%
Merrill Lynch & Co Discount Commercial Paper	2,962,234	2,962,234	-	0.92%
Nordea North American Inc. Discount Commercial Paper	4,966,500	4,966,500	-	1.54%
UBS Financial Inc. Discount Commercial Paper	4,490,350	4,490,350	-	1.40%
Total Investments	\$ 321,711,410	\$ 300,932,860	\$ 20,778,550	100.00%

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

5. POOLED CASH AND CASH EQUIVALENTS - Continued

Interest rate risk – As a means of limiting its exposure to fair value losses caused by rising interest rates, the District attempts, to the extent possible to match investments with anticipated cash flow requirements. Unless matched to a specific obligation or debt of the District, the District will not directly invest in securities maturing more than five years from the date of investment.

Credit Risk – Investments in STAR Ohio were rated AAAM by Standard & Poor's. Ratings for the investments in the U.S. Treasuries are not required to be disclosed. The Federal Home Loan Mortgage Corporation Bond long term securities are rated AAA by Standard & Poors and Aaa by Moody's. The Federal Home Loan Mortgage Corporation Bond short term securities are rated A-1+ by Standard & Poors and Prime-1 by Moody's. The Federal Home Loan Mortgage Corporation Discount Notes are all short term securities rated A-1+ by Standard & Poors and Prime-1 by Moody's. The Federal Home Loan Bank Bond long term securities are rated AAA by Standard & Poors and Aaa by Moody's. The Federal Home Loan Bank Bond short term securities are rated A-1+ by Standard & Poors and Prime-1 by Moody's. The Federal Home Loan Bank Discount Notes are all short term securities rated A-1+ by Standard & Poors and Prime-1 by Moody's. The Federal National Mortgage Association Bond long term securities are rated AAA by Standard & Poors and Aaa by Moody's. The Federal National Mortgage Association Bond short term securities are rated A-1+ by Standard & Poors and Prime-1 by Moody's. The Federal National Mortgage Association Discount Notes are all short term securities rated A-1+ by Standard & Poors and Prime-1 by Moody's. The Federal Farm Credit Notes are all long term securities rated AAA by Standard & Poors and Aaa by Moody's. The Barclays US Fdg LLC Discount Commercial Paper is rated A-1+ by Standard & Poors and Prime-1 by Moody's. The Dexia Delaware LLC Discount Commercial Paper is rated A-1+ by Standard & Poors and Prime-1 by Moody's. The Merrill Lynch & Company Discount Commercial Paper is rated A-1+ by Standard & Poors and Prime-1 by Moody's. The Nordea North American Inc Discount Commercial Paper is rated A-1+ by Standard & Poors and Prime-1 by Moody's. The UBS Financial Inc. Discount Commercial Paper is rated A-1+ by Standard & Poors and Prime-1 by Moody's. The District limits their investments to those authorized by state statute.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the District's securities are either insured and registered in the name of the District or at least registered in the name of the District, other than the District's repurchase agreements which are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk - The School District places no limit on the amount it may invest in any one issuer. See Page F-37 for the Concentration of Credit Risk for the District's investments. The investments in Star Ohio and repurchase agreements have investment maturities of 0 days.

6. PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35% of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88% of true value (with certain exceptions) and on real property at 35% of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25% of true value.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2006, is as follows:

	Balance 6/30/2005 *	Additions	Deductions	Balance 6/30/2006
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 25,187,807	\$ 2,859,591	\$ (567,320)	\$ 27,480,078
Construction in Progress	<u>11,448,665</u>	<u>51,972,510</u>	<u>-</u>	<u>63,421,175</u>
Total Capital Assets, not being depreciated	<u>36,636,472</u>	<u>54,832,101</u>	<u>(567,320)</u>	<u>90,901,253</u>
Capital Assets, being depreciated:				
Land Improvements	21,271,599	1,145,628	(695,798)	21,721,429
Buildings and Improvements	362,302,448	4,168,649	(7,023,768)	359,447,329
Furniture and Equipment	79,427,327	539,569	(4,169,827)	75,797,069
Vehicles	<u>25,858,994</u>	<u>667,903</u>	<u>(257,719)</u>	<u>26,269,178</u>
Total Capital Assets, being depreciated	<u>488,860,368</u>	<u>6,521,749</u>	<u>(12,147,112)</u>	<u>483,235,005</u>
Less Accumulated Depreciation:				
Land Improvements	(14,385,304)	(636,753)	593,189	(14,428,868)
Buildings and Improvements	(237,665,903)	(9,918,586)	5,305,881	(242,278,608)
Furniture and Equipment	(67,278,104)	(2,539,300)	3,365,364	(66,452,040)
Vehicles	<u>(17,383,099)</u>	<u>(1,087,672)</u>	<u>244,834</u>	<u>(18,225,937)</u>
Total Accumulated Depreciation	<u>(336,712,410)</u>	<u>(14,182,311)</u>	<u>9,509,268</u>	<u>(341,385,453)</u>
Total Capital Assets, being depreciated, net	<u>152,147,958</u>	<u>(7,660,562)</u>	<u>(2,637,844)</u>	<u>141,849,552</u>
Governmental Activities Capital Assets Net	<u>\$ 188,784,430</u>	<u>\$ 47,171,539</u>	<u>\$ (3,205,164)</u>	<u>\$ 232,750,805</u>
Business Type Activities:				
Capital Assets, not being depreciated:				
Land	<u>151,610</u>	<u>-</u>	<u>-</u>	<u>151,610</u>
Total Capital Assets, not being depreciated	<u>151,610</u>	<u>-</u>	<u>-</u>	<u>151,610</u>
Capital Assets, being depreciated:				
Building and Improvements	2,147,360	-	-	2,147,360
Vehicles	972,644	-	-	972,644
Furniture and Equipment	<u>6,389,337</u>	<u>44,801</u>	<u>(545,491)</u>	<u>5,888,647</u>
Total Capital Assets, being depreciated	<u>9,509,341</u>	<u>44,801</u>	<u>(545,491)</u>	<u>9,008,651</u>
Less Accumulated Depreciation:				
Building and Improvements	(1,672,796)	(65,072)	-	(1,737,868)
Vehicles	(528,465)	(47,082)	-	(575,547)
Furniture and Equipment	<u>(4,415,221)</u>	<u>(142,349)</u>	<u>412,011</u>	<u>(4,145,559)</u>
Total Accumulated Depreciation	<u>(6,616,482)</u>	<u>(254,503)</u>	<u>412,011</u>	<u>(6,458,974)</u>
Total Capital Assets, being depreciated, net	<u>2,892,859</u>	<u>(209,702)</u>	<u>(133,480)</u>	<u>2,549,677</u>
Business-Type Activities Capital Assets Net	<u>\$ 3,044,469</u>	<u>\$ (209,702)</u>	<u>\$ (133,480)</u>	<u>\$ 2,701,287</u>

* - As Restated - See Note 4

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

7. CAPITAL ASSETS - Continued

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 9,291,586
Special Instruction	408,679
Vocational Instruction	804,021
Pupil Support Services	937,053
Instructional Staff Support Services	401,348
Administration	598,356
Operation and Maint. of Plant Serv.	597,567
Pupil Transportation	966,885
Other Support Services	72,508
Enterprise Operations	36,635
Extracurricular Activities	<u>67,673</u>
Total Depreciation Expense - 2006	<u>\$ 14,182,311</u>

8. DEFEASED DEBT

On May 15, 1993, the District advance refunded three general obligation bonds with an aggregate outstanding balance of \$86,015,000. The refunded general obligation bonds are not reported in the accompanying financial statements. The remaining balance on the refunded general obligation bonds as of June 30, 2006 was \$34,140,000.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

9. LONG-TERM DEBT AND OTHER OBLIGATIONS

Long-term debt and other obligations at June 30, 2006 and the related transactions for the year then ended are summarized below:

Issue Date	Interest Rate	Maturity Date Through	Balance July 1, 2005*	Additions	Deductions	Balance June 30, 2006	Amounts Due Within One Year
<u>Governmental Activities:</u>							
General Obligation Bonds							
05/15/93	3 1/2 - 8 1/4	12/01/11	\$ 47,802,214	\$ 3,725,229	\$ 8,450,000	\$ 43,077,443	\$ 8,460,000
	Original Issue Amount		\$86,012,613				
11/21/01	3 - 5 1/2	12/01/28	7,260,000	0	180,000	7,080,000	185,000
	Original Issue Amount		\$7,760,000				
05/01/03	2 - 5	12/01/31	204,359,968	0	2,400,714	201,959,254	3,950,000
	Original Issue Amount		\$206,879,996				
07/07/04	3 - 5	12/01/32	168,515,510	0	3,267,241	165,248,269	4,030,000
	Original Issue Amount		\$168,682,750				
Energy Conservation Bonds							
01/01/94	4 - 5 1/2	08/01/05	1,445,000	0	1,445,000	-	-
	Original Issue Amount		\$8,500,000				
10/01/00	5 1/4 - 6 3/4	06/01/15	7,985,000	0	640,000	7,345,000	670,000
	Original Issue Amount		\$10,380,000				
Compensated Absences Payable			55,735,503	2,503,701	9,463,431	48,775,773	2,366,214
* ESP/LSP Programs			18,109,313	7,796,585	9,306,824	16,599,074	11,326,350
Obligations Under Capital Leases			692,444	0	305,025	387,419	90,454
Bureau of Workers Compensation Retro-active Plan Claims - Payable			18,738,074	2,447,837	4,119,861	17,066,050	4,000,000
Total Governmental Activities			<u>\$ 530,643,026</u>	<u>\$ 16,473,352</u>	<u>\$ 39,578,096</u>	<u>\$ 507,538,282</u>	<u>\$ 35,078,018</u>
<u>Business-Type Activities:</u>							
Compensated Absences Payable			\$ 971,152	\$ 43,170	\$ 73,970	\$ 940,352	\$ 70,361
**Extended Severance Payout Program			<u>476,637</u>	<u>-</u>	<u>476,637</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities			<u>\$ 1,447,789</u>	<u>\$ 43,170</u>	<u>\$ 550,607</u>	<u>\$ 940,352</u>	<u>\$ 70,361</u>

*As restated - See Note 4.

** The District offered an Extended Severance Payout (ESP) Program in fiscal year 2004 and a Limited Separation Plan (LSP) in fiscal year 2006. These programs included separation incentives, accrued sick leave, accrued vacation leave, and accrued personal leave components paid out over a time period from 24 to 96 months. The ESP/LSP liability above includes only the salary component, while the accrued sick, vacation and personal leave components are reported within the compensated absences liability.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

9. LONG-TERM DEBT AND OTHER OBLIGATIONS - Continued

All General Obligation Bonds and Energy Conservation Bonds outstanding are general obligations of the District for which the full faith and credit of the District is pledged for repayment. The source of repayment is derived from a current 2.72 mill bonded debt tax levy. Compensated absences payable will be paid from the funds from which the employees were paid with the most significant funds being the General Fund, the Food Service Major Enterprise Fund, and the Title I Non-major Special Revenue Fund. The ESP/LSP liability will be paid from the General Fund. Claims payable will be paid from the General Fund. Obligations under capital leases will be paid from the General Fund. Under Ohio Revised Code debt limitations, the District has the capacity to issue \$10.09 million in additional unvoted general obligation debt and \$548.57 million in overall additional debt.

Future Long-term Debt

A summary of the District's future long-term debt funding requirements as of June 30, 2006 follows:

Year of Funding	General Obligation Bonds		Energy Conservation Bonds	
	Principal	Interest	Principal	Interest
2007	10,422,974	23,741,920	670,000	370,115
2008	10,694,292	23,731,202	700,000	337,955
2009	7,998,745	23,707,516	735,000	304,355
2010	7,379,183	20,617,710	770,000	268,708
2011	7,452,272	20,453,719	810,000	230,978
2012-2016	47,923,650	80,506,648	3,660,000	491,101
2017-2021	62,980,000	63,662,352	-	-
2022-2026	80,830,000	45,361,418	-	-
2027-2031	102,560,000	22,047,739	-	-
2032-2033	34,475,000	1,415,600	-	-
Totals	\$ 372,716,116	\$ 325,245,824	\$ 7,345,000	\$ 2,003,212

The above amortization schedule (principal payments) does not agree to the bonds payable amount on page F-42 because it does not include the \$6,103,540 in unamortized premium on the 2003 bond issue and \$4,348,269 in unamortized premium on the 2005 bond issue. This amortization schedule also does not include the accreted portion of Capital Appreciation Bonds in the amount of \$38,785,000, of which \$34,197,041 has been accreted as of June 30, 2006. Capital Bonds were accreted in the amount of \$3,725,229 for fiscal year June 30, 2006.

Capital Lease Obligations

During fiscal year 2006 the District had no new leases. The District has entered into several lease agreements in past years to lease various types of equipment. The terms of the agreements provide options to purchase the equipment. The leases all met the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The capital lease payments for all leases related to the General Fund have been classified as debt service in the General Fund in the fund financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

9. LONG-TERM DEBT AND OTHER OBLIGATIONS - Continued

Capital Lease Obligations – Continued

For the leased assets related to the Governmental Funds, capital assets acquired by lease have been capitalized in the Government-Wide Financial Statements in an amount equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the Government-Wide Financial Statements. The District's future minimum lease payments under capital lease obligations for Governmental Activities as of June 30, 2006 are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities Capital Leases</u>
2007	\$ 111,239
2008	111,239
2009	111,239
2010	<u>101,969</u>
Total minimum lease payments	435,686
Less: amount representing interest	<u>48,267</u>
Present value of minimum lease payments	<u>\$387,419</u>

Sale/Leaseback Operating Lease

On December 15, 2005, the District sold the Northeast Career Center to Morso Holding Company for a net amount of \$9,796,800. The Center is being leased back to the District until December 31, 2008, for an operations basis for yearly rental payments of \$1 per year.

10. DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

The Columbus City School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 2006, 10.58% was the portion allocated to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The District's required contributions for pension obligations to SERS for the years ended June 30, 2006, 2005, and 2004 were \$11.1 million, \$11.2 million, and \$9.7 million, respectively. 41.9% has been contributed for fiscal year 2006 and 100% for the fiscal years 2005 and 2004. \$6,421,347 represents the unpaid contribution for fiscal year 2006.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

10. DEFINED BENEFIT PENSION PLANS - Continued

State Teachers Retirement System

The District contributed to the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer defined benefit pension plan. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency controlled, managed and supported in whole or in part, by the state or any political subdivision thereof. STRS Ohio provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS Ohio issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090.

Plan Options – New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.50% of earned compensation. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation of every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.50% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

10. DEFINED BENEFIT PENSION PLANS - Continued

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Eligible faculty of Ohio's public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan. A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance. Benefits are increased annually by 3% of the original base amount.

The Defined Benefit and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A Defined Benefit or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the Defined Benefit Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

For fiscal year 2006 plan members were required to contribute 10% of their annual covered salaries. The District was required to contribute 14%, 13% of which was the portion used to fund pension obligations. Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by STRS Ohio, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2006, 2005, and 2004 were \$41.5 million, \$43.4 million, and \$42.9 million, respectively; 81.0% has been contributed for fiscal year 2006 and 100% for fiscal years 2005 and 2004. \$7,861,344 represents the unpaid contribution for fiscal year 2006 and is recorded as a liability within the respective funds.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio's 2006 *Comprehensive Annual Financial Report* will be available after January 1, 2007. Additional copies or copies of STRS Ohio's 2004 *Comprehensive Annual Financial Report* can be requested by writing to STRS Ohio, 275 E. Broad Street, Columbus, Ohio 43215-3371, by calling 614-227-4090, or by visiting the STRS Ohio Web site at www.strsoh.org.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2006, three members of the Board of Education had elected Social Security. The Board's liability is 6.2 percent of wages paid.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

11. POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14% of covered payroll. For the fiscal year 2006, the STRS Board allocated employer contributions equal to 1% of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$3,190,420 for fiscal year 2006.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, (the latest information available) the balance in the Fund was \$3.3 billion. For the year ended June 30, 2005, net health care costs paid by STRS were \$254,780,000 and STRS had 115,395 eligible benefit recipients.

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premiums. The portion is based on years of service, Medicare eligibility and retirement status. A safety net is in place for retirees whose household income falls below federal poverty levels. Premiums are reduced by 50 percent for those who apply.

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2006, the minimum pay was established at \$35,800. However, the surcharge is capped at 2 percent of each employer's SERS salaries.

The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund. For the District, the amount contributed to fund health care benefits, including the surcharge, during the 2006 fiscal year equaled \$5,664,678. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2005 (the latest information available), were \$178,221,113. At June 30, 2005, SERS had net assets available for payment of health care benefits of \$267.5 million. SERS has approximately 58,123 participants eligible to receive health care benefits.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

12. INTERFUND TRANSACTIONS

Interfund balances at June 30, 2006, consist of the following individual fund receivables and payables, which are expected to be repaid during the 2007 fiscal year:

<u>Interfund Loans</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 6,036,979	5,115,000
Debt Service Major Fund	5,115,000	-
Non-Major Special Revenue Funds		
Teacher Development	-	8,716
Parents As Teachers	-	5,650
Management Information System	-	80,018
Summer Intervention	-	858
Alternative Schools	-	32,021
Special Education Part B - IDEA	-	230,904
Title III - Limited English Proficiency	-	23,208
Innovative Programs - Title V	-	2,062
Improving Teacher Quality - Title II-A	-	689,266
Total Non-Major Special Revenue Funds	-	<u>1,072,703</u>
Non-Major Capital Projects Funds		
Power-up Technologies	-	721,000
School Building Assistance Limited	-	1,200,000
Total Non-Major Capital Projects Funds	-	<u>1,921,000</u>
Total Governmental Funds	<u>11,151,979</u>	<u>8,108,703</u>
Food Service - Major Enterprise Fund	-	2,908,647
Non-Major Enterprise Fund		
Latchkey	-	134,629
Total Non-Major Enterprise Funds	-	<u>134,629</u>
Total Interfund Receivables/Payables	<u>\$ 11,151,979</u>	<u>\$ 11,151,979</u>

All of the above interfund receivables except for Latchkey Non-Major Enterprise Fund and the Debt Service Major Fund relate to advances from the General Fund in anticipation of the receipt of grant monies. The Latchkey receivable is a result of a deficit cash balances in this fund for which the General Fund provides the resources. The Debt Service Major Fund receivable is the result of an interfund loan from the Debt Service Major Fund to the General Fund for a deficit in self insurance balances.

For purposes of reporting in the District-Wide Financial Statements all interfund receivables were eliminated with the exception of the interfund receivables in the amount of \$3,043,276 that were due from Business-Type Activities (Food Service Major Enterprise Fund and the Latchkey Non-Major Enterprise Fund).

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

12. INTERFUND TRANSACTIONS (Continued)

<u>Interfund Transfers</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 8,544	\$ 737,623
Debt Service Major Fund	146,475	
Non-Major Special Revenue Funds		
Public School Support	19,006	-
Other Grants	-	8,544
District Managed Activities	436,407	-
Auxiliary Services	38	-
Ohio Reads	1,090	-
Miscellaneous State Grants	41,699	-
Special Education Part B - IDEA	63,822	-
Innovative Programs - Title V	9,782	-
Early Childhood Special Education, IDEA	326	-
Miscellaneous Federal Grants	18,978	-
Total Non-Major Special Revenue Funds	<u>591,148</u>	<u>8,544</u>
Total Transfers In/Out	<u>\$ 746,167</u>	<u>\$ 746,167</u>

General Fund (a major fund) transfers were made to the District Managed Activities Fund, the Pupil Support Fund, and various state and federal fund (all of which are Non-Major Special Revenue Funds). These transfers are routine and were made to provide support for these operations. The General Fund also made a transfer of \$146,475 to the Debt Service Major Fund which represents interest on the interfund loan from the Debt Service Major Fund to the General Fund.

All interfund transfers were eliminated for purposes of reporting in the District-Wide Financial Statements since they were between Government Activities.

13. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. Settled claims have not exceeded these commercial coverages in any of the past three years. There has not been a significant reduction in coverage from the prior year. The District insures through commercial insurance companies for the following:

Vehicle and General Liability

The District is responsible for the first \$500,000 per claim, the next \$4,500,000 in claims is payable by The Insurance Company of the State of Pennsylvania and the remaining \$5,000,000 in claims payable is covered by RSUI Indemnity Company. The renewal date is September 1, 2006. A new policy was entered into on September 1, 2006.

The District has general liability insurance with Genesis Insurance Company in the amount of \$5,000,000 per occurrence, and \$5,000,000 aggregate. The renewal date is September 1, 2006.

Property Damage

The District is insured for property damage by Allianz Insurance Company, with a per occurrence policy limit of \$100,000,000 and a deductible of \$1,000,000. The deductible, if needed, will be paid from the Replacement Fund (Capital Projects). The policy allows for losses in excess of \$250,000, but less than \$1,000,000 is to be counted towards the deductible. The renewal date is September 1, 2006.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

13. RISK MANAGEMENT - Continued

The District also carries insurance on leased modular units with Travelers Property Casual Company of America in an amount equal to the agreed upon value of the leased modular units up to \$100,000 per unit with an expiration date of June 30, 2006. This policy was renewed on July 1, 2006.

Builder's Risk Insurance

The District carries builders risk insurance with Federal Insurance Company in amounts equal to the value of the construction with an aggregate limit to claims of \$50,000,000. This policy expires August 2007.

Boiler and Machinery Coverage

The District is insured for boiler and machinery coverage with a \$30,000,000 limit with Federal Insurance Company.

Employee Health Care Benefits

The District is self-insured for employee health care benefits for all of its employees. The program is administered by Aetna, which provides claims review and processing services. The health care self-insurance is accounted for in a separate fund, but reported in the General Fund. The District records a liability for incurred but unreported claims at year-end based on actuarial estimates of liability. As of June 30, 2006 the estimate was \$7,515,900 and was recorded as a liability in the General Fund.

Workers' Compensation Retrospective Rating Program

The District participates in the Ohio Bureau of Workers' Compensation (the Bureau) Retrospective Rating Plan. Under the retrospective rating plan, the District assumes a portion of the risk in return for a reduction in current premiums. Current limits for claims incurred in calendar year 2006 are \$300,000 per claim and 200% of the annual premium in the aggregate. Estimates of claims liabilities based on actuarial methods, for incurred claims as calculated by the Bureau for the cumulative retrospective rating period January 1, 1996, through December 31, 2005, total \$15,030,239 and are recorded in addition to an estimate for incurred but not reported (IBNR) claims totaling \$2,035,810, in the District-Wide Financial Statements. The General Fund pays the worker's compensation claims and then charges a percentage based upon historical information to each of the respective funds in the same year that the salaries are paid. This liability for the Workers' Compensation Retrospective Rating Program is recorded within the long-term liabilities in the Statement of Net Assets for \$17,066,050.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

13. RISK MANAGEMENT - Continued

The total claims liability of \$24,581,950 is reported as follows in the District-Wide Financial Statements: \$7,515,900 relates to the health care liability and is reported in the liability category claims payable; \$17,066,050 relates to the Workers' Compensation Retrospective Rating Program and is reported as part of the long-term liabilities. The amounts reported in the District-Wide Financial Statements at June 30, 2006, are based on the requirements of GASB No. 10 "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues" as amended by GASB Statement No. 30 "Risk Management Omnibus," which requires that a liability for claims be reported if information prior to issuance of the finance statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Estimates were calculated by using actual claims reports for several months following the balance sheet date. This estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for self-insured health care benefits and for the workers' compensation retrospective rating program for the past three fiscal years are as follows:

	<u>FY 2003-2004</u>	<u>FY 2004-2005</u>	<u>FY 2005-2006</u>
Balance at beginning of year	\$ 25,511,643	\$ 26,712,584	\$ 28,227,329
Estimated current years claims	64,699,547	67,235,802	64,392,486
Paid claims - current and prior year	<u>(63,498,606)</u>	<u>(65,721,057)</u>	<u>(68,037,865)</u>
 Balance at end of year	 <u>\$ 26,712,584</u>	 <u>\$ 28,227,329</u>	 <u>\$ 24,581,950</u>

14. SET-ASIDE CALCULATIONS AND FUND RESERVES

The District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition or construction of capital improvements. Amounts not spent by the year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purpose in future years. In prior years the District was also required to set aside money for budget stabilization; however, this requirement has been eliminated.

The following cash basis information describes the change in the year-end set-aside amounts for textbooks and instructional materials and capital acquisition. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Totals</u>
Set-aside cash balance as of June 30, 2005	\$ -	\$ -	\$ -
Current year set-aside requirements	9,305,751	9,305,751	18,611,502
Qualifying disbursements	<u>(9,305,751)</u>	<u>(9,305,751)</u>	<u>(18,611,502)</u>
 Set-aside balance at June 30, 2006	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

15. RECEIVABLES

Receivables at June 30, 2006 consisted of property taxes, accounts receivable, interest, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of Federal funds. A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Classroom Facilities - Major Capital Projects Fund	\$ 92,186,464
Food Service Major Enterprise Fund	517,961
Non-Major Special Revenue Funds:	
Vocational Educational Enhancements	30,000
Miscellaneous State Grants	79,596
Special Education Part B - IDEA	304,411
Vocational Education	382,142
Title III - Limited English Proficiency	300,941
Title I	10,138,770
Innovative Programs - Title V	191,355
Safe and Drug Free Schools Grant - Title IV-A	151,519
Early Childhood Special Education, IDEA	61,914
Improving Teacher Quality - Title II-A	4,998,548
Miscellaneous Federal Grants	1,842,908
Total Non-Major Special Revenue Funds	<u>18,482,104</u>
Non-Major Enterprise Fund:	
Adult Education	51,560
Total All Funds	<u>\$ 111,238,089</u>

16. CONTINGENT LIABILITIES

Grants

The District receives significant financial assistance from numerous Federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2006.

Litigation

There are several lawsuits pending in which the District is involved. The District's attorneys estimate that the potential uninsured claims against the District resulting from those lawsuits would not materially affect the financial statements of the District.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

16. CONTINGENT LIABILITIES - Continued

Contractual Commitments

The District is undertaking a number of new construction projects as parts of the Ohio's School Facilities Program. On the following page is a list of significant outstanding contractual commitments as of year end:

Contractual Commitments

Vendor Name	Contract Amount	Amount Expended	Balance at 06/30/06
Accurate Electric Construction	\$ 1,964,000	\$ -	\$ 1,964,000
Aggressive Mechanical Inc.	4,071,612	1,450,953	2,620,659
AH Sturgill Roofing	665,000	321,411	343,589
Albert M. Higley Co.	7,143,684	781,586	6,362,098
Braun and Steidl	623,673	208,038	415,635
Casagrande Masonry	1,699,000	-	1,699,000
CDW Government Inc.	5,550,000	-	5,550,000
Central Ohio Building	5,063,611	1,438,105	3,625,506
Charter Hill Construction Co.	4,626,000	-	4,626,000
Claypool Electric	1,609,721	433,057	1,176,664
Community Bus Services, Inc.	4,000,000	939,711	3,060,289
Coma/Kokosing Construction	4,713,564	3,664,020	1,049,544
D.E. Huddleston Inc.	7,736,969	3,464,716	4,272,253
Dell Computer Corporation	5,500,000	-	5,500,000
Dorsey Construction Co.	3,428,584	1,454,318	1,974,266
Econco, Inc.	2,218,000	17,940	2,200,060
Farber Corporation	989,600	118,462	871,138
First Student	1,575,000	-	1,575,000
Firststone Jarus Mullin	546,472	508,534	37,938
Gutknecht Construction	21,825,271	8,420,095	13,405,176
Gutridge Plumbing	1,167,900	849,871	318,029
H&A Mechanical Inc.	1,637,000	127,661	1,509,339
HKI Associates	765,768	334,149	431,619
Howard's Sheet Metal, Inc.	3,952,000	1,388,288	2,563,712
Insight Public Sector Inc.	1,725,685	575,228	1,150,457
International Masonry Inc.	1,798,315	-	1,798,315
J.A. Guy	1,633,000	-	1,633,000
Jess Howard Electric	3,717,255	237,667	3,479,588
Knight Electric, Inc.	6,357,458	2,380,064	3,977,394
Performance Site Management	1,975,608	703,268	1,272,340
Pete Miller, Inc.	1,528,517	563,460	965,057
Project Grad of Columbus Inc.	1,885,910	-	1,885,910
R.W. Setterlin Building Co.	18,445,574	4,650,083	13,795,491
Resource One	750,000	-	750,000
Royal Electric Construction Corp.	3,876,829	1,816,283	2,060,546
Settle Muter Electric	4,947,750	227,936	4,719,814
Smith Roofing Ltd.	543,758	424,771	118,987

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2006

16. CONTINGENT LIABILITIES - Continued

Contractual Commitments - Continued

Vendor Name	Contract Amount	Amount Expended	Balance at 06/30/06
Smoot	548,925	64,614	484,311
Speer Mechanical Services, Inc.	3,780,897	1,729,069	2,051,828
Stilson and Associates	879,280	396,333	482,947
T.P. Mechanical Contractors	2,641,300	1,482,034	1,159,266
The Altman Company	4,528,365	2,245,144	2,283,221
V.A.T.	600,000	307,460	292,540
Wandell & Schnell Architects Inc	785,674	594,577	191,097
W. C. Brunk Inc.	1,500,000	-	1,500,000
Winchester Mechanical Inc.	533,400	345,328	188,072
	<u>\$ 156,170,019</u>	<u>\$ 44,664,234</u>	<u>\$ 111,505,785</u>

NOTE 17 – NET ASSETS RESTRICTED BY ENABLING LEGISLATION

Of the District’s \$217,964,875 restricted net assets, \$0 is restricted by enabling legislation.

NOTE 18 –SUBSEQUENT EVENTS

On October 11, 2006, the District issued School Facilities Construction and Improvement refunding bonds for the amount of \$282,864,896. The Series 2006 bonds refunded portions of the Series 2003 and series 2004 general obligation bonds. The series 2006 bonds will mature on June 1, 2028.

On March 7, 2006, the District’s Board authorized sponsorship of a new community school, Accelerated Academy. The Academy opened its doors to students on September 15, 2006, with a beginning estimated enrollment of 95. The Academy’s focus is on dropout prevention.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Columbus City School District

**Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Non-GAAP Basis)**

Year Ended June 30, 2006

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 337,252,418	\$ 311,944,863	\$ 302,651,039	\$ (9,293,824)
Tuition and Fees	6,076,051	5,620,102	5,452,661	(167,441)
Earnings on Investments	4,327,380	4,002,652	3,883,400	(119,252)
Intergovernmental	243,911,952	225,608,701	218,887,105	(6,721,596)
Donations	73	66	65	(1)
Payments in Lieu of Taxes	6,680,579	6,179,266	5,995,166	(184,100)
Other	7,884,684	7,293,014	3,230,775	(4,062,239)
Total Revenues	606,133,137	560,648,664	540,100,211	(20,548,453)
Expenditures				
Current Operating				
Instruction:				
Regular	277,459,543	260,890,843	258,508,343	2,382,500
Special	61,851,259	58,157,765	57,656,066	501,699
Vocational	12,362,667	11,624,421	11,535,632	88,789
Adult/Continuing	879	827	825	2
Support Services:				
Pupils	39,454,380	37,098,333	36,766,215	332,118
Instructional Staff	41,482,415	39,005,262	38,646,560	358,702
Board of Education	147,415	138,612	137,917	695
Administration	46,198,749	43,439,957	43,212,787	227,170
Fiscal	11,542,567	10,853,294	10,743,167	110,127
Business	3,855,734	3,625,486	3,467,772	157,714
Operation and Maintenance of Plant	58,882,334	55,366,133	54,880,317	485,816
Pupil Transportation	40,365,763	37,955,292	37,621,250	334,042
Central	21,778,368	20,477,857	20,348,030	129,827
Extracurricular Activities:				
Academic Oriented Activities	302,077	284,038	283,400	638
Sport Oriented Activities	5,172,163	4,863,303	4,816,619	46,684
School and Public Service Co-Curricular Activities	234,216	220,230	219,735	495
Capital Outlay:				
Architecture and Engineering	10,785	10,141	10,118	23
Building Improvement	11,824	11,118	11,093	25
Total Expenditures	621,113,138	584,022,912	578,865,846	5,157,066
Excess of Revenues Over (Under) Expenditures	(14,980,001)	(23,374,248)	(38,765,635)	(15,391,387)
Other Financing Sources (Uses)				
Advances In	-	-	21,103,657	21,103,657
Advances Out	-	-	(7,183,106)	(7,183,106)
Transfers In	17,423	16,116	16,242	126
Refund of Prior Years Expenditures	24,021	22,219	22,393	174
Transfers Out	(1,289,914)	(1,212,886)	(745,161)	467,725
Proceeds from the Sale of Assets	22,222	20,555	20,716	161
Total Other Financing Sources (Uses)	(1,226,248)	(1,153,996)	13,234,741	14,388,737
Net Change in Fund Balance	(16,206,249)	(24,528,244)	(25,530,894)	(1,002,650)
Fund Balance at Beginning of Year	29,275,564	29,275,564	29,275,564	-
Prior Year Encumbrances Appropriated	12,777,911	12,777,911	12,777,911	-
Fund Balance at End of Year	\$ 25,847,226	\$ 17,525,231	\$ 16,522,581	\$ (1,002,650)

Columbus City School District

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended June 30, 2006

Adjustments necessary to convert the results of operations at end of year on the budget basis to the modified accrual basis (GAAP) are as follows:

Net Change in Fund Balance per the Budgetary Schedule	\$ (25,530,894)
Net revenue accruals	70,968,653
Net expenditures	163,557
Advances in	(21,103,657)
Advances out	7,183,106
Encumbrances	<u>14,704,297</u>
Net Change in Fund Balance per the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 46,385,062</u>

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**Combining and Individual
Fund Financial Statements and
Individual Fund Schedules**

Columbus City School District

Combining Statements and Individual Fund Schedules – Description of Nonmajor Funds

Nonmajor Special Revenue Funds

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's Nonmajor Special Revenue Funds follow:

Public School Support

A fund provided to account for special local revenue sources, other than taxes and permanent fund monies (i.e. profits from vending machines, sales of pictures, etc.) that are restricted to expenditures for specified purposes approved by Board resolution.

Other Grants

A fund used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

Computer Network Class "A" Site

A fund used to account for the operations of class "A" sites of the computer network of the Department of Education.

Classroom Facilities Maintenance

A fund used to account for the proceeds of a levy for the maintenance of facilities.

District Managed Activities

A fund provided to account for those student activity programs which have student participation in the activity, but do not have student management of the programs.

Auxiliary Services (NPSS)

A fund used to account for monies which provide services and materials to pupils attending non-public schools within the school district.

Post Secondary Vocational Education

A fund provided to account for receipts and expenditures involved in upgrading and retraining out-of-school youths and adults for the purpose of improving their skills and knowledge in their occupations or planned occupations.

Teacher Development

A fund used to account for receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs.

Parents As Teachers

A fund used to provide information, training, and support to parents of preschool and Head Start children. (No budgetary statement presented for this fund due to no activity.)

Columbus City School District

Combining Statements and Individual Fund Schedules – Description of Nonmajor Funds (continued)

Nonmajor Special Revenue Funds - Continued

Gifted Education

A fund provided to account for research and demonstration projects and other purposes as established under appropriation line item 200-521, Gifted Pupil Program.

Management Information Systems

A fund to account for amounts distributed to school districts to be used solely for costs associated with the Education Management Information System.

Public School Preschool

A fund to assist school districts in paying the cost of preschool programs for three- and four-year-olds.

Entry Year Programs

A fund to implement entry-year programs pursuant to division (T) of section 3317.024 of the Revised Code.

Disadvantaged Pupils Impact Aid (DPIA)

A fund used to account for monies received through the state foundation for disadvantaged impact aid.

Data Communication

A fund used to account for monies appropriated for Ohio Educational Computer Network Connections.

Schoolnet Professional Development

A fund used to account for a limited number of professional development subsidy grants.

Ohio Reads

A fund used to account for monies spent to improve reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public school buildings.

Summer Intervention

A fund used to account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Revised Code.

Vocational Educational Enhancements

A fund used to account for Vocational Education Enhancements that: 1) expand the number of students enrolled in tech prep programs, 2) enable students to develop career plans, to identify initial educational and career goals, and to develop a career passport which provides a clear understanding of the student's knowledge, skills, and credentials to present to future employers, universities, and other training institutes and 3) replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

Alternative Schools

A fund used to account for alternative educational programs for existing and new at-risk and delinquent youth. Programs shall be focused on youth in one or more of the following categories: those who have been expelled or suspended, those who have dropped out of school or who are at risk of dropping out of school, those who are habitually truant or disruptive, or those on probation or on parole from a Department of Youth Services' facility.

Columbus City School District

Combining Statements and Individual Fund Schedules – Description of Nonmajor Funds (continued)

Nonmajor Special Revenue Funds - Continued

Poverty Based Aid

A fund used to account for monies appropriated for poverty based assistance as part of the state foundation system. Programs included are academic intervention, all-day kindergarten, class-size reduction, Limited English Proficient students, professional development, dropout prevention, and community outreach.

Miscellaneous State Grants

A fund used to account for various monies received from state agencies which are not classified elsewhere.

Adult Basic Education

Provision of funds for planning and conducting programs for persons 16 years of age and older who are not enrolled in school and who have less than a twelfth-grade education or its equivalent; development of basic educational skills; increase of opportunities for useful employment; improvement of attitudes toward self, family and community.

Special Education Part B - IDEA (formerly known as Education of the Handicapped Act (EHA), Title VI-B)

Provision of grants to assist with the training of teachers, supervisors, administrators, clinicians, or other specialists providing educational services to the handicapped.

Vocational Education

Provision of funds to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, vocational schools construction, ancillary services, research, advisory committees, work-study projects and sex equity grants.

Indian Education Grants

Provision for Federal financial assistance to school districts to develop and implement elementary and secondary school programs designed to meet the special educational needs of Indian children.

Title III – Limited English Proficiency

A fund to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Transition Program for Refugee Children

Provision for Federal financial assistance to school districts to develop and implement elementary and secondary school programs designed to meet the special educational needs of refugee children.

Title I (formerly known as Education Career Incentive Act (ECIA) - Title I)

A fund to provide financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children.

Columbus City School District

Combining Statements and Individual Fund Schedules – Description of Nonmajor Funds (continued)

Nonmajor Special Revenue Funds - Continued

Innovative Programs – Title V (formerly known as Education Career Incentive Act (ECIA) - Title VI)

A fund to consolidate various programs into a single authorization of grants to states for the same purposes set forth in the provisions of law as specified in the authorization section, to be used in accordance with the educational needs and priorities of the state and local agencies.

Safe and Drug-Free Schools Grant – Title IV-A (formerly known as Drug-Free Schools Grant)

A fund to provide monies to local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

Early Childhood Special Education, IDEA (formerly known as Education of the Handicapped Act (EHA Preschool Grants/Handicapped))

A fund used to account for monies received from the Preschool Grant Program, Section 619 of Public Law 99-457, which addresses the improvement and expansion of services for handicapped children ages three through five years.

Improving Teacher Quality – Title II-A (formerly known as Reducing Class Size)

A fund used to account for monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced and to improve teacher quality.

Miscellaneous Federal Grants

A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate special cost center must be used for each grant.

Columbus City School District

Combining Statements and Individual Fund Schedules – Description of Nonmajor Funds (continued)

Nonmajor Capital Projects Funds

The nonmajor Capital Project Funds account for the receipt and disbursement of monies used for the acquisition, construction or major renovation of capital facilities (other than those financed by Proprietary Funds).

Permanent Improvement

A fund provided to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Section 5705, Ohio Revised Code.

Building

A fund provided to account for all transactions related to the acquiring, constructing, or improving of such building improvements as are authorized by Section 5705.09, Revised Code.

Replacement

A fund provided to account for monies used in the rebuilding, restoration or improvement of property which has been totally or partially destroyed from any cause. Such property may have become unfit for use necessitating its demolition in whole or in part, and require repair or restoration before it can again be used.

Schoolnet Equipment

A fund used to account for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

Power Up Technologies

A fund used to account for advanced technology grants from the Ohio Department of Education. (No budgetary statement presented for this fund due to no activity.)

School Building Assistance Limited

A fund used to account for capital improvement grants which are limited to the largest eight school districts in the State of Ohio.

Nonmajor Permanent Fund

Endowment

A fund used to account for money, securities, or land which have been set aside as an investment for public school purposes. The income from such a fund may be expended, but the principal must remain intact. The funds may be spent for restricted school district purposes.

Columbus City School District

Combining Statements and Individual Fund Schedules – Description of Nonmajor Funds (continued)

Nonmajor Enterprise Funds

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation and indirect costs) of providing goods and services to the students on a continuing basis are financed or recovered primarily through user charges. A description of the District's non-major Enterprise Funds follows:

Adult Education

A fund provided to account for all revenues and expenses related to the provision of credit and non-credit classes to the community.

WCBE

A fund provided to account for funds received from donations and grants for the purpose of improving the operations and services provided by the District's FM radio station.

Latchkey

A fund to provide after-school care and instructional services to students whose parents are not at home when the student gets out of school.

Uniform School Supplies

A fund to account for the purchase and sale of school supplies as adopted by the Board of Education for use in the schools of the district.

Rotary - Special Services

A fund to account for income and expenses made in connection with goods and services provided by the District.

Agency Funds

Franklin County Educational Council

A fund used to account for monies held in an agency capacity on behalf of the Franklin County Educational Council.

Student Managed Activities

A fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

Columbus City School District
Combining Balance Sheet
Nonmajor Governmental Funds (By Fund Type)

As of June 30, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 30,933,155	\$ 71,135,413	\$ 836,916	\$ 102,905,484
Receivables				
Taxes	4,183,149	-	-	4,183,149
Accounts	573,417	-	-	573,417
Due from Other Governments	18,482,104	-	-	18,482,104
Total Assets and Other Debits	<u>\$ 54,171,825</u>	<u>\$ 71,135,413</u>	<u>\$ 836,916</u>	<u>\$ 126,144,154</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 5,352,770	\$ 302,025	\$ -	\$ 5,654,795
Accrued Wages and Benefits	5,362,330	12,102	-	5,374,432
Matured Compensated Absences	3,369	-	-	3,369
Deferred Revenues	15,693,418	-	-	15,693,418
Interfund Loans Payable	1,072,703	1,921,000	-	2,993,703
Due to Other Governments	66,783	-	-	66,783
Total Liabilities	27,551,373	2,235,127	-	29,786,500
Fund Balances				
Reserved for Encumbrances	5,153,573	11,464,778	-	16,618,351
Reserved for Property Taxes	701,846	-	-	701,846
Reserved for Endowment	-	-	673,401	673,401
Unreserved				
Undesignated - Reported In				
Special Revenue Funds	20,765,033	-	-	20,765,033
Capital Projects Funds	-	57,435,508	-	57,435,508
Permanent Fund	-	-	163,515	163,515
Total Fund Balances	<u>26,620,452</u>	<u>68,900,286</u>	<u>836,916</u>	<u>96,357,654</u>
Total Liabilities and Fund Balances	<u>\$ 54,171,825</u>	<u>\$ 71,135,413</u>	<u>\$ 836,916</u>	<u>\$ 126,144,154</u>

Columbus City School District

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (By Fund Type)**

For the Fiscal Year Ended June 30, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 3,831,922	\$ -	\$ -	\$ 3,831,922
Tuition and Fees	602,453	-	-	602,453
Earnings on Investments	343,535	1,909,013	-	2,252,548
Intergovernmental	136,166,431	15,000	-	136,181,431
Extracurricular	1,651,837	-	-	1,651,837
Donations	3,406,315	-	-	3,406,315
Customer Sales and Service	89,180	-	-	89,180
Other	1,806,916	360,879	-	2,167,795
Total Revenues	147,898,589	2,284,892	-	150,183,481
Expenditures				
Current Operating				
Instruction				
Regular	34,169,085	526,865	-	34,695,950
Special	25,700,474	-	-	25,700,474
Vocational	841,672	-	-	841,672
Other Instruction	9,331,414	-	-	9,331,414
Pupil Support Services	11,078,271	-	300	11,078,571
Instructional Support Services	42,182,444	15,000	-	42,197,444
Administration	4,679,899	-	-	4,679,899
Business and Fiscal Services	989,180	-	-	989,180
Operation and Maintenance of				
Plant Services	2,686,325	857,218	-	3,543,543
Transportation Services-Pupils	347,302	-	-	347,302
Other Support Services	11,501,644	-	-	11,501,644
Enterprise Operations	59,816	-	-	59,816
Extracurricular Activities	2,510,879	-	-	2,510,879
Community Services	6,137,074	-	-	6,137,074
Capital Outlay	-	8,088,709	-	8,088,709
Total Expenditures	152,215,479	9,487,792	300	161,703,571
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,316,890)	(7,202,900)	(300)	(11,520,090)
Other Financing Sources (Uses)				
Transfers In	591,148	-	-	591,148
Proceeds from the Sale of Assets	15,650	9,868,235	-	9,883,885
Transfers Out	(8,544)	-	-	(8,544)
Total Other Financing Sources (Uses)	598,254	9,868,235	-	10,466,489
Net Change in Fund Balances	(3,718,636)	2,665,335	(300)	(1,053,601)
Fund Balances at Beginning of Year	30,339,088	66,234,951	837,216	97,411,255
Fund Balances at End of Year	\$ 26,620,452	\$ 68,900,286	\$ 836,916	\$ 96,357,654

Columbus City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds

As of June 30, 2006

	Public School Support	Other Grants	Computer Network Class A Site	Classroom Facilities Maintenance	District Managed Activities	Auxiliary Services
ASSETS						
Equity in Pooled Cash and Cash Equivalents	\$ 1,726,043	\$ 553,452	\$ 80,168	\$ 14,521,010	\$ 1,320,915	\$ 1,881,242
Taxes Receivable	-	-	-	4,183,149	-	-
Accounts Receivable	-	432,745	-	-	-	140,672
Due from Other Governments	-	-	-	-	-	-
Total Assets	\$ 1,726,043	\$ 986,197	\$ 80,168	\$ 18,704,159	\$ 1,320,915	\$ 2,021,914
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 129,684	\$ 304,890	\$ -	\$ -	\$ 141,864	\$ 522,890
Accrued Wages and Benefits	-	190,846	-	-	-	277,329
Matured Compensated Absences	-	-	-	-	-	-
Deferred Revenues	-	-	-	3,481,303	-	-
Interfund Loans Payable	-	-	-	-	-	-
Due to Other Governments	-	2,147	-	-	-	3,272
Total Liabilities	129,684	497,883	-	3,481,303	141,864	803,491
Fund Balances						
Reserved for Encumbrances	212,650	269,444	-	-	287,731	121,829
Reserved for Property Taxes	-	-	-	701,846	-	-
Unreserved, undesignated	1,383,709	218,870	80,168	14,521,010	891,320	1,096,594
Total Fund Balances	1,596,359	488,314	80,168	15,222,856	1,179,051	1,218,423
Total Liabilities and Fund Balances	\$ 1,726,043	\$ 986,197	\$ 80,168	\$ 18,704,159	\$ 1,320,915	\$ 2,021,914

Post Secondary Vocational Education	Teacher Development	Parents as Teachers	Gifted Education	Management Information Systems	Public School Preschool	Entry Year Programs
\$ 457	\$ 91	\$ -	\$ 51,497	\$ 87,847	\$ 185,813	\$ 6,881
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 457</u>	<u>\$ 91</u>	<u>\$ -</u>	<u>\$ 51,497</u>	<u>\$ 87,847</u>	<u>\$ 185,813</u>	<u>\$ 6,881</u>
\$ -	\$ -	\$ -	7,692	-	5,817	-
-	4,672	-	-	-	58,577	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	8,716	5,650	-	80,018	-	-
-	-	-	-	-	850	-
-	13,388	5,650	7,692	80,018	65,244	-
-	-	-	7,312	-	14,477	-
-	-	-	-	-	-	-
<u>457</u>	<u>(13,297)</u>	<u>(5,650)</u>	<u>36,493</u>	<u>7,829</u>	<u>106,092</u>	<u>6,881</u>
<u>457</u>	<u>(13,297)</u>	<u>(5,650)</u>	<u>43,805</u>	<u>7,829</u>	<u>120,569</u>	<u>6,881</u>
<u>\$ 457</u>	<u>\$ 91</u>	<u>\$ -</u>	<u>\$ 51,497</u>	<u>\$ 87,847</u>	<u>\$ 185,813</u>	<u>\$ 6,881</u>

continued.....

Columbus City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)

As of June 30, 2006

	<u>DPIA</u>	<u>Data Communication</u>	<u>Schoolnet Professional Development</u>	<u>Ohio Reads</u>	<u>Summer Intervention</u>
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 3,985	\$ 665,969	\$ 12,220	\$ 121,264	858
Taxes Receivable	-	-	-	-	-
Accounts Receivable	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Total Assets	<u>\$ 3,985</u>	<u>\$ 665,969</u>	<u>\$ 12,220</u>	<u>\$ 121,264</u>	<u>\$ 858</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ -	\$ 32,602	\$ 3,099	\$ 9,763	\$ -
Accrued Wages and Benefits	-	-	-	-	-
Matured Compensated Absences	-	-	-	-	-
Deferred Revenues	-	-	-	-	-
Interfund Loans Payable	-	-	-	-	858
Due to Other Governments	-	-	-	-	-
Total Liabilities	-	32,602	3,099	9,763	858
Fund Balances					
Reserved for Encumbrances	-	250,672	344	14,473	-
Reserved for Property Taxes	-	-	-	-	-
Unreserved, undesignated	3,985	382,695	8,777	97,028	-
Total Fund Balances	<u>3,985</u>	<u>633,367</u>	<u>9,121</u>	<u>111,501</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 3,985</u>	<u>\$ 665,969</u>	<u>\$ 12,220</u>	<u>\$ 121,264</u>	<u>\$ 858</u>

Vocational Educational Enhancements	Alternative Schools	Poverty Based Aid	Misc. State Grants	Adult Basic Education	Special Education Part B - IDEA	Vocational Education
\$ -	\$ 65,300	\$ -	\$ 322,977	\$ 60,730	\$ 299,559	\$ 498,817
-	-	-	-	-	-	-
-	-	-	-	-	-	-
30,000	-	-	79,596	-	304,411	382,142
<u>\$ 30,000</u>	<u>\$ 65,300</u>	<u>\$ -</u>	<u>\$ 402,573</u>	<u>\$ 60,730</u>	<u>\$ 603,970</u>	<u>\$ 880,959</u>
\$ -	\$ 37,500	\$ -	\$ 78,768	\$ 1,823	\$ 70,139	\$ 313,263
-	11,834	-	17,322	3,213	1,220,514	94,866
-	-	-	-	-	-	1,997
-	-	-	-	-	-	382,142
-	32,021	-	-	-	230,904	-
-	172	-	252	-	15,686	1,126
-	81,527	-	96,342	5,036	1,537,243	793,394
-	-	-	28,874	21	229,464	12,986
-	-	-	-	-	-	-
30,000	(16,227)	-	277,357	55,673	(1,162,737)	74,579
30,000	(16,227)	-	306,231	55,694	(933,273)	87,565
<u>\$ 30,000</u>	<u>\$ 65,300</u>	<u>\$ -</u>	<u>\$ 402,573</u>	<u>\$ 60,730</u>	<u>\$ 603,970</u>	<u>\$ 880,959</u>

continued.....

Columbus City School District

**Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)**

As of June 30, 2006

	Indian Education Grants	Title III Limited English Proficiency	Transition Program for Refugee Children	Title I	Innovative Programs- Title V	Safe and Drug Free Schools Grant- Title IV-A
ASSETS						
Equity in Pooled Cash and Cash Equivalents	\$ 3,634	\$ 36,974	\$ 2,661	\$ 2,433,204	\$ 29,628	\$ 69,217
Taxes Receivable	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-
Due from Other Governments	-	300,941	-	10,138,770	191,355	151,519
Total Assets	\$ 3,634	\$ 337,915	\$ 2,661	\$ 12,571,974	\$ 220,983	\$ 220,736
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	-	3,856	-	2,388,976	51,110	8,420
Accrued Wages and Benefits	-	29,275	10,154	2,428,569	-	9,354
Matured Compensated Absences	-	-	-	-	-	-
Deferred Revenues	3,634	97,284	-	6,178,874	191,355	76,173
Interfund Loans Payable	-	23,208	-	-	2,062	-
Due to Other Governments	-	424	147	29,944	-	136
Total Liabilities	3,634	154,047	10,301	11,026,363	244,527	94,083
Fund Balances						
Reserved for Encumbrances	-	33,178	-	1,505,199	-	34,328
Reserved for Property Taxes	-	-	-	-	-	-
Unreserved, undesignated	-	150,690	(7,640)	40,412	(23,544)	92,325
Total Fund Balances	-	183,868	(7,640)	1,545,611	(23,544)	126,653
Total Liabilities and Fund Balances	\$ 3,634	\$ 337,915	\$ 2,661	\$ 12,571,974	\$ 220,983	\$ 220,736

Early Child- hood Special Education, IDEA	Improving Teacher Quality- Title II-A	Misc Federal Grants	Totals
\$ 47,017	\$ 459,786	\$ 5,383,939	\$ 30,933,155
-	-	-	4,183,149
-	-	-	573,417
61,914	4,998,548	1,842,908	18,482,104
<u>\$ 108,931</u>	<u>\$ 5,458,334</u>	<u>\$ 7,226,847</u>	<u>\$ 54,171,825</u>
198	68,262	1,172,154	5,352,770
22,322	500,803	482,680	5,362,330
-	-	1,372	3,369
29,538	4,998,548	254,567	15,693,418
-	689,266	-	1,072,703
324	6,448	5,855	66,783
52,382	6,263,327	1,916,628	27,551,373
38	390,543	1,740,010	5,153,573
-	-	-	701,846
56,511	(1,195,536)	3,570,209	20,765,033
56,549	(804,993)	5,310,219	26,620,452
<u>\$ 108,931</u>	<u>\$ 5,458,334</u>	<u>\$ 7,226,847</u>	<u>\$ 54,171,825</u>

Columbus City School District
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2006

	Public School Support	Other Grants	Computer Network Class A Site	Classroom Facilities Maintenance	District Managed Activities	Auxiliary Services
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 3,831,922	\$ -	\$ -
Tuition and Fees	301,390	-	-	-	301,063	-
Earnings on Investments	-	-	-	343,535	-	-
Intergovernmental	-	143,864	42,752	334,079	-	5,893,386
Extracurricular	495,669	-	-	-	1,156,168	-
Donations	216,325	3,038,810	-	-	151,180	-
Customer Sales and Service	24,937	-	-	-	64,243	-
Other	435,121	424,782	-	-	111,926	140,672
Total Revenues	1,473,442	3,607,456	42,752	4,509,536	1,784,580	6,034,058
Expenditures						
Current Operating						
Instruction						
Regular	6,909	776,834	-	-	-	-
Special	-	14,390	-	-	1,125	-
Vocational	-	67,387	-	-	-	-
Other	-	-	-	-	-	-
Pupil Support Services	1,778	791,618	-	-	244	-
Instructional Support Services	-	1,175,243	-	-	3,236	-
Administration	1,434,194	209,490	-	-	-	236,007
Business and Fiscal Services	-	25,789	-	35,124	-	-
Operation and Maintenance of						
Plant Services	2,782	660,471	-	-	378	-
Transportation Services-Pupils	-	134,556	-	-	-	-
Other Support Services	-	89,114	116,270	-	-	-
Enterprise Operations	958	6,496	-	-	51,210	-
Extracurricular Activities	183,011	-	-	-	2,327,868	-
Community Services	15,124	-	-	-	578	5,657,384
Total Expenditures	1,644,756	3,951,388	116,270	35,124	2,384,639	5,893,391
Excess (Deficiency) of Revenues Over (Under) Expenditures	(171,314)	(343,932)	(73,518)	4,474,412	(600,059)	140,667
Other Financing Sources and Uses						
Transfers In	19,006	-	-	-	436,407	38
Proceeds from Sale of Assets	3,850	-	-	-	11,800	-
Transfers Out	-	(8,544)	-	-	-	-
Total Other Financing Sources and Uses	22,856	(8,544)	-	-	448,207	38
Net Changes in Fund Balances	(148,458)	(352,476)	(73,518)	4,474,412	(151,852)	140,705
Fund Balances at Beginning of Year	1,744,817	840,790	153,686	10,748,444	1,330,903	1,077,718
Fund Balances at End of Year	\$ 1,596,359	\$ 488,314	\$ 80,168	\$ 15,222,856	\$ 1,179,051	\$ 1,218,423

Post Secondary Vocational Education	Teacher Development	Parents as Teachers	Gifted Education	Management Information Systems	Public School Preschool	Entry Year Programs
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18,000	22,789	-	155,393	207,131	657,665	124,250
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18,000	22,789	-	155,393	207,131	657,665	124,250
-	-	-	-	-	-	-
-	-	-	-	-	361,797	-
-	-	-	-	-	-	-
-	-	-	98,163	-	139,379	-
21,699	174,163	-	18,213	-	163,741	130,251
-	-	-	-	-	-	-
-	453	-	-	-	6,827	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	214,418	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
21,699	174,616	-	116,376	214,418	671,744	130,251
(3,699)	(151,827)	-	39,017	(7,287)	(14,079)	(6,001)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(3,699)	(151,827)	-	39,017	(7,287)	(14,079)	(6,001)
4,156	138,530	(5,650)	4,788	15,116	134,648	12,882
\$ 457	\$ (13,297)	\$ (5,650)	\$ 43,805	\$ 7,829	\$ 120,569	\$ 6,881

continued...

Columbus City School District

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)**

For the Fiscal Year Ended June 30, 2006

	DPIA	Data Communication	Schoolnet Professional Development	Ohio Reads	Summer Intervention
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition and Fees	-	-	-	-	-
Earnings on Investments	-	-	-	-	-
Intergovernmental	-	601,909	16,050	736,000	2
Extracurricular	-	-	-	-	-
Donations	-	-	-	-	-
Customer Sales and Service	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	-	601,909	16,050	736,000	2
Expenditures					
Current Operating					
Instruction					
Regular	-	-	-	226,702	246,818
Special	-	-	-	-	-
Vocational	-	-	-	-	-
Other	-	-	-	-	-
Pupil Support Services	-	-	-	633,236	417
Instructional Support Services	-	-	11,493	4,085	50,290
Administration	-	-	-	1,960	4,352
Business and Fiscal Services	-	-	-	-	-
Operation and Maintenance of Plant Services	-	-	-	-	-
Transportation Services-Pupils	-	-	-	-	3,183
Other Support Services	-	1,060,096	-	42,042	-
Enterprise Operations	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Community Services	-	-	-	-	-
Total Expenditures	-	1,060,096	11,493	908,025	305,060
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(458,187)	4,557	(172,025)	(305,058)
Other Financing Sources and Uses					
Transfers In	-	-	-	1,090	-
Proceeds from the Sale of Assets	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	1,090	-
Net Change in Fund Balances	-	(458,187)	4,557	(170,935)	(305,058)
Fund Balances at Beginning of Year	3,985	1,091,554	4,564	282,436	305,058
Fund Balances at End of Year	\$ 3,985	\$ 633,367	\$ 9,121	\$ 111,501	\$ -

Vocational Educational Enhancements	Alternative Schools	Poverty Based Aid	Misc. State Grants	Adult Basic Education	Special Education Part B - IDEA	Vocational Education
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,654	594,881	45,683,929	1,737,465	869,942	16,418,461	2,938,876
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,461	-	-	-
4,654	594,881	45,683,929	1,738,926	869,942	16,418,461	2,938,876
1,091	-	26,774,280	1,062,925	-	-	162,212
-	-	1,909,951	1,826	-	3,564,919	-
-	-	-	-	-	-	774,285
-	-	8,598,912	-	630,559	-	-
-	560,483	-	252,807	56,714	898,064	1,033,033
17,415	-	4,997,066	590,580	89,949	11,790,846	423,132
-	-	-	134,815	43,439	484,454	-
-	7,971	-	2,248	11,657	223,710	-
-	-	1,701,859	55,952	-	-	-
-	-	-	8,730	-	-	150,000
-	15,500	1,701,861	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	197,556	-
18,506	583,954	45,683,929	2,109,883	832,318	17,159,549	2,542,662
(13,852)	10,927	-	(370,957)	37,624	(741,088)	396,214
-	-	-	41,699	-	63,822	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	41,699	-	63,822	-
(13,852)	10,927	-	(329,258)	37,624	(677,266)	396,214
43,852	(27,154)	-	635,489	18,070	(256,007)	(308,649)
\$ 30,000	\$ (16,227)	\$ -	\$ 306,231	\$ 55,694	\$ (933,273)	\$ 87,565

continued...

Columbus City School District

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)**

For the Fiscal Year Ended June 30, 2006

	Title III Limited English Proficiency	Transition Program for Refugee Children	Title I	Innovative Programs- Title V	Safe and Drug Free Schools Grant- Title IV-A
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition and Fees	-	-	-	-	-
Earnings on Investments	-	-	-	-	-
Intergovernmental	1,149,030	140,000	31,270,417	583,178	551,885
Extracurricular	-	-	-	-	-
Donations	-	-	-	-	-
Customer Sales and Service	-	-	-	-	-
Other	-	-	6,623	484,959	-
Total Revenues	1,149,030	140,000	31,277,040	1,068,137	551,885
Expenditures					
Current Operating					
Instruction					
Regular	-	-	3,793	2,652	31,244
Special	193,690	147	17,755,776	-	-
Vocational	-	-	-	-	-
Other	-	-	-	-	-
Pupil Support Services	418,521	139,665	3,240,026	156,891	358,432
Instructional Support Services	581,760	15,795	10,780,653	886,217	165,882
Administration	-	-	1,320,839	22,323	-
Business and Fiscal Services	14,341	1,876	406,471	6,006	8,418
Operation and Maintenance of					
Plant Services	-	-	1,730	1,344	-
Transportation Services-Pupils	-	-	33,945	-	11,184
Other Support Services	-	-	21,861	15,638	-
Enterprise Operations	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Community Services	14,729	-	205,808	33,102	10,593
Total Expenditures	1,223,041	157,483	33,770,902	1,124,173	585,753
Excess (Deficiency) of Revenues Over (Under) Expenditures	(74,011)	(17,483)	(2,493,862)	(56,036)	(33,868)
Other Financing Sources and Uses					
Transfers In	-	-	-	9,782	-
Proceeds from the Sale of Assets	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	9,782	-
Net Change in Fund Balances	(74,011)	(17,483)	(2,493,862)	(46,254)	(33,868)
Fund Balances at Beginning of Year	257,879	9,843	4,039,473	22,710	160,521
Fund Balances at End of Year	\$ 183,868	\$ (7,640)	\$ 1,545,611	\$ (23,544)	\$ 126,653

Early Child- hood Special Education, IDEA	Improving Teacher Quality- Title II-A	Misc Federal Grants	Totals
\$ -	\$ -	\$ -	\$ 3,831,922
-	-	-	602,453
-	-	-	343,535
292,401	4,486,634	20,491,408	136,166,431
-	-	-	1,651,837
-	-	-	3,406,315
-	-	-	89,180
-	-	201,372	1,806,916
292,401	4,486,634	20,692,780	147,898,589
-	2,580,307	2,293,318	34,169,085
257,992	-	1,638,861	25,700,474
-	-	-	841,672
-	-	101,943	9,331,414
-	-	2,298,800	11,078,271
-	4,176,579	5,914,156	42,182,444
-	163,171	624,855	4,679,899
4,129	83,875	150,285	989,180
-	-	261,809	2,686,325
-	-	5,704	347,302
-	-	8,224,844	11,501,644
-	-	1,152	59,816
-	-	-	2,510,879
-	-	2,200	6,137,074
262,121	7,003,932	21,517,927	152,215,479
30,280	(2,517,298)	(825,147)	(4,316,890)
326	-	18,978	591,148
-	-	-	15,650
-	-	-	(8,544)
326	-	18,978	598,254
30,606	(2,517,298)	(806,169)	(3,718,636)
25,943	1,712,305	6,116,388	30,339,088
\$ 56,549	\$ (804,993)	\$ 5,310,219	\$ 26,620,452

Columbus City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds

As of June 30, 2006

	Permanent Improvement	Building	Replacement
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 1,592,297	\$ 67,743,425	\$ 1,740,020
Total Assets	\$ 1,592,297	\$ 67,743,425	\$ 1,740,020
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ -	\$ 302,025	\$ -
Accrued Wages and Benefits	-	12,102	-
Interfund Loans Payable	-	-	-
Total Liabilities	-	314,127	-
Fund Balances			
Reserved for Encumbrances	110,620	11,315,724	-
Unreserved - Undesignated	1,481,677	56,113,574	1,740,020
Total Fund Balances	1,592,297	67,429,298	1,740,020
Total Liabilities and Fund Balances	\$ 1,592,297	\$ 67,743,425	\$ 1,740,020

<u>Schoolnet Equipment</u>	<u>Power Up Technologies</u>	<u>School Building Assistance Limited</u>	<u>Total</u>
\$ 2	\$ -	\$ 59,669	\$ 71,135,413
<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 59,669</u>	<u>\$ 71,135,413</u>
\$ -	\$ -	\$ -	\$ 302,025
-	-	-	12,102
-	721,000	1,200,000	1,921,000
-	721,000	1,200,000	2,235,127
-	-	38,434	11,464,778
2	(721,000)	(1,178,765)	57,435,508
2	(721,000)	(1,140,331)	68,900,286
<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 59,669</u>	<u>\$ 71,135,413</u>

Columbus City School District

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Capital Projects Funds**

For the Fiscal Year Ended June 30, 2006

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Replacement</u>
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Earnings on Investments	857,218	1,051,795	-
Other	47,939	311,639	1,301
	<hr/>	<hr/>	<hr/>
Total Revenues	905,157	1,363,434	1,301
Expenditures			
Instruction - Regular	-	-	-
Instructional Support Services	-	-	-
Operation & Maintenance of Plant Services	857,218	-	-
Capital Outlay	-	7,950,043	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	857,218	7,950,043	-
Excess of Revenues Over (Under) Expenditures	47,939	(6,586,609)	1,301
Other Financing Sources			
Proceeds from Sale of Assets	71,435	9,796,800	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources	71,435	9,796,800	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	119,374	3,210,191	1,301
Fund Balances at Beginning of Year	1,472,923	64,219,107	1,738,719
	<hr/>	<hr/>	<hr/>
Fund Balances at End of Year	<u>\$ 1,592,297</u>	<u>\$ 67,429,298</u>	<u>\$ 1,740,020</u>

<u>Schoolnet Equipment</u>	<u>Power Up Technologies</u>	<u>School Building Assistance Limited</u>	<u>Total</u>
\$ 15,000	\$ -	\$ -	\$ 15,000
-	-	-	1,909,013
-	-	-	360,879
15,000	-	-	2,284,892
526,865	-	-	526,865
15,000	-	-	15,000
-	-	-	857,218
-	-	138,666	8,088,709
541,865	-	138,666	9,487,792
(526,865)	-	(138,666)	(7,202,900)
-	-	-	9,868,235
-	-	-	9,868,235
(526,865)	-	(138,666)	2,665,335
526,867	(721,000)	(1,001,665)	66,234,951
<u>\$ 2</u>	<u>\$ (721,000)</u>	<u>\$ (1,140,331)</u>	<u>\$ 68,900,286</u>

Columbus City School District

**Balance Sheet
Nonmajor Permanent Fund**

As of June 30, 2006

ASSETS

Equity in Pooled Cash and Cash Equivalents	<u>\$ 836,916</u>
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Total Assets	<u><u>\$ 836,916</u></u>
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LIABILITIES AND FUND BALANCES

Fund Balance	
Reserved for Endowment	673,401
Undesignated - Reported in Permanent Fund	<u>163,515</u>
Total Fund Balance	<u>836,916</u>

Total Liabilities and Fund Balance	<u><u>\$ 836,916</u></u>
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Columbus City School District

**Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Permanent Fund**

For the Fiscal Year Ended June 30, 2006

Expenditures	
Pupil Support Services	<u>300</u>
Excess of Revenues Over (Under) Expenditures	(300)
Fund Balance at Beginning of Year	<u>837,216</u>
Fund Balance at End of Year	<u><u>\$ 836,916</u></u>

Columbus City School District
Combining Statement of Net Assets
Nonmajor Enterprise Funds

As of June 30, 2006

	Adult Education	WCBE	Latchkey
ASSETS			
<u><i>Current Assets</i></u>			
Equity in Pooled Cash and Cash Equivalents	\$ 187,177	\$ 318,853	\$ 2
Accounts Receivable	102,777	72,681	-
Due from Other Governments	51,560	-	-
Total Current Assets	341,514	391,534	2
Total Assets	\$ 341,514	\$ 391,534	\$ 2
 LIABILITIES			
<u><i>Current Liabilities</i></u>			
Accounts Payable	\$ 17,994	\$ 2,868	\$ 50
Accrued Wages and Benefits	643	70,667	-
Intergovernmental Payable	-	1,025	-
Interfund Loans Payable	-	-	134,629
Matured Compensated Absences Payable	5,796	-	-
<i>Total Current Liabilities</i>	24,433	74,560	134,679
<u><i>Long-Term Liabilities (Net of Current Portion)</i></u>			
Compensated Absences	97,432	69,519	24,998
<i>Total Long-Term Liabilities</i>	97,432	69,519	24,998
Total Liabilities	\$ 121,865	\$ 144,079	\$ 159,677
 NET ASSETS:			
Unrestricted	219,649	247,455	(159,675)
Total Net Assets	\$ 219,649	\$ 247,455	\$ (159,675)

<u>Uniform School Supplies</u>	<u>Rotary Special Services</u>	<u>Totals</u>
\$ 68,824	\$ 637	\$ 575,493
-	-	175,458
-	-	51,560
<u>68,824</u>	<u>637</u>	<u>802,511</u>
<u>\$ 68,824</u>	<u>\$ 637</u>	<u>\$ 802,511</u>
\$ 276	\$ -	\$ 21,188
-	-	71,310
-	-	1,025
-	-	134,629
-	-	5,796
<u>276</u>	<u>-</u>	<u>233,948</u>
<u>-</u>	<u>-</u>	<u>191,949</u>
<u>-</u>	<u>-</u>	<u>191,949</u>
<u>\$ 276</u>	<u>\$ -</u>	<u>\$ 425,897</u>
<u>68,548</u>	<u>637</u>	<u>376,614</u>
<u>\$ 68,548</u>	<u>\$ 637</u>	<u>\$ 376,614</u>

Columbus City School District
Combining Statement of Revenues, Expenses and
Changes in Net Assets
Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2006

	<u>Adult Education</u>	<u>WCBE</u>	<u>Latchkey</u>
Operating Revenues			
Tuition and Fees	\$ 1,051,552	\$ -	\$ 2,226,731
Sales	28,810	-	-
Gifts and Donations	-	1,323,713	-
Miscellaneous	209,353	-	5,291
Total Operating Revenues	<u>1,289,715</u>	<u>1,323,713</u>	<u>2,232,022</u>
Operating Expenses			
Salaries and Wages	1,155,495	453,850	1,456,297
Fringe Benefits	346,651	150,657	655,460
Purchased Services	59,055	298,308	12,581
Materials and Supplies	42,529	-	32,570
Miscellaneous	1,925	10,652	-
Total Operating Expenses	<u>1,605,655</u>	<u>913,467</u>	<u>2,156,908</u>
Operating Income (Loss)	(315,940)	410,246	75,114
Nonoperating Revenues			
Intergovernmental Revenues	<u>907,766</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenues	<u>907,766</u>	<u>-</u>	<u>-</u>
Changes in Net Assets	591,826	410,246	75,114
Net Assets at Beginning of Year	<u>(372,177)</u>	<u>(162,791)</u>	<u>(234,789)</u>
Net Assets at End of Year	<u>\$ 219,649</u>	<u>\$ 247,455</u>	<u>\$ (159,675)</u>

<u>Uniform School Supplies</u>	<u>Rotary Special Services</u>	<u>Totals</u>
\$ -	\$ -	\$ 3,278,283
-	-	28,810
-	-	1,323,713
34,164	5	248,813
34,164	5	4,879,619
-	-	3,065,642
-	-	1,152,768
-	-	369,944
34,033	-	109,132
3,165	-	15,742
37,198	-	4,713,228
(3,034)	5	166,391
-	-	907,766
-	-	907,766
(3,034)	5	1,074,157
71,582	632	\$ (697,543)
\$ 68,548	\$ 637	\$ 376,614

Columbus City School District

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds**

For the Fiscal Year Ended June 30, 2006

	Adult Education	WCBE	Latchkey
Cash Flows from Operating Activities:			
Cash Received from Sales	\$ 29,230	\$ -	\$ -
Cash Received from Tuition and Fees	948,355	-	2,226,731
Cash Received from Contributions	-	1,265,065	-
Cash Paid to Suppliers	(94,268)	(303,820)	(52,474)
Cash Paid for Employee Salaries, Wages, and Fringe Benefits	(1,710,516)	(562,677)	(2,122,690)
Other Receipts	209,353	-	5,291
Other Expenses	(1,925)	(10,768)	-
Net Cash Provided by (Used for) Operating Activities	<u>(619,771)</u>	<u>387,800</u>	<u>56,858</u>
Cash Flows from Noncapital Financing Activities:			
Proceeds from Interfund Loans	-	-	134,629
Payment on Interfund Loan	(350,000)	(68,947)	(450,000)
Cash Received from Other Governments	972,376	-	-
Net Cash Provided by (used for) Noncapital Financing Activities	<u>622,376</u>	<u>(68,947)</u>	<u>(315,371)</u>
Increase (Decrease) in Cash and Cash Equivalents	2,605	318,853	(258,513)
Cash and Cash Equivalents at Beginning of Year	<u>184,572</u>	<u>-</u>	<u>258,515</u>
Cash and Cash Equivalents at End of Year	<u>\$ 187,177</u>	<u>\$ 318,853</u>	<u>\$ 2</u>

<u>Uniform School Supplies</u>	<u>Rotary Special Services</u>	<u>Totals</u>
\$ -	\$ -	\$ 29,230
-	-	3,175,086
-	-	1,265,065
(34,055)	-	(484,617)
-	-	(4,395,883)
34,164	5	248,813
(3,165)	-	(15,858)
<u>(3,056)</u>	<u>5</u>	<u>(178,164)</u>
-	-	134,629
-	-	(868,947)
-	-	972,376
<u>-</u>	<u>-</u>	<u>238,058</u>
(3,056)	5	59,894
<u>71,880</u>	<u>632</u>	<u>515,599</u>
<u>\$ 68,824</u>	<u>\$ 637</u>	<u>\$ 575,493</u>

Columbus City School District
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (Continued)

For the Fiscal Year Ended June 30, 2006

	<u>Adult Education</u>	<u>WCBE</u>	<u>Latchkey</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used for) Operating Activities			
Operating Income (Loss)	\$ (315,940)	\$ 410,246	\$ 75,114
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
(Increase) Decrease in Accounts Receivable	(102,777)	(58,648)	-
Increase (Decrease) in Accounts Payable	7,316	(5,628)	(7,323)
Increase (Decrease) in Early Retirement Incentive Payable	(197,660)	-	-
Increase (Decrease) in Intergovernmental Payable	-	712	-
Increase (Decrease) in Compensated Absences	(11,353)	(7,967)	(10,933)
Increase (Decrease) in Accrued Wages and Benefits	643	49,085	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ (619,771)</u>	<u>\$ 387,800</u>	<u>\$ 56,858</u>

<u>Uniform School Supplies</u>	<u>Rotary Special Services</u>	<u>Totals</u>
\$ (3,034)	\$ 5	\$ 166,391
-	-	(161,425)
(22)	-	(5,657)
-	-	(197,660)
-	-	712
-	-	(30,253)
<u>-</u>	<u>-</u>	<u>49,728</u>
<u>\$ (3,056)</u>	<u>\$ 5</u>	<u>\$ (178,164)</u>

Columbus City School District

**Combining Statement of Changes in
Assets and Liabilities
Agency Funds**

For the Fiscal Year Ended June 30, 2006

	<u>Balance 7/1/2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2006</u>
FRANKLIN CO. EDUCATIONAL COUNCIL				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 26,245	\$ -	\$ -	\$ 26,245
Total Assets	<u>\$ 26,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,245</u>
Liabilities				
Due to Other Governments	\$ 26,245	\$ -	\$ -	\$ 26,245
Total Liabilities	<u>\$ 26,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,245</u>
STUDENT MANAGED ACTIVITIES				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 636,920	\$ 730,092	\$ 791,374	\$ 575,638
Total Assets	<u>\$ 636,920</u>	<u>\$ 730,092</u>	<u>\$ 791,374</u>	<u>\$ 575,638</u>
Liabilities				
Accounts Payable	\$ 36,753	\$ -	\$ 36,753	\$ -
Due to Students	600,167	730,092	754,621	575,638
Total Liabilities	<u>\$ 636,920</u>	<u>\$ 730,092</u>	<u>\$ 791,374</u>	<u>\$ 575,638</u>
TOTAL-ALL AGENCY FUNDS				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 663,165	\$ 730,092	\$ 791,374	\$ 601,883
Total Assets	<u>\$ 663,165</u>	<u>\$ 730,092</u>	<u>\$ 791,374</u>	<u>\$ 601,883</u>
Liabilities				
Accounts Payable	\$ 36,753	\$ -	\$ 36,753	\$ -
Due to Students	600,167	730,092	754,621	575,638
Due to Other Governments	26,245	-	-	26,245
Total Liabilities	<u>\$ 663,165</u>	<u>\$ 730,092</u>	<u>\$ 791,374</u>	<u>\$ 601,883</u>

**Individual Fund Schedules of
Revenues, Expenditures/Expenses
and Changes in Fund
Balances/Fund Equity – Budget
(Non-GAAP Basis) and Actual**

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Columbus City School District

**Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Non-GAAP Basis)**

Year Ended June 30, 2006

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 337,252,418	\$ 311,944,863	\$ 302,651,039	\$ (9,293,824)
Tuition and Fees	6,076,051	5,620,102	5,452,661	(167,441)
Earnings on Investments	4,327,380	4,002,652	3,883,400	(119,252)
Intergovernmental	243,911,952	225,608,701	218,887,105	(6,721,596)
Donations	73	66	65	(1)
Payments in Lieu of Taxes	6,680,579	6,179,266	5,995,166	(184,100)
Other	7,884,684	7,293,014	3,230,775	(4,062,239)
Total Revenues	606,133,137	560,648,664	540,100,211	(20,548,453)
Expenditures				
Current Operating				
Instruction:				
Regular	277,459,543	260,890,843	258,508,343	2,382,500
Special	61,851,259	58,157,765	57,656,066	501,699
Vocational	12,362,667	11,624,421	11,535,632	88,789
Adult/Continuing	879	827	825	2
Support Services:				
Pupils	39,454,380	37,098,333	36,766,215	332,118
Instructional Staff	41,482,415	39,005,262	38,646,560	358,702
Board of Education	147,415	138,612	137,917	695
Administration	46,198,749	43,439,957	43,212,787	227,170
Fiscal	11,542,567	10,853,294	10,743,167	110,127
Business	3,855,734	3,625,486	3,467,772	157,714
Operation and Maintenance of Plant	58,882,334	55,366,133	54,880,317	485,816
Pupil Transportation	40,365,763	37,955,292	37,621,250	334,042
Central	21,778,368	20,477,857	20,348,030	129,827
Extracurricular Activities:				
Academic Oriented Activities	302,077	284,038	283,400	638
Sport Oriented Activities	5,172,163	4,863,303	4,816,619	46,684
School and Public Service Co-Curricular Activities	234,216	220,230	219,735	495
Capital Outlay:				
Architecture and Engineering	10,785	10,141	10,118	23
Building Improvement	11,824	11,118	11,093	25
Total Expenditures	621,113,138	584,022,912	578,865,846	5,157,066
Excess of Revenues Over (Under) Expenditures	(14,980,001)	(23,374,248)	(38,765,635)	(15,391,387)
Other Financing Sources (Uses)				
Advances In	-	-	21,103,657	21,103,657
Advances Out	-	-	(7,183,106)	(7,183,106)
Transfers In	17,423	16,116	16,242	126
Refund of Prior Years Expenditures	24,021	22,219	22,393	174
Transfers Out	(1,289,914)	(1,212,886)	(745,161)	467,725
Proceeds from the Sale of Assets	22,222	20,555	20,716	161
Total Other Financing Sources (Uses)	(1,226,248)	(1,153,996)	13,234,741	14,388,737
Net Change in Fund Balance	(16,206,249)	(24,528,244)	(25,530,894)	(1,002,650)
Fund Balance at Beginning of Year	29,275,564	29,275,564	29,275,564	-
Prior Year Encumbrances Appropriated	12,777,911	12,777,911	12,777,911	-
Fund Balance at End of Year	\$ 25,847,226	\$ 17,525,231	\$ 16,522,581	\$ (1,002,650)

Columbus City School District

**Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)**

For the Fiscal Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Public School Support Fund</i>				
Total Revenues and Other Sources	\$ 1,252,000	\$ 1,514,918	\$ 1,585,403	\$ 70,485
Total Expenditures and Other Uses	2,862,857	2,862,857	2,056,907	805,950
Net Change in Fund Balance	(1,610,857)	(1,347,939)	(471,504)	876,435
Fund Balance at Beginning of Year	1,495,252	1,495,252	1,495,252	-
Prior Year Encumbrances Appropriated	362,840	362,840	362,840	-
Fund Balance at End of Year	<u>\$ 247,235</u>	<u>\$ 510,153</u>	<u>\$ 1,386,588</u>	<u>\$ 876,435</u>
<i>Other Grant Funds</i>				
Total Revenues and Other Sources	\$ 1,995,923	\$ 4,292,000	\$ 3,318,500	\$ (973,500)
Total Expenditures and Other Uses	1,806,704	5,642,504	4,095,733	1,546,771
Net Change in Fund Balance	189,219	(1,350,504)	(777,233)	573,271
Fund Balance at Beginning of Year	716,252	716,252	716,252	-
Prior Year Encumbrances Appropriated	106,710	106,710	106,710	-
Fund Balance at End of Year	<u>\$ 1,012,181</u>	<u>\$ (527,542)</u>	<u>\$ 45,729</u>	<u>\$ 573,271</u>
<i>Computer Network Class "A" Site Fund</i>				
Total Revenues and Other Sources	\$ 44,000	\$ 42,752	\$ 42,752	\$ -
Total Expenditures and Other Uses	200,000	196,438	116,269	80,169
Net Change in Fund Balance	(156,000)	(153,686)	(73,517)	80,169
Fund Balance at Beginning of Year	153,687	153,687	153,687	-
Fund Balance at End of Year	<u>\$ (2,313)</u>	<u>\$ 1</u>	<u>\$ 80,170</u>	<u>\$ 80,169</u>

Columbus City School District

**Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)**

For the Fiscal Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Classroom Facilities Maintenance Fund</i>				
Total Revenues and Other Sources	\$ 4,250,000	\$ 3,687,435	\$ 3,810,782	\$ 123,347
Total Expenditures and Other Uses	40,000	40,000	35,124	4,876
Net Change in Fund Balance	4,210,000	3,647,435	3,775,658	128,223
Fund Balance at Beginning of Year	10,745,351	10,745,351	10,745,351	-
Fund Balance at End of Year	<u>\$ 14,955,351</u>	<u>\$ 14,392,786</u>	<u>\$ 14,521,009</u>	<u>\$ 128,223</u>
<i>District Managed Activities Fund</i>				
Total Revenues and Other Sources	\$ 2,556,250	\$ 2,309,804	\$ 2,342,183	\$ 32,379
Total Expenditures and Other Uses	5,030,036	5,030,036	2,932,597	2,097,439
Net Change in Fund Balance	(2,473,786)	(2,720,232)	(590,414)	2,129,818
Fund Balance at Beginning of Year	1,006,916	1,006,916	1,006,916	-
Prior Year Encumbrances Appropriated	480,024	480,024	480,024	-
Fund Balance at End of Year	<u>\$ (986,846)</u>	<u>\$ (1,233,292)</u>	<u>\$ 896,526</u>	<u>\$ 2,129,818</u>
<i>Auxillary Services Fund</i>				
Total Revenues and Other Sources	\$ 5,900,000	\$ 5,893,424	\$ 5,893,424	\$ -
Total Expenditures and Other Uses	8,383,790	8,335,199	7,097,812	1,237,387
Net Change in Fund Balance	(2,483,790)	(2,441,775)	(1,204,388)	1,237,387
Fund Balance at Beginning of Year	557,981	557,981	557,981	-
Prior Year Encumbrances Appropriated	1,883,794	1,883,794	1,883,794	-
Fund Balance at End of Year	<u>\$ (42,015)</u>	<u>\$ -</u>	<u>\$ 1,237,387</u>	<u>\$ 1,237,387</u>

Columbus City School District

**Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)**

For the Fiscal Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Post Secondary Vocational Education Fund</i>				
Total Revenues and Other Sources	\$ 16,200	\$ 18,000	\$ 18,000	\$ -
Total Expenditures and Other Uses	22,154	22,156	21,700	456
Net Change in Fund Balance	(5,954)	(4,156)	(3,700)	456
Fund Balance at Beginning of Year	2	2	2	-
Prior Year Encumbrances Appropriated	4,154	4,154	4,154	-
Fund Balance at End of Year	<u>\$ (1,798)</u>	<u>\$ -</u>	<u>\$ 456</u>	<u>\$ 456</u>
<i>Teacher Development Fund</i>				
Total Revenues and Other Sources	\$ 626,500	\$ 283,780	\$ 271,166	\$ (12,614)
Advances In	-	-	8,716	8,716
Total Expenditures and Other Uses	1,426,376	1,426,376	304,091	1,122,285
Net Change in Fund Balance	(799,876)	(1,142,596)	(24,209)	1,118,387
Fund Balance at Beginning of Year	22,922	22,922	22,922	-
Prior Year Encumbrances Appropriated	1,376	1,376	1,376	-
Fund Balance at End of Year	<u>\$ (775,578)</u>	<u>\$ (1,118,298)</u>	<u>\$ 89</u>	<u>\$ 1,118,387</u>
<i>Gifted Education Fund</i>				
Total Revenues and Other Sources	\$ 178,210	\$ 231,982	\$ 231,982	\$ -
Total Expenditures and Other Uses	287,638	331,948	295,438	36,510
Net Change in Fund Balance	(109,428)	(99,966)	(63,456)	36,510
Fund Balance at Beginning of Year	12,330	12,330	12,330	-
Prior Year Encumbrances Appropriated	87,636	87,636	87,636	-
Fund Balance at End of Year	<u>\$ (9,462)</u>	<u>\$ -</u>	<u>\$ 36,510</u>	<u>\$ 36,510</u>

Columbus City School District

**Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)**

For the Fiscal Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Management Information Systems Fund</i>				
Total Revenues and Other Sources	\$ 240,200	\$ 349,567	\$ 207,131	\$ (142,436)
Advances In	-	-	142,436	142,436
Total Expenditures and Other Uses	300,000	300,000	214,417	85,583
Advances Out	-	-	62,418	(62,418)
Net Change in Fund Balance	(59,800)	49,567	72,732	23,165
Fund Balance at Beginning of Year	15,118	15,118	15,118	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	<u>\$ (44,682)</u>	<u>\$ 64,685</u>	<u>\$ 87,850</u>	<u>\$ 23,165</u>
<i>Public School Preschool Fund</i>				
Total Revenues and Other Sources	\$ 356,000	\$ 657,664	\$ 657,664	\$ -
Total Expenditures and Other Uses	687,206	855,213	695,505	159,708
Net Change in Fund Balance	(331,206)	(197,549)	(37,841)	159,708
Fund Balance at Beginning of Year	166,156	166,156	166,156	-
Prior Year Encumbrances Appropriated	37,206	37,206	37,206	-
Fund Balance at End of Year	<u>\$ (127,844)</u>	<u>\$ 5,813</u>	<u>\$ 165,521</u>	<u>\$ 159,708</u>
<i>Entry Year Programs Fund</i>				
Total Revenues and Other Sources	\$ -	\$ 130,250	\$ 130,250	\$ -
Total Expenditures and Other Uses	122,100	130,300	130,250	50
Net Change in Fund Balance	(122,100)	(50)	-	50
Fund Balance at Beginning of Year	6,880	6,880	6,880	-
Fund Balance at End of Year	<u>\$ (115,220)</u>	<u>\$ 6,830</u>	<u>\$ 6,880</u>	<u>\$ 50</u>

Columbus City School District

**Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)**

For the Fiscal Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>DPIA Fund</i>				
Total Revenues and Other Sources	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	3,985	3,985	3,985	-
Fund Balance at End of Year	<u>\$ 3,985</u>	<u>\$ 3,985</u>	<u>\$ 3,985</u>	<u>\$ -</u>
<i>Data Communication Fund</i>				
Total Revenues and Other Sources	\$ 526,000	\$ 601,909	\$ 601,909	\$ -
Total Expenditures and Other Uses	1,623,603	1,705,603	1,355,482	350,121
Net Change in Fund Balance	(1,097,603)	(1,103,694)	(753,573)	350,121
Fund Balance at Beginning of Year	1,012,664	1,012,664	1,012,664	-
Prior Year Encumbrances Appropriated	123,605	123,605	123,605	-
Fund Balance at End of Year	<u>\$ 38,666</u>	<u>\$ 32,575</u>	<u>\$ 382,696</u>	<u>\$ 350,121</u>
<i>Schoolnet Professional Development Fund</i>				
Total Revenues and Other Sources	\$ 42,000	\$ 16,050	\$ 16,050	\$ -
Total Expenditures and Other Uses	54,590	25,203	16,427	8,776
Net Change in Fund Balance	(12,590)	(9,153)	(377)	8,776
Fund Balance at Beginning of Year	4,563	4,563	4,563	-
Prior Year Encumbrances Appropriated	4,590	4,590	4,590	-
Fund Balance at End of Year	<u>\$ (3,437)</u>	<u>\$ -</u>	<u>\$ 8,776</u>	<u>\$ 8,776</u>

Columbus City School District

**Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)**

For the Fiscal Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Ohio Reads Fund</u>				
Total Revenues and Other Sources	\$ 760,000	\$ 786,363	\$ 786,363	\$ -
Total Expenditures and Other Uses	1,011,371	1,011,371	924,972	86,399
Net Change in Fund Balance	(251,371)	(225,008)	(138,609)	86,399
Fund Balance at Beginning of Year	224,265	224,265	224,265	-
Prior Year Encumbrances Appropriated	11,373	11,373	11,373	-
Fund Balance at End of Year	<u>\$ (15,733)</u>	<u>\$ 10,630</u>	<u>\$ 97,029</u>	<u>\$ 86,399</u>
<u>Summer Intervention Fund</u>				
Total Revenues and Other Sources	\$ 1,700,000	\$ 552,032	\$ 551,174	\$ (858)
Advances In	-	-	858	858
Total Expenditures and Other Uses	2,768,727	2,768,727	418,838	2,349,889
Advances Out	-	-	300,000	(300,000)
Net Change in Fund Balance	(1,068,727)	(2,216,695)	(166,806)	2,049,889
Fund Balance at Beginning of Year	48,934	48,934	48,934	-
Prior Year Encumbrances Appropriated	118,730	118,730	118,730	-
Fund Balance at End of Year	<u>\$ (901,063)</u>	<u>\$ (2,049,031)</u>	<u>\$ 858</u>	<u>\$ 2,049,889</u>
<u>Vocational Educational Enhancements Fund</u>				
Total Revenues and Other Sources	\$ 150,000	\$ 21,546	\$ 12,670	\$ (8,876)
Total Expenditures and Other Uses	158,876	38,849	29,973	8,876
Net Change in Fund Balance	(8,876)	(17,303)	(17,303)	-
Fund Balance at Beginning of Year	8,425	8,425	8,425	-
Prior Year Encumbrances Appropriated	8,878	8,878	8,878	-
Fund Balance at End of Year	<u>\$ 8,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Columbus City School District

**Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)**

For the Fiscal Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Alternative Schools Fund</u>				
Total Revenues and Other Sources	\$ 700,000	\$ 626,903	\$ 594,881	\$ (32,022)
Advances In	-	-	32,021	32,021
Total Expenditures and Other Uses	<u>720,436</u>	<u>654,809</u>	<u>606,763</u>	<u>48,046</u>
Net Change in Fund Balance	(20,436)	(27,906)	20,139	48,045
Fund Balance at Beginning of Year	7,470	7,470	7,470	-
Prior Year Encumbrances Appropriated	<u>20,436</u>	<u>20,436</u>	<u>20,436</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 7,470</u>	<u>\$ -</u>	<u>\$ 48,045</u>	<u>\$ 48,045</u>
<u>Poverty Based Aid Fund</u>				
Total Revenues and Other Sources	\$ -	\$ 45,683,928	\$ 45,683,928	\$ -
Total Expenditures and Other Uses	<u>-</u>	<u>45,683,928</u>	<u>45,683,928</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Miscellaneous State Grants Fund</u>				
Total Revenues and Other Sources	\$ 400,000	\$ 2,120,557	\$ 1,708,093	\$ (412,464)
Total Expenditures and Other Uses	<u>1,231,380</u>	<u>2,914,039</u>	<u>2,285,515</u>	<u>628,524</u>
Net Change in Fund Balance	(831,380)	(793,482)	(577,422)	216,060
Fund Balance at Beginning of Year	512,098	512,098	512,098	-
Prior Year Encumbrances Appropriated	<u>281,384</u>	<u>281,384</u>	<u>281,384</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (37,898)</u>	<u>\$ -</u>	<u>\$ 216,060</u>	<u>\$ 216,060</u>

Columbus City School District

**Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)**

For the Fiscal Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Adult Basic Education Fund</i>				
Total Revenues and Other Sources	\$ 1,250,000	\$ 869,942	\$ 869,942	\$ -
Total Expenditures and Other Uses	954,081	916,246	856,439	59,807
Net Change in Fund Balance	295,919	(46,304)	13,503	59,807
Fund Balance at Beginning of Year	17,223	17,223	17,223	-
Prior Year Encumbrances Appropriated	29,081	29,081	29,081	-
Fund Balance at End of Year	<u>\$ 342,223</u>	<u>\$ -</u>	<u>\$ 59,807</u>	<u>\$ 59,807</u>
<i>Special Education Part B - IDEA Fund</i>				
Total Revenues and Other Sources	\$ 9,600,000	\$ 18,565,887	\$ 18,565,887	\$ -
Advances In	-	-	230,904	230,904
Total Expenditures and Other Uses	13,627,462	18,382,210	17,963,249	418,961
Advances Out	-	-	2,650,000	(2,650,000)
Net Change in Fund Balance	(4,027,462)	183,677	(1,816,458)	(2,000,135)
Fund Balance at Beginning of Year	228,996	228,996	228,996	-
Prior Year Encumbrances Appropriated	1,587,462	1,587,462	1,587,462	-
Fund Balance at End of Year	<u>\$ (2,211,004)</u>	<u>\$ 2,000,135</u>	<u>\$ -</u>	<u>\$ (2,000,135)</u>
<i>Vocational Education Fund</i>				
Total Revenues and Other Sources	\$ 2,800,000	\$ 2,938,876	\$ 2,938,876	\$ -
Total Expenditures and Other Uses	3,337,950	3,487,950	2,543,100	944,850
Advances Out	-	-	750,000	(750,000)
Net Change in Fund Balance	(537,950)	(549,074)	(354,224)	194,850
Fund Balance at Beginning of Year	129,482	129,482	129,482	-
Prior Year Encumbrances Appropriated	707,950	707,950	707,950	-
Fund Balance at End of Year	<u>\$ 299,482</u>	<u>\$ 288,358</u>	<u>\$ 483,208</u>	<u>\$ 194,850</u>

Columbus City School District

**Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)**

For the Fiscal Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Indian Education Grants Fund</u>				
Total Revenues and Other Sources	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	3,634	3,634	3,634	-
Fund Balance at End of Year	<u>\$ 3,634</u>	<u>\$ 3,634</u>	<u>\$ 3,634</u>	<u>\$ -</u>
<u>Title III - Limited English Proficiency Fund</u>				
Total Revenues and Other Sources	\$ 760,000	\$ 1,535,031	\$ 1,362,591	\$ (172,440)
Advances In	-	-	23,208	23,208
Total Expenditures and Other Uses	1,421,451	1,778,716	1,336,392	442,324
Advances Out	-	-	200,000	(200,000)
Net Change in Fund Balance	(661,451)	(243,685)	(150,593)	93,092
Fund Balance at Beginning of Year	29,138	29,138	29,138	-
Prior Year Encumbrances Appropriated	121,455	121,455	121,455	-
Fund Balance at End of Year	<u>\$ (510,858)</u>	<u>\$ (93,092)</u>	<u>\$ -</u>	<u>\$ 93,092</u>
<u>Transition Program for Refugee Children Fund</u>				
Total Revenues and Other Sources	\$ 150,000	\$ 140,000	\$ 140,000	\$ -
Total Expenditures and Other Uses	150,000	155,795	156,889	(1,094)
Net Change in Fund Balance	-	(15,795)	(16,889)	(1,094)
Fund Balance at Beginning of Year	19,555	19,555	19,555	-
Fund Balance at End of Year	<u>\$ 19,555</u>	<u>\$ 3,760</u>	<u>\$ 2,666</u>	<u>\$ (1,094)</u>

Columbus City School District

**Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)**

For the Fiscal Year Ended June 30, 2006

<i>Title I Fund</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Sources	\$ 28,500,000	\$ 49,050,703	\$ 41,111,605	\$ (7,939,098)
Total Expenditures and Other Uses	45,376,554	55,366,554	39,480,648	15,885,906
Advances Out	-	-	8,500,000	(8,500,000)
Net Change in Fund Balance	(16,876,554)	(6,315,851)	(6,869,043)	(553,192)
Fund Balance at Beginning of Year	1,765,114	1,765,114	1,765,114	-
Prior Year Encumbrances Appropriated	5,116,558	5,116,558	5,116,558	-
Fund Balance at End of Year	<u>\$ (9,994,882)</u>	<u>\$ 565,821</u>	<u>\$ 12,629</u>	<u>\$ (553,192)</u>
 <i>Innovative Programs - Title V Fund</i>				
Total Revenues and Other Sources	\$ 850,000	\$ 1,191,237	\$ 1,195,410	\$ 4,173
Advances In	-	-	17,890	17,890
Total Expenditures and Other Uses	1,595,853	1,925,768	1,245,412	680,356
Advances Out	-	-	315,828	(315,828)
Net Change in Fund Balance	(745,853)	(734,531)	(347,940)	386,591
Fund Balance at Beginning of Year	92,085	92,085	92,085	-
Prior Year Encumbrances Appropriated	255,855	255,855	255,855	-
Fund Balance at End of Year	<u>\$ (397,913)</u>	<u>\$ (386,591)</u>	<u>\$ -</u>	<u>\$ 386,591</u>
 <i>Safe and Drug-Free Schools Grant - Title IV-A Fund</i>				
Total Revenues and Other Sources	\$ 1,000,000	\$ 747,459	\$ 747,459	\$ -
Total Expenditures and Other Uses	786,867	819,438	792,970	26,468
Net Change in Fund Balance	213,133	(71,979)	(45,511)	26,468
Fund Balance at Beginning of Year	65,116	65,116	65,116	-
Prior Year Encumbrances Appropriated	6,864	6,864	6,864	-
Fund Balance at End of Year	<u>\$ 285,113</u>	<u>\$ 1</u>	<u>\$ 26,469</u>	<u>\$ 26,468</u>

Columbus City School District

**Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)**

For the Fiscal Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Early Childhood Special Education, IDEA Fund</i>				
Total Revenues and Other Sources	\$ 260,000	\$ 337,575	\$ 337,575	\$ -
Total Expenditures and Other Uses	305,879	426,879	289,876	137,003
Advances Out	-	-	50,000	(50,000)
Net Change in Fund Balance	(45,879)	(89,304)	(2,301)	87,003
Fund Balance at Beginning of Year	33,205	33,205	33,205	-
Prior Year Encumbrances Appropriated	15,879	15,879	15,879	-
Fund Balance at End of Year	<u>\$ 3,205</u>	<u>\$ (40,220)</u>	<u>\$ 46,783</u>	<u>\$ 87,003</u>
<i>Improving Teacher Quality - Title II-A Fund</i>				
Total Revenues and Other Sources	\$ 6,300,000	\$ 8,867,072	\$ 6,656,866	\$ (2,210,206)
Advances In	-	-	1,491,507	1,491,507
Total Expenditures and Other Uses	13,447,182	14,047,182	7,731,674	6,315,508
Advances Out	-	-	1,302,241	(1,302,241)
Net Change in Fund Balance	(7,147,182)	(5,180,110)	(885,542)	4,294,568
Fund Balance at Beginning of Year	179,343	179,343	179,343	-
Prior Year Encumbrances Appropriated	707,180	707,180	707,180	-
Fund Balance at End of Year	<u>\$ (6,260,659)</u>	<u>\$ (4,293,587)</u>	<u>\$ 981</u>	<u>\$ 4,294,568</u>
<i>Miscellaneous Federal Grants Fund</i>				
Total Revenues and Other Sources	\$ 13,200,000	\$ 19,779,563	\$ 19,759,593	\$ (19,970)
Total Expenditures and Other Uses	17,220,592	25,820,592	24,000,545	1,820,047
Net Change in Fund Balance	(4,020,592)	(6,041,029)	(4,240,952)	1,800,077
Fund Balance at Beginning of Year	5,192,759	5,192,759	5,192,759	-
Prior Year Encumbrances Appropriated	1,520,600	1,520,600	1,520,600	-
Fund Balance at End of Year	<u>\$ 2,692,767</u>	<u>\$ 672,330</u>	<u>\$ 2,472,407</u>	<u>\$ 1,800,077</u>

Columbus City School District

**Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)**

For the Fiscal Year Ended June 30, 2006

<u><i>Debt Service Fund</i></u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Total Revenues and Other Sources	35,254,418	25,763,817	25,298,817	(465,000)
Total Expenditures and Other Uses	<u>31,473,846</u>	<u>37,695,682</u>	<u>34,387,783</u>	<u>3,307,899</u>
Net Change in Fund Balance	3,780,572	(11,931,865)	(9,088,966)	2,842,899
Fund Balance at Beginning of Year	17,747,946	17,747,946	17,747,946	-
Prior Year Encumbrances Appropriated	<u>297,761</u>	<u>297,761</u>	<u>297,761</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 21,826,279</u>	<u>\$ 6,113,842</u>	<u>\$ 8,956,741</u>	<u>\$ 2,842,899</u>

Columbus City School District

**Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)**

For the Fiscal Year Ended June 30, 2006

<i>Permanent Improvement Fund</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Sources	\$ 4,214,123	\$ 976,593	\$ 976,593	\$ -
Total Expenditures and Other Uses	1,000,000	1,000,000	967,838	32,162
Net Change in Fund Balance	3,214,123	(23,407)	8,755	32,162
Fund Balance at Beginning of Year	1,472,921	1,472,921	1,472,921	-
Fund Balance at End of Year	<u>\$ 4,687,044</u>	<u>\$ 1,449,514</u>	<u>\$ 1,481,676</u>	<u>\$ 32,162</u>
<i>Building Fund</i>				
Total Revenues and Other Sources	\$ 8,000,000	\$ 10,895,866	\$ 11,160,234	\$ 264,368
Total Expenditures and Other Uses	48,249,064	47,060,713	19,384,837	27,675,876
Net Change in Fund Balance	(40,249,064)	(36,164,847)	(8,224,603)	27,940,244
Fund Balance at Beginning of Year	62,124,131	62,124,131	62,124,131	-
Prior Year Encumbrances Appropriated	2,249,066	2,249,066	2,249,066	-
Fund Balance at End of Year	<u>\$ 24,124,133</u>	<u>\$ 28,208,350</u>	<u>\$ 56,148,594</u>	<u>\$ 27,940,244</u>
<i>Replacement Fund</i>				
Total Revenues and Other Sources	\$ -	\$ 1,301	\$ 1,301	\$ -
Total Expenditures and Other Uses	-	-	-	-
Net Change in Fund Balance	-	1,301	1,301	-
Fund Balance at Beginning of Year	1,738,720	1,738,720	1,738,720	-
Fund Balance at End of Year	<u>\$ 1,738,720</u>	<u>\$ 1,740,021</u>	<u>\$ 1,740,021</u>	<u>\$ -</u>

Columbus City School District

**Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)**

For the Fiscal Year Ended June 30, 2006

<i>Classroom Facilities Fund</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Sources	\$ 60,000,000	\$ 28,070,028	\$ 29,136,427	\$ 1,066,399
Total Expenditures and Other Uses	441,532,397	301,879,404	151,429,785	150,449,619
Net Change in Fund Balance	(381,532,397)	(273,809,376)	(122,293,358)	151,516,018
Fund Balance at Beginning of Year	280,456,911	280,456,911	280,456,911	-
Prior Year Encumbrances Appropriated	16,532,397	16,532,397	16,532,397	-
Fund Balance at End of Year	<u>\$ (84,543,089)</u>	<u>\$ 23,179,932</u>	<u>\$ 174,695,950</u>	<u>\$ 151,516,018</u>
<i>Schoolnet Equipment Fund</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Sources	\$ 300,000	\$ 44,088	\$ 15,000	\$ (29,088)
Total Expenditures and Other Uses	603,723	596,755	568,032	28,723
Net Change in Fund Balance	(303,723)	(552,667)	(553,032)	(365)
Fund Balance at Beginning of Year	524,312	524,312	524,312	-
Prior Year Encumbrances Appropriated	28,723	28,723	28,723	-
Fund Balance at End of Year	<u>\$ 249,312</u>	<u>\$ 368</u>	<u>\$ 3</u>	<u>\$ (365)</u>
<i>School Building Assistance Limited Fund</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Sources	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	100,000	198,335	177,100	21,235
Net Change in Fund Balance	(100,000)	(198,335)	(177,100)	21,235
Fund Balance at Beginning of Year	198,335	198,335	198,335	-
Fund Balance at End of Year	<u>\$ 98,335</u>	<u>\$ -</u>	<u>\$ 21,235</u>	<u>\$ 21,235</u>

Columbus City School District

**Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Non-GAAP Basis)**

For the Fiscal Year Ended June 30, 2006

<i>Permanent Fund</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Sources	\$ -	\$ 443	\$ 443	\$ -
Total Expenditures and Other Uses	<u>550</u>	<u>1,500</u>	<u>743</u>	<u>757</u>
Net Change in Fund Balance	(550)	(1,057)	(300)	757
Fund Balance at Beginning of Year	<u>837,216</u>	<u>837,216</u>	<u>837,216</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 836,666</u>	<u>\$ 836,159</u>	<u>\$ 836,916</u>	<u>\$ 757</u>

Columbus City School District

**Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget and Actual (Non-GAAP Basis)**

For the Fiscal Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Food Service Fund</i>				
Total Revenues and Other Sources	\$ 22,500,000	\$ 34,723,455	\$ 30,120,494	\$ (4,602,961)
Advances In	-	-	4,675,532	4,675,532
Total Expenses and Other Uses	24,571,324	30,012,016	30,909,764	(897,748)
Advances Out	-	-	5,266,885	(5,266,885)
Net Change in Fund Balance	(2,071,324)	4,711,439	(1,380,623)	(6,092,062)
Fund Balance at Beginning of Year	921,256	921,256	921,256	-
Prior Year Encumbrances Appropriated	571,322	571,322	571,322	-
Fund Balance at End of Year	<u>\$ (578,746)</u>	<u>\$ 6,204,017</u>	<u>\$ 111,955</u>	<u>\$ (6,092,062)</u>
<i>Uniform School Supplies Fund</i>				
Total Revenues and Other Sources	\$ 35,000	\$ 34,164	\$ 36,609	\$ 2,445
Total Expenses and Other Uses	108,960	108,960	46,054	62,906
Net Change in Fund Balance	(73,960)	(74,796)	(9,445)	65,351
Fund Balance at Beginning of Year	62,917	62,917	62,917	-
Prior Year Encumbrances Appropriated	8,956	8,956	8,956	-
Fund Balance at End of Year	<u>\$ (2,087)</u>	<u>\$ (2,923)</u>	<u>\$ 62,428</u>	<u>\$ 65,351</u>
<i>Rotary-Special Services Fund</i>				
Total Revenues and Other Sources	\$ 1,000	\$ 5	\$ 5	\$ -
Total Expenses and Other Uses	1,000	635	-	635
Net Change in Fund Balance	-	(630)	5	635
Fund Balance at Beginning of Year	630	630	630	-
Fund Balance at End of Year	<u>\$ 630</u>	<u>\$ -</u>	<u>\$ 635</u>	<u>\$ 635</u>

Columbus City School District

**Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget and Actual (Non-GAAP Basis)**

For the Fiscal Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Adult Education Fund</i>				
Total Revenues and Other Sources	\$ 2,000,000	\$ 2,152,686	\$ 2,159,314	\$ 6,628
Total Expenses and Other Uses	2,556,825	2,337,254	1,846,278	490,976
Advances Out	-	-	350,000	(350,000)
Net Change in Fund Balance	(556,825)	(184,568)	(36,964)	147,604
Fund Balance at Beginning of Year	127,743	127,743	127,743	-
Prior Year Encumbrances Appropriated	56,825	56,825	56,825	-
Fund Balance at End of Year	<u>\$ (372,257)</u>	<u>\$ -</u>	<u>\$ 147,604</u>	<u>\$ 147,604</u>
<i>WCBE Fund</i>				
Total Revenues and Other Sources	\$ 1,266,119	\$ 1,290,783	\$ 1,265,065	\$ 25,718
Total Expenses and Other Uses	960,169	979,139	977,825	1,314
Net Change in Fund Balance	305,950	311,644	287,240	(24,404)
Fund Balance at Beginning of Year	(84,994)	(84,994)	(84,994)	-
Prior Year Encumbrances Appropriated	16,049	16,049	16,049	-
Fund Balance at End of Year	<u>\$ 237,005</u>	<u>\$ 242,699</u>	<u>\$ 218,295</u>	<u>\$ (24,404)</u>
<i>Latchkey Fund</i>				
Total Revenues and Other Sources	\$ 2,233,881	\$ 2,277,399	\$ 2,232,022	\$ 45,377
Total Expenses and Other Uses	2,582,782	2,633,815	2,630,279	3,536
Net Change in Fund Balance	(348,901)	(356,416)	(398,257)	(41,841)
Fund Balance at Beginning of Year	231,608	231,608	231,608	-
Prior Year Encumbrances Appropriated	26,906	26,906	26,906	-
Fund Balance at End of Year	<u>\$ (90,387)</u>	<u>\$ (97,902)</u>	<u>\$ (139,743)</u>	<u>\$ (41,841)</u>

**STATISTICAL
SECTION**

STATISTICAL TABLES

This part of Columbus City School District’s comprehensive annual financial report presents detailed information as a basis for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the District’s overall financial health.

CONTENTS	PAGES
Financial Trends	S-03 to S-09
<p style="margin-left: 40px;">These schedules contain trend information to help the reader understand how the School District’s financial performance and well-being have changed over time.</p>	
Revenue Capacity	S-10 to S-17
<p style="margin-left: 40px;">These schedules contain information to help the reader assess the School District’s most significant local revenue sources.</p>	
Debt Capacity	S-18 to S-24
<p style="margin-left: 40px;">These schedules present information to help the reader assess the affordability of the School District’s current levels of outstanding debt and the School District’s ability to issue additional debt in the future.</p>	
Demographic and Economic Information	S-25 to S-26
<p style="margin-left: 40px;">These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place.</p>	
Operating information	S-27 to S-32
<p style="margin-left: 40px;">These schedules contain service and capital asset data to help the reader understand how the information in the School District’s financial report relates to the services the School District provides and the activities it performs.</p>	
Other information	S-33 to S-34
<p style="margin-left: 40px;">These schedules contain additional information to help the reader understand how the information in the School District’s financial report relates to the services the School District provides and the activities it performs.</p>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement No. 34 during fiscal year 2002. Fiscal year 2006 is the District’s first year implementation of the GASB 44 stat tables.

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Columbus City School District

Net Assets by Component

Last Five Fiscal Years

Accrual Basis of Accounting

Fiscal Year (1)	2006	2005	2004	2003	2002
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 73,708,863	\$ 98,439,316 (4)	\$ 135,742,271	\$ 161,112,744	\$ 155,470,922
Restricted for:					
Debt Service	13,933,689	12,064,763	15,904,608	7,868,465	4,241,122
Capital Projects	166,021,389	125,487,284	262,393,282	274,385,253 (3)	10,108,099
Permanent Fund					
Expendable	163,515	163,815	140,787	141,716	186,792
Nonexpendable	673,401	673,401	673,401	673,401	673,401
Classroom Facilities Maintenance	15,619,346	(2)	(2)	(2)	(2)
Title I Program	5,890,037	(2)	(2)	(2)	(2)
Improving Teacher Quality Program	3,965,396	(2)	(2)	(2)	(2)
Other Purposes	11,698,102	33,172,167	31,904,733	32,655,053	15,330,234
Unrestricted	<u>(20,114,672)</u>	<u>(71,248,736)</u>	<u>(307,386,051)</u>	<u>(240,363,631)</u>	<u>1,499,844</u>
Total Net Assets - Governmental Activities	<u>271,559,066</u>	<u>198,752,010 (4)</u>	<u>139,373,031</u>	<u>236,473,001</u>	<u>187,510,414</u>
Business-type Activities					
Invested in Capital Assets, Net of Related Debt	2,701,287	3,044,469	3,169,057	3,008,821	2,929,440
Unrestricted	<u>(2,793,928)</u>	<u>(1,346,793)</u>	<u>660,256</u>	<u>4,430,999</u>	<u>6,639,195</u>
Total Net Assets - Business-type Activities	<u>(92,641)</u>	<u>1,697,676</u>	<u>3,829,313</u>	<u>7,439,820</u>	<u>9,568,635</u>
Primary Government					
Invested in Capital Assets, Net of Related Debt	76,410,150	101,483,785	138,911,328	164,121,565	158,400,362
Restricted					
Debt Service	13,933,689	12,064,763	15,904,608	7,868,465	4,241,122
Capital Projects	166,021,389	125,487,284	262,393,282	274,385,253	10,108,099
Permanent Fund					
Expendable	163,515	163,815	140,787	141,716	186,792
Nonexpendable	673,401	673,401	673,401	673,401	673,401
Classroom Facilities Maintenance	15,619,346	(2)	(2)	(2)	(2)
Title I Program	5,890,037	(2)	(2)	(2)	(2)
Improving Teacher Quality Program	3,965,396	(2)	(2)	(2)	(2)
Other Purposes	11,698,102	33,172,167	31,904,733	32,655,053	15,330,234
Unrestricted	<u>(22,908,600)</u>	<u>(72,595,529)</u>	<u>(306,725,795)</u>	<u>(235,932,632)</u>	<u>8,139,039</u>
Total Net Assets - Primary Government	<u>\$ 271,466,425</u>	<u>\$ 200,449,686</u>	<u>\$ 143,202,344</u>	<u>\$ 243,912,821</u>	<u>\$ 197,079,049</u>

(1) Fiscal year 2002 is the first year reported in accordance with GASB Statement No. 34. The other five remaining years are not presented for that reason.

(2) Fiscal year 2006 is the first year that Restricted Net Assets for other purposes were broken out at a more detailed level.

(3) As restated in fiscal year 2004 CAFR, note 4.

(4) As restated in fiscal year 2006 CAFR, note 4.

Columbus City School District

Changes in Net Assets

Last Five Fiscal Years
Accrual Basis of Accounting

Fiscal Year (1)	2006	2005	2004	2003	2002
Expenses					
Governmental Activities:					
Instruction					
Regular	303,818,223	297,804,126	278,118,279	281,964,404	256,444,114
Special	78,504,191	85,413,229	80,535,499	72,484,995	73,439,876
Vocational	10,736,361	14,040,774	21,114,819	21,987,545	25,256,824
Other	9,418,276	1,137,104	2,846,109	2,143,723	2,653,726
Support Services					
Pupils	47,931,201	47,790,920	53,188,569	49,792,142	40,121,652
Instructional Staff	81,250,709	76,705,011	67,934,149	52,285,197	62,492,058
Administration	41,098,112	51,450,000	53,056,148	62,026,022	41,998,634
Business & Fiscal	18,156,667	15,048,909	22,593,436	9,528,287	25,320,785
Operation of Maintenance of Plant	60,513,709	56,317,813	61,823,222	65,304,673	60,639,039
Pupil Transportation	36,604,349	32,673,761	29,611,211	29,595,632	30,200,073
Other	23,708,882	26,991,245	26,790,621	25,740,780	27,404,953
Enterprise Operations	118,470	174,340	206,457	169,317	150,978
Extracurricular Activities	7,718,721	7,729,840	8,650,003	8,427,562	8,250,527
Community Services	6,119,560	7,262,356	5,672,603	6,211,707	6,696,640
Interest and Fiscal Charges	20,535,843	25,802,812	15,072,633	3,594,662	2,978,738
Total Governmental Activities Expenses	746,233,274	746,342,240	727,213,758	691,256,648	664,048,617
Business-type Activities:					
Food Service					
Adult and Community Education	1,605,655	1,933,925	2,406,708	2,768,309	3,295,582
WCBE Radio	913,467	1,212,142	1,007,607	1,000,474	954,682
Latchkey	2,156,908	2,625,028	2,562,084	2,468,644	2,377,587
Rotary - Special Services	-	808	-	-	-
Uniform School Supplies	37,198	23,395	27,240	44,947	57,781
Total Business-type Activities Expenses	30,811,176	31,412,018	29,699,193	31,106,052	29,849,673
Total Primary Government Expenses	777,044,450	777,754,258	756,912,951	722,362,700	693,898,290
Program Revenues					
Governmental Activities:					
Charges for Services and Sales					
Instruction					
Regular	2,795,914	2,046,144	2,293,253	2,245,228	2,173,426
Special	577,543	642,641	498,407	437,077	482,317
Vocational	97,425	98,950	169,545	168,547	214,804
Other	-	2,105	11,512	10,971	17,967
Support Services					
Pupils	387,769	378,788	378,917	466,404	295,209
Instructional Staff	423,509	478,610	375,753	354,247	435,525
Administration	918,723	998,883	1,277,087	1,501,093	1,283,707
Business & Fiscal	365,793	105,022	210,299	46,908	183,182
Operation of Maintenance of Plant	563,540	399,122	507,852	520,394	526,365
Pupil Transportation	386,713	238,745	240,519	252,450	263,577
Other	130,299	172,636	178,019	197,224	218,515
Enterprise Operations	33,205	68,733	70,434	56,060	60,023
Extracurricular Activities	1,632,185	1,716,611	1,702,455	1,653,380	1,828,418
Community Services	7,866	10,699	5,943	15,036	11,774
Operating Grants and Contributions	176,846,720	161,156,341	147,214,669	145,161,832	99,435,969
Capital Grants and Contributions	15,000	553,035	15,000	68,190,609	424,171
Total Governmental Activities Program Revenues	185,182,204	169,067,065	155,149,664	221,277,460	107,854,949
Business Type Activities:					
Charges for Services and Sales					
Food Service					
Adult and Community Education	4,249,340	4,691,007	4,840,687	4,989,699	5,212,307
WCBE Radio	1,030,302	975,799	1,315,229	1,688,509	2,264,556
Latchkey	2,226,731	2,340,729	2,435,727	2,534,688	2,351,209
Rotary - Special Services	-	-	-	-	-
Uniform School Supplies	-	28,157	24,549	31,275	57,461
Operating Grants and Contributions	21,163,853	21,245,805	17,100,518	19,697,016	18,638,391
Total Business-type Activities Program Revenues	28,670,226	29,281,497	25,716,710	28,941,187	28,523,924
Total Primary Government Program Revenues	213,852,430	198,348,562	180,866,374	250,218,647	136,378,873
Net (Expense)/Revenue					
Governmental Activities	(561,051,070)	(577,275,175)	(572,064,094)	(469,979,188)	(556,193,668)
Business-type Activities	(2,140,950)	(2,130,521)	(3,982,483)	(2,164,865)	(1,325,749)
Total Primary Government Net (Expense)/Revenue	(563,192,020)	(579,405,696)	(576,046,577)	(472,144,053)	(557,519,417)

(continued)

Columbus City School District
Changes in Net Assets
Last Five Fiscal Years
Accrual Basis of Accounting
(Continued)

<u>Fiscal Year (1)</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Property Taxes	401,981,401	387,673,016	309,551,034	324,895,494	296,202,763
Grants and Entitlements Not Restricted to Specific Programs	194,613,319	190,509,398	188,643,400	186,288,707	203,015,816
Grants and Entitlements Restricted for Capital Outlay	-	56,353,810	-	-	-
Investment Earnings	16,694,892	9,149,680	1,489,025	4,070,833	6,629,998
Gain on Sale of Capital Assets	8,014,895	-	-	59,254	856,744
Payments in Lieu of Taxes	7,119,921	4,606,016	-	-	-
Miscellaneous	5,433,698	4,648,881	5,385,350	3,627,487	4,062,809
Transfers	-	1,116	-	-	-
Total Governmental Activities	<u>633,858,126</u>	<u>652,941,917</u>	<u>505,068,809</u>	<u>518,941,775</u>	<u>510,768,130</u>
Business-type Activities:					
Investment Earnings	-	-	-	32,487	86,157
Miscellaneous	350,633	-	371,976	3,563	8,797
Transfers	-	(1,116)	-	-	-
Total Business-type Activities	<u>350,633</u>	<u>(1,116)</u>	<u>371,976</u>	<u>36,050</u>	<u>94,954</u>
Total Primary Government General Revenues and Other Changes in Net Assets	<u>634,208,759</u>	<u>652,940,801</u>	<u>505,440,785</u>	<u>518,977,825</u>	<u>510,863,084</u>
Change in Net Assets					
Governmental Activities	72,807,056	75,666,742	(66,995,285)	48,962,587	(45,425,538)
Business-type Activities	(1,790,317)	(2,131,637)	(3,610,507)	(2,128,815)	(1,230,795)
Total Primary Government Change in Net Assets	<u>\$ 71,016,739</u>	<u>\$ 73,535,105</u>	<u>\$ (70,605,792)</u>	<u>\$ 46,833,772</u>	<u>\$ (46,656,333)</u>

(1) Fiscal year 2002 is the first year reported in accordance with GASB Statement No. 34. The other remaining five years are not presented for that reason.

Columbus City School District
Fund Balances - Governmental Funds
 Last Eight Fiscal Years
 Modified Accrual Basis of Accounting

<u>Fiscal Year (1)</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund					
Reserved	\$ 76,499,114	\$ 10,232,117	\$ 26,916,482	\$ 21,375,943	\$ 23,939,323
Unreserved	(50,741,286)	(30,859,351) (3)	(58,264,215)	(15,925,554)	27,178,654
Total General Fund	25,757,828	(20,627,234)	(31,347,733)	5,450,389	51,117,977
All Other Governmental Funds					
Reserved	116,855,704	25,559,562	13,313,796	14,019,040	9,991,188
Unreserved, Reported in:					
Special Revenue Funds	20,765,033	23,130,096	11,647,877	13,828,200	12,231,439
Debt Service Fund	8,956,742	17,747,947	12,127,248	13,631,320	-
Capital Projects Funds	243,996,807	344,437,816 (2)	190,398,554	200,597,272 (2)	8,154,413
Permanent Fund	163,515	163,815	140,787	141,407	186,792
Total All Other Governmental Funds	390,737,801	411,039,236	227,628,262	242,217,239	30,563,832
Total Governmental Funds	<u>\$ 416,495,629</u>	<u>\$ 390,412,002</u>	<u>\$ 196,280,529</u>	<u>\$ 247,667,628</u>	<u>\$ 81,681,809</u>

(1) Fiscal year 2002 is the first year reported in accordance with GASB Statement No. 34. Therefore, the amounts reported for fiscal years 1999 through 2001 do not include Permanent Funds. Also, information for fiscal years 1997 and 1998 was not available.

(2) The amount of unreserved fund balances, reported in capital projects funds, increase significantly in fiscal years 2003 and 2005 due to issuance of bonds in those years.

(3) As restated in fiscal year 2006 CAFR, note 4.

(4) As restated in fiscal year 2002 CAFR, note 3.

(5) As restated in fiscal year 2001 CAFR, note 17.

(6) As restated in fiscal year 2000 CAFR, note 17.

<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 29,072,117	\$ 27,290,630	\$ 20,429,104 (6)
52,805,115	33,033,921	41,010,349
81,877,232	60,324,551	61,439,453
17,205,977	23,121,471	19,663,127
15,699,573	8,612,083 (5)	7,933,830
-	-	-
4,288,065 (4)	10,034,634	13,439,753
-	-	-
37,193,615	41,768,188	41,036,710
<u>\$ 119,070,847</u>	<u>\$ 102,092,739</u>	<u>\$ 102,476,163</u>

Columbus City School District
Changes in Fund Balances - Governmental Funds
Last Eight Fiscal Years
Modified Accrual Basis of Accounting

Fiscal Year (1)	2006	2005	2004	2003	2002
Revenues:					
Taxes	\$ 396,067,777	\$ 376,823,691	\$ 326,624,650	\$ 320,641,959	\$ 294,263,353
Tuition and Fees	6,579,467	5,473,329	5,772,014	5,869,257	6,382,502
Earnings on Investments	17,004,766	9,283,751	1,800,749	4,313,492	6,073,034
Intergovernmental	394,973,423	372,657,266	324,813,059	316,697,580	301,745,514
Payments in Lieu of Taxes	7,119,921	4,606,016	-	-	-
Other	10,581,095	9,120,319	8,299,479	6,698,387	6,465,330
Total Revenues	832,326,449	777,964,372	667,309,951	654,220,675	614,929,733
Expenditures:					
Instruction	394,389,650	381,929,727	365,811,673	361,272,869	332,672,514
Pupil Support Services	48,792,647	46,705,565	51,059,717	48,731,883	44,128,214
Instructional Support Services	80,130,372	76,278,185	66,627,988	52,284,232	62,917,855
Administration	43,892,349	49,805,790	48,959,987	61,093,212	41,780,024
Business and Fiscal Services	18,469,500	17,796,461	22,004,251	8,881,965	21,824,688
Operation and Maintenance of Plant Services	62,427,678	55,461,480	62,412,038	64,273,776	55,703,874
Transportation Services - Pupils	36,646,705	33,364,648	28,915,014	29,733,508	29,268,144
Other Support Services	24,177,711	26,861,677	24,107,348	25,782,742	26,957,345
Extracurricular Activities	7,755,402	7,771,183	10,138,959	8,380,438	8,059,074
Enterprise Operations and Community Services	6,196,890	7,262,205	5,698,663	6,331,243	6,777,812
Capital Outlay	58,816,600	17,317,200	10,716,011	5,734,941	11,835,837
Debt Service:					
Principal	16,275,025	72,956,927	10,512,362	17,723,967	18,905,020
Interest	18,176,894	18,077,980	11,785,384	3,253,958	2,991,985
Bond Issuance Costs	-	1,423,174	-	1,695,364	-
Total Expenditures	816,147,423	813,012,202	718,749,395	695,174,098	663,822,386
Excess of Revenues Over (Under) Expenditures	16,179,026	(35,047,830)	(51,439,444)	(40,953,423)	(48,892,653)
Other Financing Sources (Uses)					
Proceeds from Sale of Bonds	-	164,000,000	-	200,000,000	7,760,000
Proceeds from Sale of Notes	-	60,000,000 (3)	-	-	-
Premium on Debt Issuance	-	4,682,751	-	6,879,996	-
Proceeds from Sale of Assets	9,904,601	15,946	52,345	97,888	928,234
Inception of Capital Lease	-	479,490	-	-	2,235,256
Transfers In	746,167	823,156	437,323	2,317,446	1,947,227
Transfers Out	(746,167)	(822,040)	(437,323)	(2,317,446)	(1,947,227)
Total Other Financing Sources (Uses)	9,904,601	229,179,303	52,345	206,977,884	10,923,490
Net Changes in Fund Balances	\$ 26,083,627	\$ 194,131,473	\$ (51,387,099)	\$ 166,024,461	\$ (37,969,163)
Debt Service as a Percentage of Noncapital Expenditures - (2)					
	4.55%	11.62%	3.15%	3.29%	3.36%

(1) Fiscal year 2002 is the first year reported in accordance with GASB Statement No. 34. Therefore, the amounts reported for fiscal years 1999 through 2001 do not include permanent funds. Also, information for fiscal years 1997 and 1998 was not available.

(2) Calculation represents debt service expenditures divided by the product of the remaining balance of total expenditures minus capital asset additions.

(3) As restated in fiscal year 2006 CAFR, note 4.

<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 293,373,583	\$ 266,540,853	\$ 265,476,295
5,520,683	6,527,380	6,469,954
12,772,332	11,572,552	8,202,994
294,846,306	262,379,531	248,554,740
-	-	-
<u>7,383,039</u>	<u>5,286,229</u>	<u>5,422,509</u>
<u>613,895,943</u>	<u>552,306,545</u>	<u>534,126,492</u>
304,257,966	282,710,143	260,410,295
39,640,897	34,635,749	27,914,476
53,258,590	55,442,755	39,913,636
37,301,844	38,800,902	36,970,817
9,932,415	13,612,464	13,258,456
54,817,653	47,824,785	44,550,169
28,676,965	26,533,969	22,307,591
15,878,244	13,103,694	14,862,109
8,295,890	7,336,262	5,094,836
5,110,900	5,943,998	7,237,598
<u>29,365,872</u>	<u>45,209,750</u>	<u>16,668,314</u>
20,638,941	12,673,415	10,425,000
3,760,570	2,668,776	3,109,076
-	-	-
<u>610,936,747</u>	<u>586,496,662</u>	<u>502,722,373</u>
2,959,196	(34,190,117)	31,404,119
10,208,688	-	-
-	-	-
-	-	-
360,521	3,545,416	198,637
257,304	30,291,029	-
8,051,135	4,357,461	19,018,157
<u>(8,513,892)</u>	<u>(4,700,863)</u>	<u>(19,357,616)</u>
<u>10,363,756</u>	<u>33,493,043</u>	<u>(140,822)</u>
<u>\$ 13,322,952</u>	<u>\$ (697,074)</u>	<u>\$ 31,263,297</u>
4.17%	2.88%	2.77%

Columbus City School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Collection (Calendar) Years (1)

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	General Business	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
1997	2,849,874,060	2,426,379,990	15,075,011,571	935,568,371	3,742,273,484
1998	2,891,024,870	2,518,855,490	15,456,801,029	944,203,285	3,776,813,140
1999	2,938,456,680	2,713,504,650	16,148,460,943	987,119,988	3,948,479,952
2000	3,444,268,850	2,989,955,860	18,383,499,171	1,029,084,082	4,116,336,328
2001	3,066,820,810	3,496,296,470	18,751,763,657	1,090,814,513	4,363,258,052
2002	3,170,273,290	3,559,994,020	19,229,335,171	1,087,959,261	4,351,837,044
2003	4,143,546,790	3,428,627,110	21,634,782,571	1,066,732,618	4,266,930,472
2004	4,248,498,360	3,467,712,210	22,046,315,914	951,276,948	3,805,107,792
2005	4,379,980,960	3,473,322,660	22,438,010,343	880,869,560	3,523,478,240
2006	5,433,800,560	3,707,897,720	26,119,137,943	655,192,751	3,262,740,850

Source: Franklin County Auditor

(1) Franklin County Auditor property tax records are maintained on a calendar year basis.

Note: Real property assessed valuation is based upon 35% of estimated true value set by county appraisal. Prior to 2006, tangible personal property was valued at 25% of the true value of capital assets and 23% of listed value for inventory. House Bill 66 (the State's biennial budget) has begun the phase out of Tangible Personal Property Tax (TPP) over the next three years. To reflect this phase out, the 2006 assessed valuation is 74.38% of the 2005 actual assessed valuation and the 2006 estimated actual value is a decrease of 7.4% to be consistent with prior year trends. Public utility real property is assessed at 35% of true value and public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible Personal Property		Total		Total Direct Tax Rate (per \$1,000 of assessed value)
Public Utility		Assessed	Estimated	
Assessed Value	Estimated Actual Value	Value	Actual Value	
388,280,920	1,109,374,057	6,600,103,341	19,926,659,112	58.11
400,174,460	1,143,355,600	6,754,258,105	20,376,969,769	58.04
405,981,940	1,159,948,400	7,045,063,258	21,256,889,295	57.95
411,779,800	1,176,513,714	7,875,088,592	23,676,349,213	57.57
404,814,710	1,156,613,457	8,058,746,503	24,271,635,166	57.37
340,258,620	972,167,486	8,158,485,191	24,553,339,701	57.37
323,196,300	923,418,000	8,962,102,818	26,825,131,043	58.80
314,165,560	897,615,886	8,981,653,078	26,749,039,592	59.18
334,181,070	954,803,057	9,068,354,250	26,916,291,640	67.65
289,096,620	825,990,343	10,085,987,651	30,207,869,136	66.47

Columbus City School District
Principal Property Taxpayers
Fiscal Years 2006 and 1997

	2006		
	Total Assessed	Rank	% of Total Assessed
	Valuation (1)		Valuation
Public Utilities			
Columbus Southern Power Company	\$ 159,166,700	1	1.58%
Ohio Bell Telephone Co.	68,224,280	3	0.68%
Columbia Gas of Ohio Inc	30,559,760	5	0.30%
New Par	12,050,090	19	0.12%
All Others	<u>19,095,790</u>		<u>0.19%</u>
Subtotal Assessed Valuation - Public Utilities	289,096,620		2.87%
Real Estate			
Nationwide Mutual Insurance Co.	91,639,220	2	0.91%
Huntington Center	58,100,000	4	0.58%
OhioHealth Corp.	28,609,680	7	0.28%
Capitol South Community Urban	27,352,320	8	0.27%
American Electric Power	23,820,160	10	0.24%
Equitable Life Assurance	23,727,480	11	0.24%
Duke Realty	20,323,530	12	0.20%
State Teachers Retirement Board of Ohio			
Battelle Memorial	19,478,880	13	0.19%
Olentangy Commons LP	14,735,030	15	0.15%
Continental Centre II LLC	14,700,010	16	0.15%
ZML - One Columbus LP			
RB-3 Associates & Stephen B Goodman			
Huntington National Bank			
Capital South Community Urban Redevelopment			
All Others	<u>8,819,211,970</u>		<u>87.43%</u>
Subtotal Assessed Valuation - Real Estate	9,141,698,280		90.64%
Tangible Personal Property			
Amerisourcebergen Drug Corp.	29,345,640	6	0.29%
Abbott Laboratories	25,497,390	9	0.25%
J C Penney Company Inc.	16,380,510	14	0.16%
Techneglas, Inc.			
Victoria's Secret Catalogue, Inc.			
Borden Inc.			
Time Warner Entertainment Company LP	14,249,930	17	0.14%
Insight Communications of Central Ohio	14,067,020	18	0.14%
Banc One Corporation			
Value City Department Stores, Inc.			
Sun Television & Appliances of Ohio, Inc.			
Battelle Memorial Institute	11,165,590	20	0.11%
Kroger Company	10,408,590	21	0.10%
Sterling Commerce America Inc.	9,746,270	22	0.10%
Wal Mart Stores East LP	9,657,350	23	0.10%
Metal Container Corp.	9,164,690	24	0.09%
All Others	<u>505,509,771</u>		<u>5.01%</u>
Subtotal Assessed Valuation - Tangible Personal Property	<u>655,192,751</u>		<u>6.49%</u>
Total Assessed Valuation	<u>\$ 10,085,987,651</u>		<u>100.00%</u>

(1) - House Bill 66 (the State's biennial budget) has begun the phase out of Tangible Personal Property Tax (TPP) in the next three years. To reflect this phase out, the assessed valuation listed above for TPP is 74.38% of the 2005 Actual Assessed Valuation.

Source: Franklin County Auditor.

1997			
	Total Assessed Valuation	Rank	% of Total Assessed Valuation
\$	178,688,500	1	2.71%
	132,643,040	2	2.01%
	74,392,850	3	1.13%
	<u>2,556,530</u>		<u>0.04%</u>
	388,280,920		5.89%
	50,646,660	4	0.77%
	50,232,340	5	0.76%
	31,826,510	6	0.48%
	14,700,000	12	0.22%
	19,880,570	9	0.30%
	17,540,170	11	0.27%
	14,673,710	13	0.22%
	13,985,440	14	0.21%
	13,807,340	15	0.21%
	12,925,900	16	0.20%
	<u>5,036,035,410</u>		<u>76.30%</u>
	5,276,254,050		79.94%
	11,044,760	23	0.17%
	23,438,160	7	0.36%
	23,264,840	8	0.35%
	17,965,810	10	0.27%
	12,852,800	17	0.19%
	12,737,820	18	0.19%
	12,700,550	19	0.19%
	11,458,620	21	0.17%
	11,177,680	22	0.17%
	11,729,640	20	0.18%
	<u>787,197,691</u>		<u>11.93%</u>
	<u>935,568,371</u>		<u>14.17%</u>
\$	<u><u>6,600,103,341</u></u>		<u><u>100.00%</u></u>

Columbus City School District
Property Tax Rates (Per \$1,000 of Assessed Valuation)--Direct and Overlapping Governments
 Last Ten Collection (Calendar) Years (1)

Collection Year	Columbus City School District				Corporations			Townships	
	General Fund	Bond Fund	Permanent Improvement /Maintenance	Total Direct	Columbus	Gahanna	Valleyview	Blendon	Clinton
1997	56.30	1.81	0.00	58.11	3.14	2.40	24.53	21.45	25.64
1998	56.30	1.74	0.00	58.04	3.14	2.40	24.53	22.60	25.64
1999	56.30	1.65	0.00	57.95	3.14	2.40	24.53	22.43	25.64
2000	56.30	1.27	0.00	57.57	3.14	2.40	24.53	22.41	25.64
2001	56.30	1.07	0.00	57.37	3.14	2.40	24.53	22.16	25.64
2002	56.30	1.07	0.00	57.37	3.14	2.40	24.53	22.00	25.64
2003	56.30	2.00	0.50	58.80	3.14	2.40	24.53	25.40	25.64
2004	56.30	2.38	0.50	59.18	3.14	2.40	24.53	25.07	25.64
2005	63.25	3.90	0.50	67.65	3.14	2.40	24.53	25.05	25.64
2006	63.25	2.72	0.50	66.47	3.14	2.40	24.53	25.02	25.64

(1) Source: Franklin County Auditor

Note: The District's basic property tax rate may only be increased by a majority vote of the District's residents. Rates for debt service are based on each year's requirements.

Townships							Other Units		
Franklin	Mifflin-Gahanna	Mifflin	Perry	Sharon	Truro	Franklin-Valleyview	Franklin County	Columbus-Franklin County Library District	Metropolitan Park District
13.05	10.70	22.80	23.80	13.10	12.65	0.30	14.57	2.20	0.55
13.05	10.70	20.80	23.80	13.10	12.65	0.30	14.67	2.20	0.55
13.05	8.70	20.80	23.80	13.10	12.65	0.30	16.99	2.20	0.55
13.05	8.70	20.80	23.80	19.10	12.65	0.30	16.99	2.20	0.55
13.05	9.70	21.80	20.50	19.08	12.65	0.30	16.99	2.20	0.65
13.05	9.70	21.80	23.80	19.00	12.65	0.30	16.99	2.20	0.65
13.05	9.70	21.80	23.80	23.50	16.65	0.30	16.99	2.20	0.65
13.05	9.70	21.80	20.40	23.50	16.65	0.30	16.99	2.20	0.65
18.05	9.70	22.80	18.40	23.50	16.65	0.30	17.79	2.20	0.65
18.05	9.70	22.80	18.40	23.50	16.65	0.30	17.79	2.20	0.65

Columbus City School District
Property Tax Levies and Collections
 Last Ten Collection (Calendar) Years

<u>Collection Year</u>	<u>Tax Levied</u>	<u>Current Tax Collection</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Collection</u>
1996	248,385,612	239,709,230	96.51%	9,580,848
1997	281,920,840	274,122,678	97.23%	9,729,094
1998	289,787,838	282,506,372	97.49%	11,584,455
1999	302,405,022	292,215,950	96.63%	11,508,152
2000	309,899,227	294,623,207	95.07%	8,888,182
2001	318,921,808	303,040,501	95.02%	12,909,204
2002	318,637,659	297,829,803	93.47%	14,622,228
2003	337,620,850	314,056,091	93.02%	16,086,346
2004	341,326,702	314,874,590	92.25%	19,793,223
2005	427,113,841	394,620,611	92.39%	17,054,463

Source: Franklin County Auditor

2006 Property tax levies and collections are not available.

<u>Total Tax Collections</u>	<u>Percent of Total Collections to Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Outstanding Delinquent Taxes to Levy</u>
249,290,078	100.36%	24,806,259	9.99%
283,851,772	100.68%	21,556,576	7.65%
294,090,827	101.48%	23,689,638	8.17%
303,724,102	100.44%	27,309,998	9.03%
303,511,389	97.94%	30,561,002	9.86%
315,949,705	99.07%	33,432,049	10.48%
312,452,031	98.06%	37,364,783	11.73%
330,142,437	97.78%	40,153,091	11.89%
334,667,813	98.05%	33,774,399	9.90%
411,675,074	96.39%	39,256,455	9.19%

Columbus City School District
Ratio of Net General Bonded Debt to Assessed Value and
Net Bonded Debt Per Capita
Last Ten Collection (Calendar) Years (4)

<u>Collection Year (4)</u>	<u>(1) Population</u>	<u>Assessed Value (2) (In thousands)</u>	<u>Gross Bonded Debt (3)</u>	<u>Less Debt Service Fund (3)</u>
1997	506,284	6,600,103	88,957,612	12,824,818
1998	513,696	6,754,258	79,072,612	10,697,836
1999	522,637	7,045,063	68,767,612	9,751,530
2000	523,871	7,875,089	58,242,612	7,684,268
2001	533,603	8,058,747	58,917,612	5,323,552
2002	540,173	8,158,485	57,057,612	3,427,618
2003	550,518	8,962,103	254,793,294	13,889,450
2004	557,507	8,981,653	278,319,545	12,903,977
2005	566,157	9,068,354	437,367,692	18,073,538
2006	572,513	10,085,988	424,709,966	13,550,014

Sources: (1) Based on 75% of City of Columbus population as estimated by the Mid-Ohio Regional Planning Commission for the calendar years 1996 through 1999, but reported for fiscal years 1997 through 2000, the U.S. Bureau of Census for calendar year 2000, but reported for fiscal year 2001, and the Mid-Ohio Regional Planning Commission for the calendar years 2001-2005, but reported for fiscal years 2002-2006.

(2) Franklin County Auditor, calendar year information.

(3) Columbus City School District records (Includes unamortized premium and accretion on bonds).

(4) All collection years are reported on a GAAP basis.

<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value (%)</u>	<u>Estimated Net Bonded Debt Per Capita</u>
76,132,794	1.15%	\$ 150
68,374,776	1.01%	133
59,016,082	0.84%	113
50,558,344	0.64%	97
53,594,060	0.67%	100
53,629,994	0.66%	99
240,903,844	2.69%	438
265,415,568	2.96%	476
419,294,154	4.62%	741
411,159,952	4.08%	718

Columbus City School District
Computation of Legal Debt Margin
Last Ten Fiscal Years

	2006	2005	2004	2003
<u>Overall Direct Debt Limitation</u>				
Direct debt limitation				
9% of assessed valuation	\$ 907,738,889	\$ 816,151,883	\$ 808,348,777	\$ 806,589,254
Amount available in Debt Service Fund	13,550,014	18,073,538	12,903,977	13,889,450
Total overall debt limitation	921,288,903	834,225,421	821,252,754	820,478,704
Gross indebtedness	380,061,116	390,067,613	238,372,613	247,952,612
Less: debt exempt from limitation	(7,345,000)	(9,430,000)	(11,295,000)	(13,075,000)
Debt subject to 9% limitation	372,716,116	380,637,613	227,077,613	234,877,612
Legal debt margin within 9% limitation	<u>\$ 548,572,787</u>	<u>\$ 453,587,808</u>	<u>\$ 594,175,141</u>	<u>\$ 585,601,092</u>
Total net debt applicable to the limit as a percentage of debt limit	40.5%	45.6%	27.7%	28.6%
<u>Unvoted Direct Debt Limitation</u>				
Unvoted debt limitation				
0.1% of assessed valuation	\$ 10,085,988	\$ 9,068,354	\$ 8,981,653	\$ 8,962,103
Amount available in Debt Service Fund related to unvoted debt	-	-	-	-
Total unvoted debt limitation	10,085,988	9,068,354	8,981,653	8,962,103
Gross indebtedness authorized by the Board	7,345,000	9,430,000	11,295,000	13,075,000
Less: debt exempt from limitation	(7,345,000)	(9,430,000)	(11,295,000)	(13,075,000)
Debt subject to 0.1% limitation	-	-	-	-
Legal debt margin within 0.1% limitation	<u>\$ 10,085,988</u>	<u>\$ 9,068,354</u>	<u>\$ 8,981,653</u>	<u>\$ 8,962,103</u>
Total net debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%
<u>Energy Conservation Debt Limitation</u>				
Debt limitation				
0.9% of assessed valuation	\$ 90,773,889	\$ 81,615,188	\$ 80,834,878	\$ 80,658,925
Energy Conservation Bonds authorized by the Board	(7,345,000)	(9,430,000)	(11,295,000)	(13,075,000)
Legal debt margin within 0.9% limitation	<u>\$ 83,428,889</u>	<u>\$ 72,185,188</u>	<u>\$ 69,539,878</u>	<u>\$ 67,583,925</u>
Total net debt applicable to the limit as a percentage of debt limit	8.1%	11.6%	14.0%	16.2%

Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt. Specific requirements for school districts are in Ohio Revised Code Sections 133.04 and 133.06.

2002	2001	2000	1999	1998	1997
\$ 734,263,667	\$ 725,287,185	\$ 708,757,973	\$ 634,055,693	\$ 607,883,229	\$ 594,009,301
<u>3,427,618</u>	<u>5,323,552</u>	<u>7,684,268</u>	<u>9,751,530</u>	<u>11,981,934</u>	<u>12,824,818</u>
<u>737,691,285</u>	<u>730,610,737</u>	<u>716,442,241</u>	<u>643,807,223</u>	<u>619,865,163</u>	<u>606,834,119</u>
57,057,612 (14,760,000)	58,917,612 (17,460,000)	58,242,612 (9,085,000)	68,767,612 (10,735,000)	79,072,612 (12,430,000)	88,957,612 (13,955,000)
<u>42,297,612</u>	<u>41,457,612</u>	<u>49,157,612</u>	<u>58,032,612</u>	<u>66,642,612</u>	<u>75,002,612</u>
<u>\$ 695,393,673</u>	<u>\$ 689,153,125</u>	<u>\$ 667,284,629</u>	<u>\$ 585,774,611</u>	<u>\$ 553,222,551</u>	<u>\$ 531,831,507</u>
5.7%	5.7%	6.9%	9.0%	10.8%	12.4%
\$ 8,158,485	\$ 8,058,747	\$ 7,875,089	\$ 7,045,063	\$ 6,754,258	\$ 6,600,103
-	-	-	-	-	-
<u>8,158,485</u>	<u>8,058,747</u>	<u>7,875,089</u>	<u>7,045,063</u>	<u>6,754,258</u>	<u>6,600,103</u>
14,760,000 (14,760,000)	17,460,000 (17,460,000)	9,085,000 (9,085,000)	10,735,000 (10,735,000)	12,430,000 (12,430,000)	13,955,000 (13,955,000)
-	-	-	-	-	-
<u>\$ 8,158,485</u>	<u>\$ 8,058,747</u>	<u>\$ 7,875,089</u>	<u>\$ 7,045,063</u>	<u>\$ 6,754,258</u>	<u>\$ 6,600,103</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$ 73,426,367	\$ 72,528,719	\$ 70,875,797	\$ 63,405,569	\$ 60,788,323	\$ 59,400,930
<u>(14,760,000)</u>	<u>(17,460,000)</u>	<u>(9,085,000)</u>	<u>(10,735,000)</u>	<u>(12,430,000)</u>	<u>(13,955,000)</u>
<u>\$ 58,666,367</u>	<u>\$ 55,068,719</u>	<u>\$ 61,790,797</u>	<u>\$ 52,670,569</u>	<u>\$ 48,358,323</u>	<u>\$ 45,445,930</u>
20.1%	24.1%	12.8%	16.9%	20.4%	23.5%

Columbus City School District
Ratio of Outstanding Debt By Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities	Total Primary Government	(b) Population	(c) Personal Income	Percentage of Personal Income	Outstanding Debt Per Capita
	(a) General Obligation Bonds	(a) Energy Conservation Bonds	(a) Capital Leases	(a) Capital Leases					
1997	\$ 75,002,612	\$ 13,955,000	\$ -	\$ -	\$ 88,957,612	506,284	\$13,235,782,612	0.67%	\$176
1998	66,642,612	12,430,000	-	-	79,072,612	513,696	14,357,803,200	0.55%	154
1999	58,032,612	10,735,000	-	-	68,767,612	522,637	15,378,593,725	0.45%	132
2000	49,157,612	9,085,000	28,142,612	-	86,385,224	523,871	15,935,631,949	0.54%	165
2001	41,457,612	17,460,000	17,465,975	513,951	76,897,538	533,603	16,822,901,781	0.46%	144
2002	42,297,612	14,760,000	10,416,211	375,829	67,849,652	540,173	17,304,982,228	0.39%	126
2003	241,718,294	13,075,000	1,797,243	230,899	256,821,436	550,518	18,423,084,870	1.39%	467
2004	267,024,545	11,295,000	864,881	78,825	279,263,251	557,507	19,039,979,064	1.47%	501
2005	427,937,692	9,430,000	692,444	-	438,060,136	566,157	20,122,352,094	2.18%	774
2006	417,364,966	7,345,000	387,419	-	425,097,385	572,513	21,706,257,882	1.96%	743

(a) See notes to the basic financial statements regarding the District's debt obligations and capital leases. The bonds shown on this table include unamortized bond premiums and accretion on bonds.

(b) See Schedule "Demographic Statistics, Last Ten Fiscal Years" for population information.

(c) Calculated by multiplying per capita income times population. See Schedule "Demographic Statistics, Last Ten Fiscal Years" for personal income and population.

Columbus City School District
Computation of Direct and Overlapping Debt
For Fiscal Year 2006

<u>Governmental Unit</u>	<u>Gross General Obligation Debt</u>	<u>Percent Applicable to School District</u>	<u>Amount Applicable to School District</u>
Direct:			
Columbus City School District	\$ 424,709,966 (2)	100.00%	\$ 424,709,966
Overlapping:			
Franklin County	144,596,863 (1)	35.81%	51,774,966
City of Columbus	283,748,348 (1)	61.38%	174,177,839
City of Gahanna	16,730,000 (1)	0.60%	100,326
Village of New Albany	24,487,736 (1)	0.05%	11,213
Blendon Township	393,600 (1)	1.12%	4,401
Plain Township	2,499,998 (1)	1.02%	25,408
Mifflin Township	329,175 (1)	0.59%	1,933
Washington Township	<u>2,835,000 (1)</u>	0.08%	<u>2,307</u>
Total overlapping	<u>475,620,720 (1)</u>		<u>226,098,393</u>
	<u>\$ 900,330,686</u>		<u>\$ 650,808,359</u>

Source: Franklin County Auditor

(1) Determined as of December 31, 2005

(2) Determined as of June 30, 2006

Columbus City School District
Ratio of Annual Debt Service Expenditures
for General Bonded Debt to Total Governmental Expenditures
Last Eight Fiscal Years

Fiscal Year(3)	Principal	Interest	Total Debt Service (1)	Total Governmental Expenditures (2)	Ratio of Debt Service to Governmental Expenditures (%)
1999	10,425,000	3,109,076	13,534,076	502,722,373	2.69%
2000	10,525,000	2,612,035	13,137,035	586,496,662	2.24%
2001	9,705,000	2,521,730	12,226,730	610,936,747	2.00%
2002	9,620,000	2,315,384	11,935,384	663,822,386	1.80%
2003	9,105,000	5,996,840	15,101,840	695,174,098	2.17%
2004	9,580,000	11,683,475	21,263,475	718,749,395	2.96%
2005	12,305,000	17,725,110	30,030,110	813,012,202	3.69%
2006	15,970,000	18,145,948	34,115,948	816,147,423	4.18%

(1) Includes all general obligation/energy conservation bond debt service, but excludes debt issuance costs.

(2) Includes all governmental funds.

(3) All fiscal years are reported on a GAAP basis. Information for fiscal years 1997 and 1998 was not available.

Columbus City School District
Principal Employers
Fiscal Year 2006 and Nine Years Prior

<u>Employer</u>	<u>Fiscal Year 2006</u>			<u>Fiscal Year 1997</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>% of Total Employees</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>% of Total Employees</u>
The State of Ohio	26,613	1	6.79%	28,931	1	7.95%
The Ohio State University	19,919	2	5.08%	16,755	2	4.61%
J.P. Morgan Chase & Co.	14,276	3	3.64%			
Nationwide	11,834	4	3.02%	9,100	7	2.50%
Federal Government	10,477	5	2.67%	16,500	3	4.54%
Ohio Health	9,413	6	2.40%			
City of Columbus	8,106	7	2.07%	9,112	6	2.51%
Columbus Public Schools	7,432	8	1.90%	6,977	10	1.92%
Limited Brands	7,200	9	1.84%	10,000	5	2.75%
Kroger Company				7,500	8	2.06%
Banc One Corporation				7,473	9	2.05%
Honda of America Mfg. Inc.	6,900	10	1.76%	12,500	4	3.44%
Total employees from top ten employers	122,170		31.17%	124,848		34.33%
All other employees	269,730		68.83%	238,852		65.67%
Total employees	391,900	(1)		363,700	(1)	

2006 Source: Business First of Columbus, Inc.
Published on December 8, 2006

1997 Source: Columbus City School District Records

(1) - Information taken from Ohio Workforce Informer website as of December 2005 and December 1996, respectively. Web site sponsored by Ohio Department of Jobs and Family Services.

Columbus City School District
Demographic Statistics
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Franklin County Per Capita Income (2)</u>	<u>School Enrollment (3)</u>	<u>Franklin County Unemployment Rate (4)</u>
1997	506,284	26,143	63,368	2.90%
1998	513,696	27,950	64,248	2.70%
1999	522,637	29,425	65,054	2.50%
2000	523,871	30,419	64,339	2.50%
2001	533,603	31,527	64,859	2.40%
2002	540,173	32,036	63,948	2.80%
2003	550,518	33,465	63,628	4.40%
2004	557,507	34,152	62,884	4.70%
2005	566,157	35,542	60,425	5.40%
2006	572,513	37,914	57,827	5.30%

- Sources:
- (1) Based on 75% of City of Columbus population as estimated by the Mid-Ohio Regional Planning Commission for the calendar years 1996 through 1999, but reported for fiscal years 1997 through 2000, the U.S. Bureau of Census for calendar year 2000, but reported for fiscal year 2001, and the Mid-Ohio Regional Planning Commission for the calendar years 2001-2005 reported for fiscal years 2002-2006.
 - (2) Per capita income information is reported for calendar years 1996 through 2005 reported as fiscal years 1997 through 2006 using data provided in Franklin County's 2005 Comprehensive Annual Financial Report. Original source is Woods & Poole Economics, Inc.
 - (3) Columbus City School District enrollment records.
 - (4) Ohio Department of Job and Family Services, Bureau of Labor Market Information.

Columbus City School District
Number of Employees by Function
Governmental & Business-Type Activities
Last Five Fiscal Years

Fiscal Year (1)	2006	2005	2004	2003	2002
Governmental Activities:					
Instruction					
Regular	2,948	3,116	3,343	3,457	3,782
Special	1,121	1,101	1,046	1,034	983
Vocational	133	154	242	272	253
Other					
Support Services					
Pupils	657	688	838	841	632
Instructional Staff	1,392	1,383	1,414	1,327	1,359
Administration	574	573	630	642	600
Business & Fiscal	129	128	136	134	140
Operation of Maintenance of Plant	621	636	696	698	671
Pupil Transportation	603	586	637	609	670
Other	125	123	114	124	125
Enterprise Operations					
Extracurricular Activities	36	38	41	40	85
Construction	18	14	7	-	-
Other	18	56	84	71	76
Community Services	64	72	76	82	80
Total Governmental Activities Employees	<u>8,439</u>	<u>8,668</u>	<u>9,304</u>	<u>9,331</u>	<u>9,456</u>
Business-type Activities:					
Food Service	468	425	530	851	859
Adult and Community Education	67	134	135	146	145
WCBE Radio	14	17	16	14	17
Latchkey	83	112	120	126	100
Rotary - Special Services	-	-	-	-	-
Uniform School Supplies	-	-	-	-	-
Total Business-type Activities Employees	<u>632</u>	<u>688</u>	<u>801</u>	<u>1,137</u>	<u>1,121</u>
Total Primary Government Employees	<u><u>9,071</u></u>	<u><u>9,356</u></u>	<u><u>10,105</u></u>	<u><u>10,468</u></u>	<u><u>10,577</u></u>

Source: School District Personnel Records

(1) Fiscal year 2002 is the first year reported in accordance with GASB Statement No. 34 so the prior five years are not included.

**Columbus City School District
Building Statistics
Current Fiscal Year**

Building	Primary Use of Building	Year Built/ Renovated	2006
			Average Daily Membership
Alpine	Elementary School	1967	510
Arlington Park	Elementary School	1963	367
Avalon	Elementary School	1977	530
Avondale	Elementary School	1895	318
Beatty Park @ Eastgate	Elementary School	1954	107
Beck Urban Academy	Elementary School	1884	208
Berwick	Elementary School	1956	361
Binns	Elementary School	1957	284
Brentnell Alternative	Elementary School	1962	258
Broadleigh	Elementary School	1952	384
Burroughs	Elementary School	1921	483
Cassady	Elementary School	1964	362
Cedarwood	Elementary School	1965	438
Clinton	Elementary School	1922	311
Colerain	Elementary School	1975	175
Como	Elementary School	1954	360
Cranbrook	Elementary School	1957	315
Dana	Elementary School	1911	362
Deshler	Elementary School	1953	400
Devonshire	Elementary School	1963	513
Douglas	Elementary School	1976	257
Duxberry Park	Elementary School	1959	225
Eakin	Elementary School	1922	330
East Columbus	Elementary School	1920	224
East Linden	Elementary School	1911	224
East Pilgrim @ Pilgrim	Elementary School	1960	244
Easthaven	Elementary School	1968	341
Fair Alternative	Elementary School	1890	300
Fairmoor	Elementary School	1950	426
Fairwood	Elementary School	1924	473
Fifth Avenue Alternative	Elementary School	1976	258
Forest Park	Elementary School	1962	391
Gables	Elementary School	1976	290
Georgian Heights	Elementary School	1959	423
Gladstone	Elementary School	1965	189
Hamilton Alternative	Elementary School	1953	193
Heyl Avenue	Elementary School	1910	301
Highland	Elementary School	1894	398
Huy	Elementary School	1955	297
Indian Springs	Elementary School	1950	404
Innis	Elementary School	1975	368
Koebel	Elementary School	1964	215
Leawood	Elementary School	1960	334
Liberty	Elementary School	1975	541
Lincoln Park	Elementary School	1924	321
Lindbergh	Elementary School	1958	369
Linden	Elementary School	2004	537
Literature Based Alt @ Hubbard	Elementary School	1894	155
Linden Park	Elementary School	1975	208
Livingston	Elementary School	1890	246
Main Street	Elementary School	1960	158
Maize	Elementary School	1960	358
Maybury	Elementary School	1964	383
McGuffey	Elementary School	1963	238
Medary	Elementary School	1892	224
Moler	Elementary School	1963	177
North Linden	Elementary School	1950	323
Northtowne	Elementary School	1968	199
Oakland Park	Elementary School	1952	288
Oakmont	Elementary School	1966	313
Ohio @ Kent	Elementary School	1960	239
Olde Orchard	Elementary School	1960	451
Parkmoor Urban Academy	Elementary School	1966	259
Reeb	Elementary School	1908	246
Salem	Elementary School	1962	361
Scioto Trail	Elementary School	1927	274
Scottwood	Elementary School	1957	360

**Columbus City School District
Building Statistics
Current Fiscal Year - continued**

Building	Primary Use of Building	Year Built/ Renovated	2006 Average Daily Membership
Second Avenue	Elementary School	1874	244
Shady Lane	Elementary School	1956	258
Siebert	Elementary School	1976	243
South Mifflin	Elementary School	1952	272
Southwood	Elementary School	1894	268
Stewart	Elementary School	1874	278
Stockbridge	Elementary School	1959	229
Sullivant @ Franklinton	Elementary School	1952	225
Trevitt	Elementary School	1964	220
Valley Forge	Elementary School	1963	393
Valleyview	Elementary School	1957	365
Watkins @ Clarfield	Elementary School	1927	217
Weinland Park @ Hudson	Elementary School	1966	185
West Broad	Elementary School	1910	468
West Mound @ Watkins	Elementary School	1952	371
Westgate	Elementary School	1961	426
Windsor Academy	Elementary School	1959	296
Winterset	Elementary School	1968	269
Wooderest	Elementary School	1961	409
AIMS @ Everett	Middle School	1898	572
Barrett	Middle School	1898	344
Beery	Middle School	1957	431
Buckeye	Middle School	1962	659
Champion	Middle School	1909	284
Clinton MS	Middle School	1954	613
Crestview	Middle School	1914	398
Dominion	Middle School	1955	537
Eastmoor	Middle School	1962	572
Franklin Alt	Middle School	1975	583
Hilltonia	Middle School	1956	631
Indianola MS	Middle School	1927	369
Johnson Park	Middle School	1959	570
Linmoor	Middle School	1957	264
Medina	Middle School	1959	613
Mifflin MS (includes Welcome Center)	Middle School/ESL	1935	687
Monroe	Middle School	1963	520
Ridgeview	Middle School	1966	523
Sherwood	Middle School	1966	504
Southmoor	Middle School	1967	321
Starling	Middle School	1917	480
Wedgewood	Middle School	1965	614
Westmoor	Middle School	1958	586
Woodward Park	Middle School	1966	884
Yorktown	Middle School	1967	623
Beechcroft	High School	1974	822
Briggs	High School	1974	932
Brookhaven	High School	1961	960
Centennial	High School	1975	797
Columbus Alternative	High School	1926	611
East	High School	1922	826
Eastmoor Academy	High School	1954	763
Fort Hayes	High School	1976	605
Independence	High School	1975	937
Linden-McKinley	High School	1924	682
Marion-Franklin	High School	1951	1027
Mifflin	High School	1977	702
North (includes Welcome Center)	High School/ESL	1922	212
Northland	High School	1965	1203
South	High School	1922	639
Walnut Ridge	High School	1961	950
West	High School	1927	1030
Whetstone	High School	1961	1046
Africentric (K8/HS)	Kindergarten through 12th Grade	1952	781
Ecole Kenwood	Kindergarten through 8th Grade	1962	361

**Columbus City School District
Building Statistics
Current Fiscal Year - continued**

Building	Primary Use of Building	Year Built/ Renovated	2006 Average Daily Membership
Indianola ES	Kindergarten through 8th Grade	1908	354
Spanish Immersion (Beaumont)	Kindergarten through 8th Grade	1957	348
AG Bell	Elementary School - Special Programs	1967	57
Alum Crest HS	High School - Special Programs	1961	121
Clearbrook	Special Programs School	1957	92
North Education Center	Adult Education/Career Center	1922	339
North East Career Center	Career Center	1977	26
North West Career Center	Career Center	1977	24
Southeast (includes Welcome Center)	Career Center/ESL	1974	88
Kingswood Data Processing Center	Administration - Data Processing	1964	N/A
Neil Avenue Center	Administration	1941	N/A
Columbus Education Center	Administration	1974	N/A
Fifth Street Annex	Administration	1974	N/A
Hudson Street Distribution Center	Administration	1990	N/A
Northgate Center	Administration	1976	N/A
Shepard Service Center	Administration	1937	N/A
Sixth Street Annex	Administration	1968	N/A
Trades and Industry Center	Administration	1974	N/A
Maryland Park Center	Administration	1969	N/A
17th Avenue Service Center	Operation & Maintenance of Plant	1974	N/A
Smith Road Garage	Operation & Maintenance of Plant	1974	N/A
Scarboro Bus Compound	Pupil Transportation	1974	N/A
Morse Road Bus Compound	Pupil Transportation	1974	N/A
Fort Hayes Bus Compound	Pupil Transportation	1978	N/A

Note: Average daily membership is only provided for 2006. Information on fiscal years 1997 through 2005 has not been reported

The District elected to present buildings by type of use as this is the most relevant categorization of these capital assets.

N/A - Not applicable for non-instructional use facilities

ESL - English as second language

Source: School District capital asset records. Average daily membership amounts were obtained from the Ohio Department of Education website.

Columbus City School District
Operating Indicators by Function
 Current Fiscal Year

Function	2006
Governmental Activities	
Instruction	
Enrollment (Students)	59,621 (1)
Graduation Rate (2004/2005 Most Recent Available)	68.6% (2)
% of Students with Disabilities	14.6% (2)
% of Limited English Proficient Students	7.2% (2)
School Administration	
Student Attendance Rate	93.5% (2)
Business and Fiscal	
Nonpayroll Checks Issued	32,522 (3)
Payroll Checks Issued	3,829 (3)
Payroll ACHs and EFTs Issued	744,181 (3)
Operation and Maintenance of Plant	
District Acreage Maintained by Grounds Staff	120 (4)
Pupil Transportation	
Public School Students Transported	25,743 (2)
Non-Public School Students Transported	797 (2)
Community School Students Transported	2,080 (2)
Daily Bus Fleet Mileage	42,835 (2)
Business-Type Activities	
Latchkey	
Average Number of Students Enrolled	1,200 (5)
Food Service Operations	
Free Breakfasts Served	2,881,474 (6)
Reduced Price Breakfasts Served	232,915 (6)
Paid Breakfasts Served	646,444 (6)
Free Lunches Served	5,058,873 (6)
Reduced Price Lunches Served	486,993 (6)
Paid Lunches Served	1,471,038 (6)

Sources:

- (1) School District Enrollment Records
- (2) Ohio Department of Education website
- (3) School District Treasurer's Office Records
- (4) School District Building and Grounds Department Records
- (5) School District Latchkey Office Records
- (6) School District Food Service Records

Note: The amounts shown for breakfasts served are shown by eligibility category (free, reduced, full price), which are the amounts used for reimbursement purposes. However, each of the District's schools participated in the non-pricing breakfast program through the Ohio Department of Education, which means the breakfasts served are counted based on the students' eligibility categories but none of the students are charged for the breakfasts.

Information prior to fiscal year 2006 is not available.

Columbus City School District
Operating Statistics
Last Five Fiscal Years

Fiscal Year	(1) Total Governmental Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio
2002	\$664,048,617	63,948	\$10,384	N/A	5,386	11.9
2003	691,256,648	63,628	10,864	4.62%	5,327	11.9
2004	727,213,758	62,884	11,564	6.45%	5,245	12.0
2005	746,342,240	60,425	12,352	6.81%	4,588	13.2
2006	746,233,274	57,827	12,905	4.48%	4,324	13.4

Source: School District financial, enrollment, and personnel records.

(1) Fiscal year 2002 is the first year reported in accordance with GASB Statement No. 34, so the prior five years are not included.

Columbus City School District
Staff Level by Race and Sex in Full Time Equivalents
As of June 30, 2006

	Male		Female		Total	
	No.	%	No.	%	No.	%
Administration						
White	64.60	21.4	92.00	30.6	156.60	52.0
Black	51.99	17.2	91.00	30.2	142.99	47.4
Spanish	1.00	0.3	1.00	0.3	2.00	0.6
Asian	0.00	0.0	0.00	0.0	0.00	0.0
Indian	0.00	0.0	0.00	0.0	0.00	0.0
	<u>117.59</u>	<u>38.9</u>	<u>184.00</u>	<u>61.1</u>	<u>301.59</u>	<u>100.0</u>
Teachers						
White	726.46	17.0	2485.08	58.1	3211.54	75.1
Black	221.00	5.2	761.40	17.8	982.40	23.0
Spanish	11.00	0.3	30.60	0.7	41.60	1.0
Asian	7.00	0.2	25.00	0.6	32.00	0.8
Indian	1.00	0.0	4.00	0.1	5.00	0.1
	<u>966.46</u>	<u>22.7</u>	<u>3306.08</u>	<u>77.3</u>	<u>4,272.5</u>	<u>100.0</u>
Classified						
White	295.70	15.2	585.83	30.1	881.53	45.3
Black	464.92	23.7	587.04	30.1	1051.96	53.8
Spanish	0.71	0.0	1.71	0.1	2.42	0.1
Asian	5.75	0.3	6.49	0.3	12.24	0.6
Indian	1.00	0.1	2.00	0.1	3.00	0.2
	<u>768.08</u>	<u>39.3</u>	<u>1183.07</u>	<u>60.7</u>	<u>1,951.2</u>	<u>100.0</u>
Educational Aides						
White	25.62	2.9	408.54	46.2	434.16	49.1
Black	96.28	10.9	312.62	35.3	408.90	46.2
Spanish	4.00	0.5	23.00	2.6	27.00	3.1
Asian	2.00	0.2	11.50	1.3	13.50	1.5
Indian	1.00	0.1	0.00	0.0	1.00	0.1
	<u>128.90</u>	<u>14.6</u>	<u>755.66</u>	<u>85.4</u>	<u>884.6</u>	<u>100.0</u>
Total						
White	1112.38	15.0	3571.45	48.2	4683.83	63.2
Black	834.19	11.3	1752.06	23.6	2586.25	34.9
Spanish	16.71	0.2	56.31	0.8	73.02	1.0
Asian	14.75	0.2	42.99	0.6	57.74	0.8
Indian	3.00	0.0	6.00	0.1	9.00	0.1
	<u>1981.03</u>	<u>26.7</u>	<u>5428.81</u>	<u>73.3</u>	<u>7,409.8</u>	<u>100.0</u>

Source: School District personnel records.

Columbus City School District

Miscellaneous Statistical Data

As of June 30, 2006

Year of Incorporation:	1845
Form of Government:	School Board/President
Area of District:	120 square miles

Population: 572,513

Number of Schools

Elementary	86
K - 8	3
K - 12	1
Middle	26
High	18
Career Centers	4
Special Schools	<u>3</u>
	<u><u>141</u></u>

Average Daily Membership (1)

Elementary	27,015
K - 8	1,063
K - 12	781
Middle	13,182
High	14,744
Other	<u>1,042</u>
	<u><u>57,827</u></u>

Number of Teachers, Levels of Degree and Years of Experience

<u>Degree</u>	<u>Education</u>	
	<u>Number of Teachers</u>	<u>% of Total</u>
Bachelor's Equivalent	29	0.67%
Bachelor of Arts	705	16.30%
Bachelor's + 30	1,056	24.42%
Master's	1,963	45.40%
Master's + 30	523	12.10%
Doctorate	<u>48</u>	<u>1.11%</u>
TOTAL	<u><u>4,324 (2)</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Experience</u>	
	<u>Number of Teachers</u>	<u>% of Total</u>
0 - 5	1,552	35.88%
6 - 10	1,045	24.17%
11 - 15	551	12.74%
16 - 20	587	13.58%
21 - 25	226	5.23%
26 - over	<u>363</u>	<u>8.40%</u>
TOTAL	<u><u>4,324 (2)</u></u>	<u><u>100.00%</u></u>

(1) This schedule reflects average daily membership, while the amounts on pages S-26 and S-31 reflect total enrollment.

(2) This schedule reflects the actual number of teachers, while the schedule on Page S-33 is based upon full time equivalents resulting in the difference in the number of teachers.

Sources: School District personnel and capital asset records. Average daily membership amounts were obtained from the Ohio Department of Education website.





Mary Taylor, CPA
Auditor of State

COLUMBUS CITY SCHOOL DISTRICT

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 22, 2007**